

AI Can Already Outperform Even Your Smartest Hire – Here's What You Need to Set Your Dream Team Apart

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Key Takeaways

- With AI surpassing human intelligence in many domains, the value of emotional intelligence, or EQ, in the workforce is rising as a key differentiator.
- High-EQ teams can navigate and flourish in dynamic market conditions, fostering lower turnover, faster pivots and stronger collaboration.
- Hiring for EQ is critical for founders and leaders, ensuring that their teams not only excel in technical skills but also in empathy, adaptability and communication.

Artificial intelligence is eating its way up the skills ladder. What started with the automation of repetitive tasks has now moved into areas like data analysis, market forecasting and even creative ideation. With the advent of agentic AIs, AI processes will percolate even deeper across organisations and more sectors, reducing the need for human labour. AI's raw processing power can outthink us already and we're barely scratching the IQ frontier of AGI/ASI.

Being blunt, IQ in less than a decade will be commoditized.

This is a profound shift for founders and leaders. If software can already outperform in quality and speed your “smartest” hire, what qualities will set your dream team apart?

The answer: emotional intelligence (EQ).

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Why IQ alone no longer wins

For decades, companies hired for IQ. I remember during my banking days, when we'd be interviewing MBA graduates for potential roles; solid GMAT, GPAs and psychometric testing dominated the hiring process. Elite schools, perfect test scores and razor-sharp technical ability were considered foolproof indicators of success. But now, even the most intelligent employee is competing with tools that don't sleep, don't burn out and can absorb terabytes of information in seconds. And we've barely scratched the surface of where AI is headed over the long term.

The cost of accessing such intelligence is dropping at profound rates. This means access won't be an issue. Therefore, the future advantage won't belong to teams that simply think harder; it will belong to teams whose members exhibit ownership, humility, see over the horizon and creatively assimilate with the higher intelligence that looms.

What EQ actually means in business

EQ is the ability to understand and manage your own emotions while navigating and influencing the emotions of others. It's about connection and collaboration rather than pure computation. Key EQ traits include:

Empathy: The ability to understand your customer's pain points.

Self-awareness: Identifying your blind spots and/or biases.

Adaptability: Keeping your ego in check and the ability to execute on needed change.

Conflict resolution: The ability to identify conflicts early and resolve issues before they snowball.

Communication: Inspiring a team, rather than just delegating tasks.

AI can diagnose a market problem. It can't, however, walk into a room of exhausted employees and re-inspire them to keep building (yet). This is where our edge (i.e EQ), as a species, comes in.

The culture multiplier effect

Hiring for EQ is about much more than team harmony. It directly impacts business outcomes:

Faster pivots: High-EQ teams don't get paralysed by sudden market shifts. And we know a thing or two about pivots.

Lower turnover: People stay longer when they feel understood and valued.

Stronger collaboration: Teams with high EQ share information and ideas instead of hoarding them. Silos can be toxic to corporate development.

Customer success: Teams who value empathy create experiences that resonate, not just products.

Culture, often dismissed as "soft," is in reality the hardest competitive advantage to copy.

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Does EQ-led leadership really work?

Some of the best-known business turnarounds were powered by EQ:

Satya Nadella's transformation of Microsoft wasn't just technical; it was a total cultural rewiring. His emphasis on empathy, learning, humility and growth mindset revitalised the company.

Howard Schultz at Starbucks built a global brand by prioritising emotional connection – with both customers and employees. I prefer Pret, but the point stands.

I've seen startups implode despite brilliant ideas and top-tier IQ, simply because the founders lacked the ability to manage conflict or communicate effectively. On the flip side, I've watched less "technical" teams dominate their industries by rallying around a shared vision and high-trust culture.

How founders can hire for EQ

Ask behavioral questions: Instead of only testing technical knowledge, ask about the hardest failure they've overcome or how they resolved a team conflict.

Look for empathy: Can they see things from a user's or colleague's perspective?

Assess communication skills: Can they explain complex ideas clearly and calmly under pressure?

Prioritise collaboration over ego: Watch how candidates talk about past teams. Do they share credit or claim it all?

Importantly, as the head of your company, ask yourself, "Would I work for this person someday?" Don't take it from me, but arguably one of the most prolific entrepreneurs of our time, Mark Zuckerberg, agrees. And remember, it's not that he

doesn't value IQ; in fact for his AI super-intelligence team, he has spent over a billion dollars.

However, a single low-EQ hire, at a higher rank, can quietly poison a company culture. Founders should treat EQ as non-negotiable for leadership roles – and a serious consideration for every role.

Cultivating EQ inside your startup

Even if you hire smartly, you need to build an environment where EQ can thrive:

Lead with vulnerability: Admit when you don't have all the answers – it gives your team permission to do the same. Ownership of tasks is of equal importance as ownership of one's mistakes.

Create feedback loops: Normalize open and constructive feedback.

Reward soft skills: Honor the teammate who mentors others, not just the one who hits technical milestones.

Invest in training: If your operating cash flows allow it, invest in workshops on communication and conflict resolution.

Related: Why More 'Emotional Intelligence' Means More Money for Entrepreneurs

The future edge

As AI continues to handle the "thinking," what will remain unique to humans (*for now*) is our ability to be creative and care. Businesses that win will be those that can balance technical horsepower with emotional depth.

While intelligence can help you build a product, emotional intelligence will help you build a company. In the age of AI,

that distinction is everything.

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