

How to increase the value of your brain

10 Personal income tips

Wages and employment

Changes in supply or demand

Predicting wages and employment

Intellectual intelligence (IQ)

Emotional intelligence (EQ)

You need to be able to ...

1. **Explain how to grow and safeguard personal income**
2. **Explain an existing level of employment and wages in a particular job market**
3. **Predict the direction of employment and wages in a particular job market**
4. **Explain the components of intellectual intelligence (IQ) and why it is and isn't important**
5. **Explain the components of emotional intelligence (EQ) and how to improve it**



Will you even have a job in 20 years?



See also a McKinsey Consulting Report here:

http://www.mckinsey.com/insights/business_technology/four_fundamentals_of_workplace_automation

10 personal income tips



1. Choose jobs that fit the economy



2. Choose jobs that fit your personality



3. Emotional intelligence (EQ) beats IQ



Dr Shepherd
Grey's Anatomy

4. Build agility with education and training



5. Understand and adapt to the employer



6. 'Sell' your labour to employers



7. Be loyal and patient with good employers



8. Do your 'time' politely with bad employers



9. Work as though you already have a pay rise



10. Be prepared for change



Wages and employment



Defining a job market

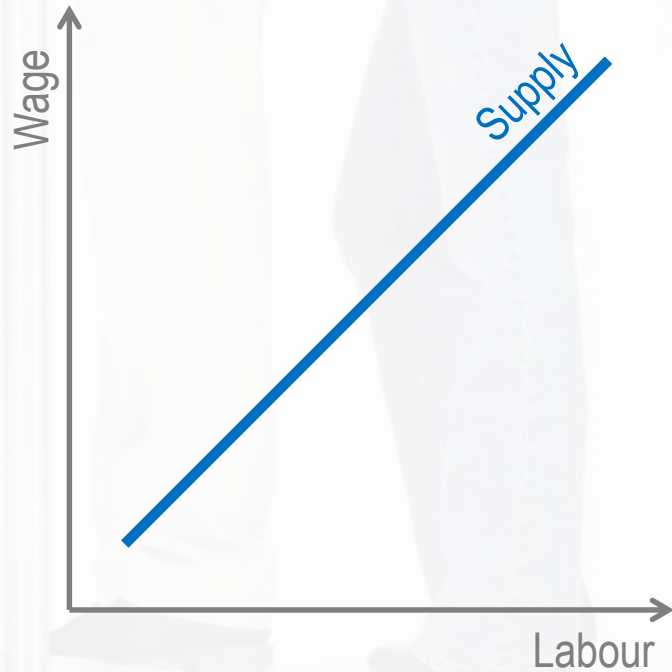
Narrow enough to recognise skills required

Broad enough to recognise people can move in and out

Examples:

1. **Primary school teachers**
2. **University qualified mining engineers**
3. **Accountant with audit experience**
4. **Digital graphic designers**
5. **Multimedia production**

Supply of labour to a job market



If wages for a particular job market rises and nothing else changes then workers supply more labour

Relatively more attractive than other job markets (more job seekers)

Relatively more attractive than leisure (existing labour work more)

Demand for labour in a job market

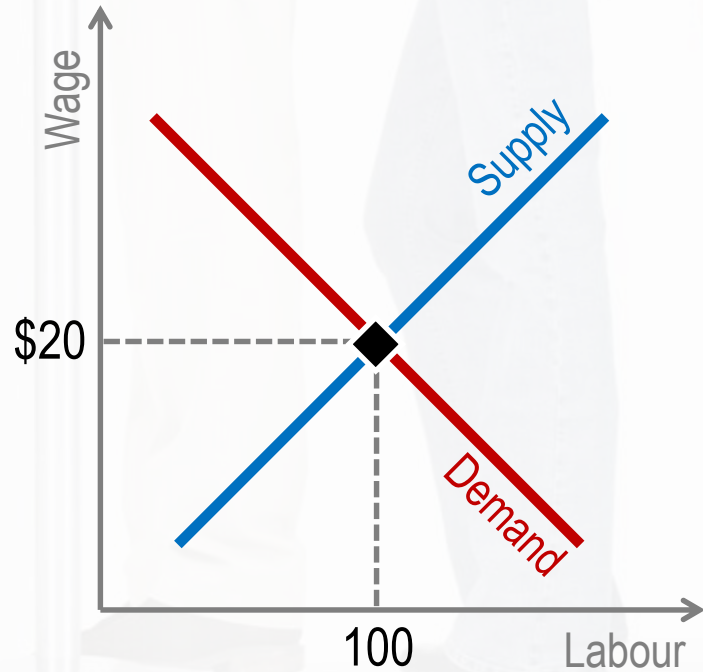


If wages rise and nothing else changes then organisations demand fewer workers

Automation becomes relatively more attractive than labour

Higher wages increase costs which increase prices which results in fewer sales and so fewer labour is needed

Average wage and employment



The market should operate where supply = demand

Average wage = \$20 per hour

Employment = 100,000 people

Often it doesn't quite operate so nicely!

1. Unions can push wages above supply = demand

This might sound good but it results lower employment

2. People aren't willing to take a cut in pay

Taking a pay cut results in loss of self-esteem ... wait for better offer!

3. People are slow to move to a different job market

It involves 'writing off' years of experience and knowledge

4 implications of supply and demand

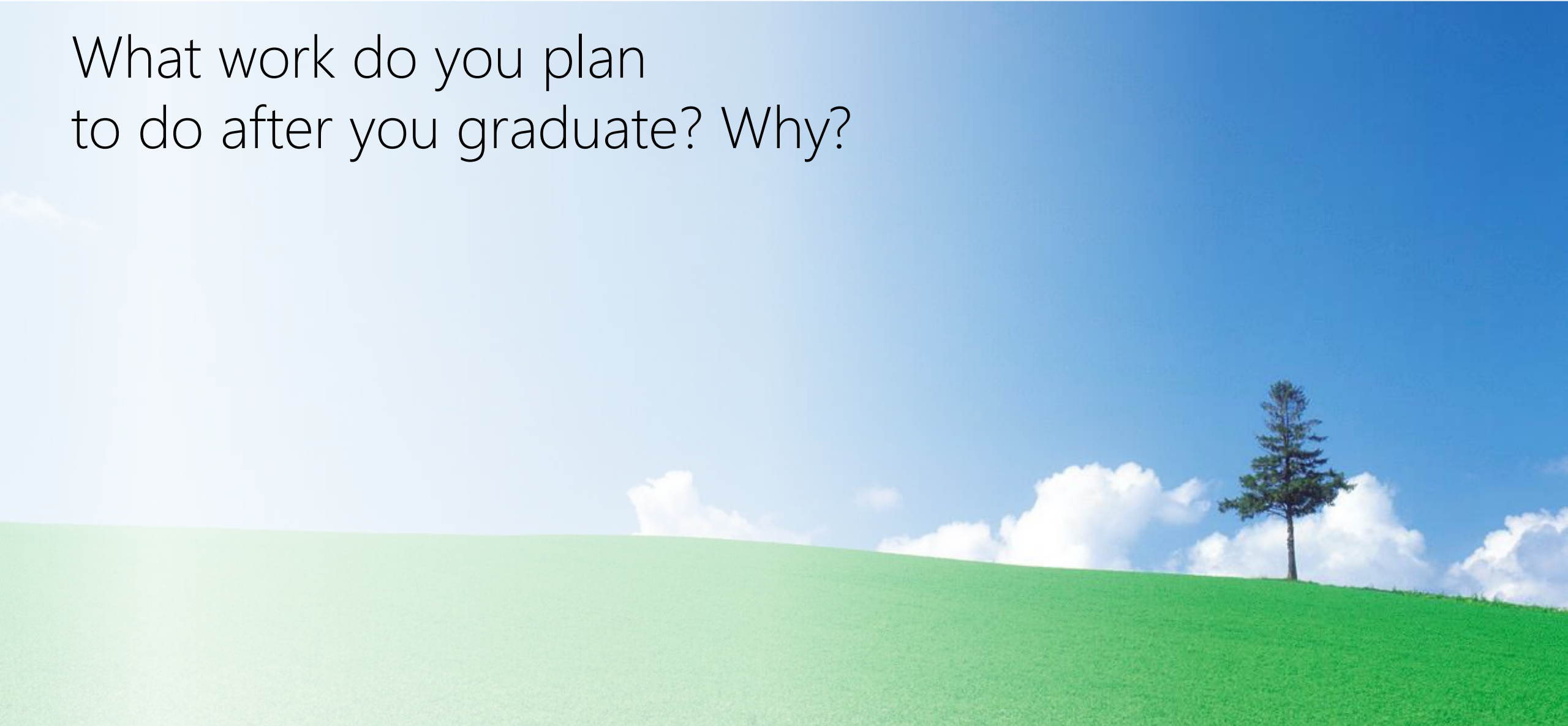
- 1. They affect your personal income growth in both the short-term (1 year) and long-term (5+ years)**
- 2. They determine whether you may be unemployed for a significant period of time**
- 3. They are important in wage negotiations for a new job**
- 4. They are important for pay-rise negotiations in an existing job**

Changes in supply or demand

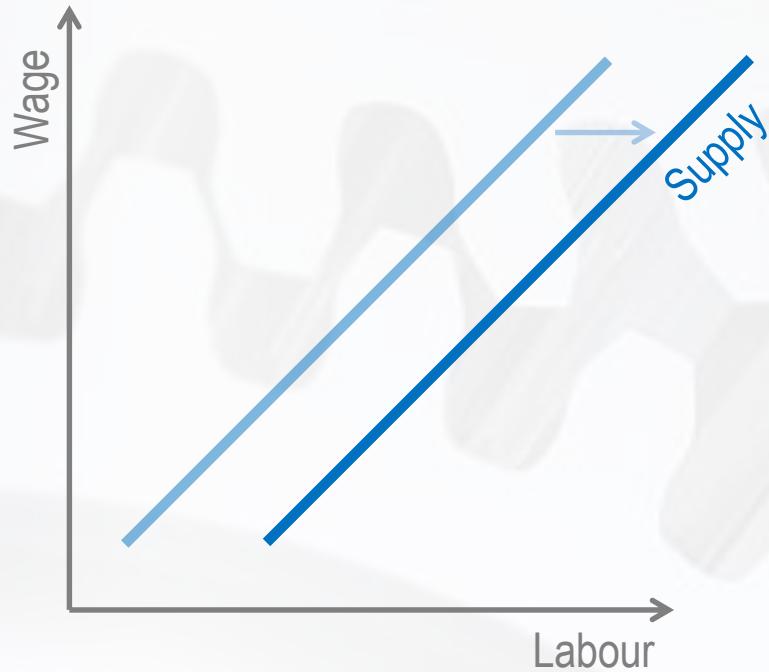


Think and discuss

What work do you plan to do after you graduate? Why?



Increase in the supply of labour



If any non-wage factor induces more workers to supply labour then shift the entire supply curve right

Access to offshore workers, Education and training of new workers

Unemployment in other job markets, Migration of skilled workers

Increase in the demand for labour



If any non-wage factor induces organisations to demand more workers then shift the entire demand curve right

Higher customer demand for final product or service

Higher costs of automating a job using machinery or software

Lower non-wage costs

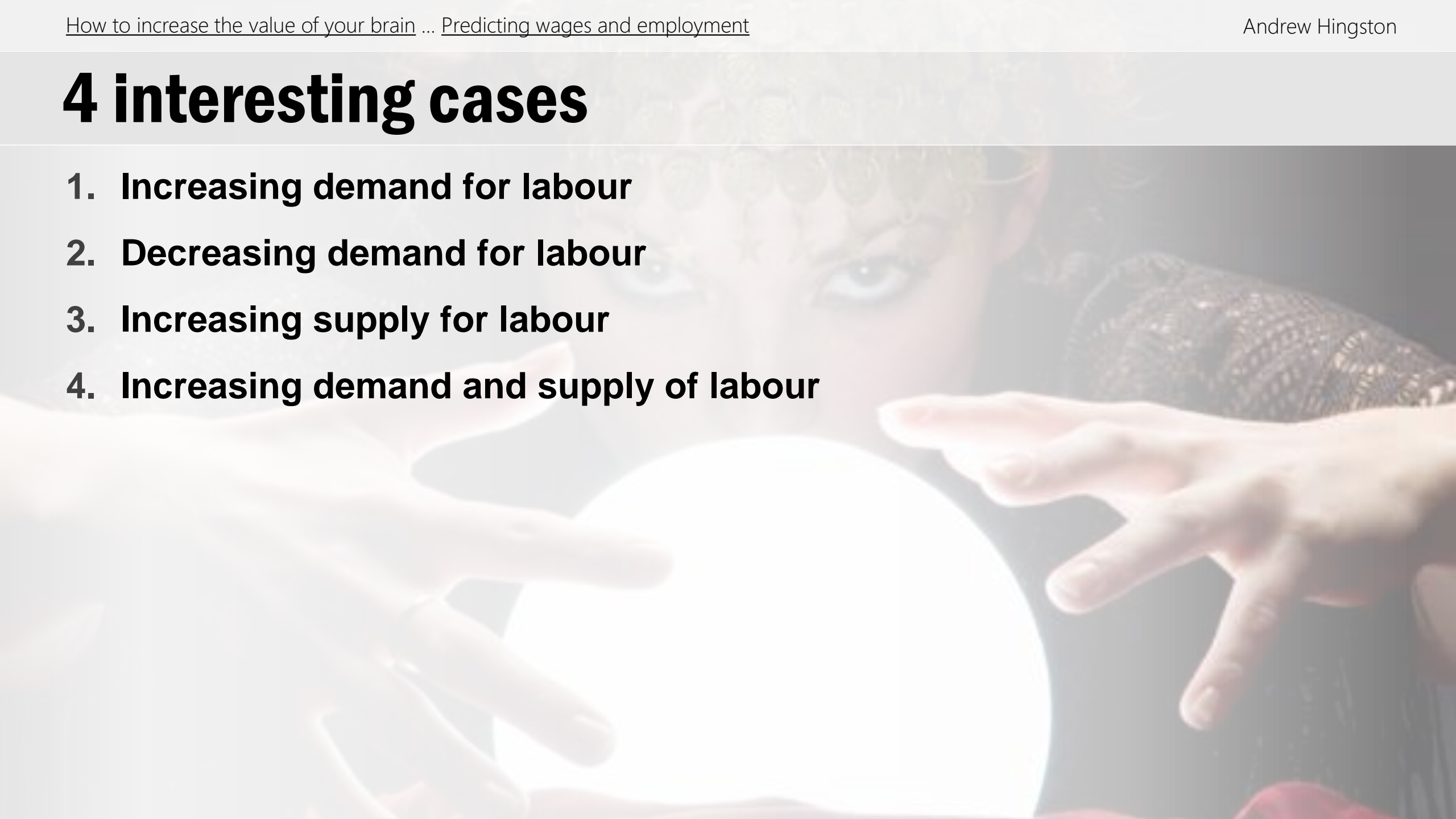
Higher expected future company profits

Predicting wages and employment



4 interesting cases

1. **Increasing demand for labour**
2. **Decreasing demand for labour**
3. **Increasing supply for labour**
4. **Increasing demand and supply of labour**



Case 1: Increasing demand for labour



Higher demand for labour from a non-wage factor

Such as higher customer demand for final product or service

Upward pressure on wages and employment

Ask for a pay increase or promotion to manage new employees

Case 2: Decreasing demand for labour



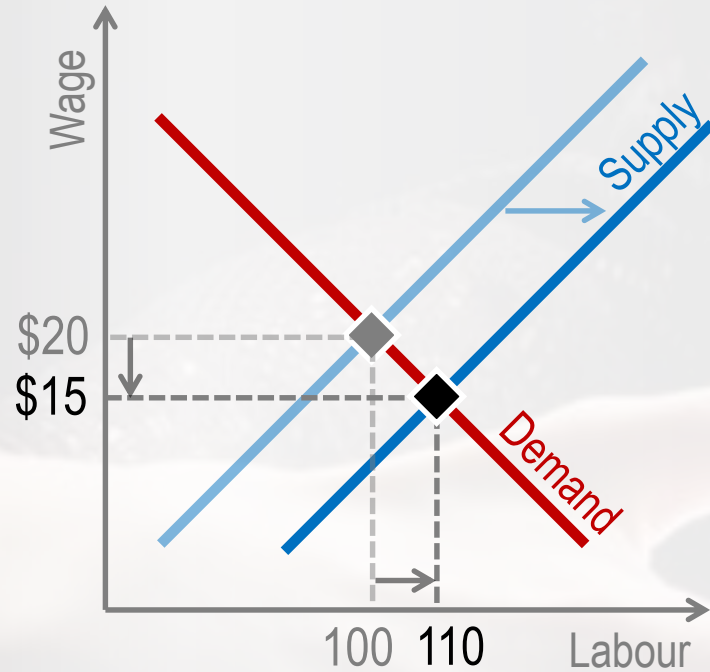
Lower demand for labour from a non-wage factor

Such as legislation that increases costs of dismissing bad employees

Downward pressure on wages and employment

Re-skill and change job markets

Case 3: Increasing supply of labour



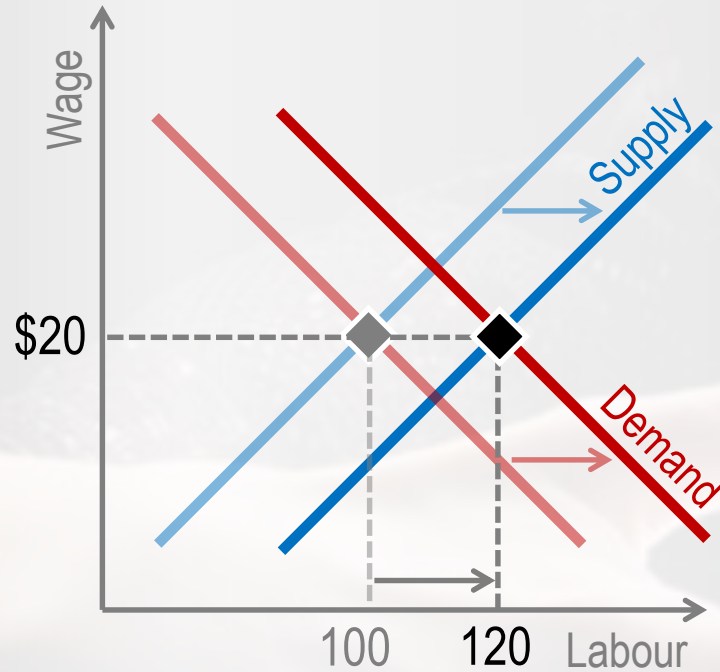
Higher supply for labour from a non-wage factor

Such as more available off-shore labour

Downward wage and upward employment pressure

Pursue management position or re-skill and change job markets

Case 4: Increasing demand and supply of labour



Higher supply and demand for labour

Such as higher expected profits and more university graduates

Stable wages and upward employment pressure

Pursue management position or re-skill and change job markets

Look for job markets ...

- 1. Difficult to become qualified or experienced**
- 2. Difficult for organisations to off-shore jobs**
- 3. Organisations have high profit margins**
- 4. Strong demand for final product or service**
- 5. Skills are transportable to different job markets**

Q1: Rate job markets from 1 (bad) to 5 (good)

- A. Difficult to become qualified or experienced
- B. Difficult for organisations to off-shore jobs
- C. Organisations have high profit margins
- D. Strong demand for final product or service
- E. Skills are transportable to different job markets

	Job market	A	B	C	D	E	Total
1	General practitioner (G.P.)						
2	Oncologist (doctor for cancer)						
3	Primary school teacher						
4	High school teacher						
5	Smartphone app programmer						
6	IT systems consultant						
7	Your job market ...						

No answer provided

Intellectual intelligence (IQ)



What is intellectual intelligence?

1. **Reading speed and comprehension**
2. **Written communication skills**
3. **Numeracy and quantitative skills**
4. **Perception of images and spaces**
5. **Pattern recognition**
6. **Logic**
7. **Memory**
8. **General knowledge**
9. **Ability to learn new concepts**

3 reasons IQ does not matter

1. **People who say it matters are not from industry**
2. **Employers value emotional intelligence (EQ)**
Increases expected performance and fewer risks on team harmony
3. **Employers value job specific experience**
Decreases risk of low productivity + learning new role faster

6 reasons why IQ does matter

- 1. Allows you to learn new things quickly**
- 2. Required for ongoing education and training**
- 3. More likely read and be exposed to more ideas**
- 4. A source of 'expert power' as a manager**
- 5. Analyse and learn from experiences**
- 6. Low IQ can limit growth in emotional intelligence (EQ)**

Tips for improving IQ

Use it or lose it!

1. **Commit to ongoing challenging education**
2. **Do a 'Speed Reading' course and read widely**
3. **Do a 'Memory' course and practice using the skills**
4. **Play intellectual puzzle games**
5. **Foster friendships with intelligent people (Mensa)**
6. **Get enough sleep (usually 7-8 hours)**
7. **Exercise regularly**
8. **Avoid recreational drugs**
9. **Avoid stupid TV programs and computer games**

People at work think you are smart when ...

- 1. You are doing your second master's degree**
- 2. You can read a one page document in 10 seconds**
- 3. You can remember names and numbers**
- 4. You have fun with puzzles during your lunch break**
- 5. You are bright and alert during meetings**
- 6. You speak more quickly than normal (and clearly)**
- 7. You are physically in good shape**

Q2: Intellectual intelligence

- a) How would you rate your IQ from 1 to 5 on:**
 - A. Reading speed and comprehension**
 - B. Written communication skills**
 - C. Numeracy and quantitative skills**
 - D. Memory**
 - E. General knowledge**
- b) Identify some specific ways that you can improve each of these components of IQ over the next year.**
- c) Identify one other close friend or family member who can help you with your journey.**

No answer provided

Emotional intelligence (EQ)



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Think and discuss

Of all your friends ...

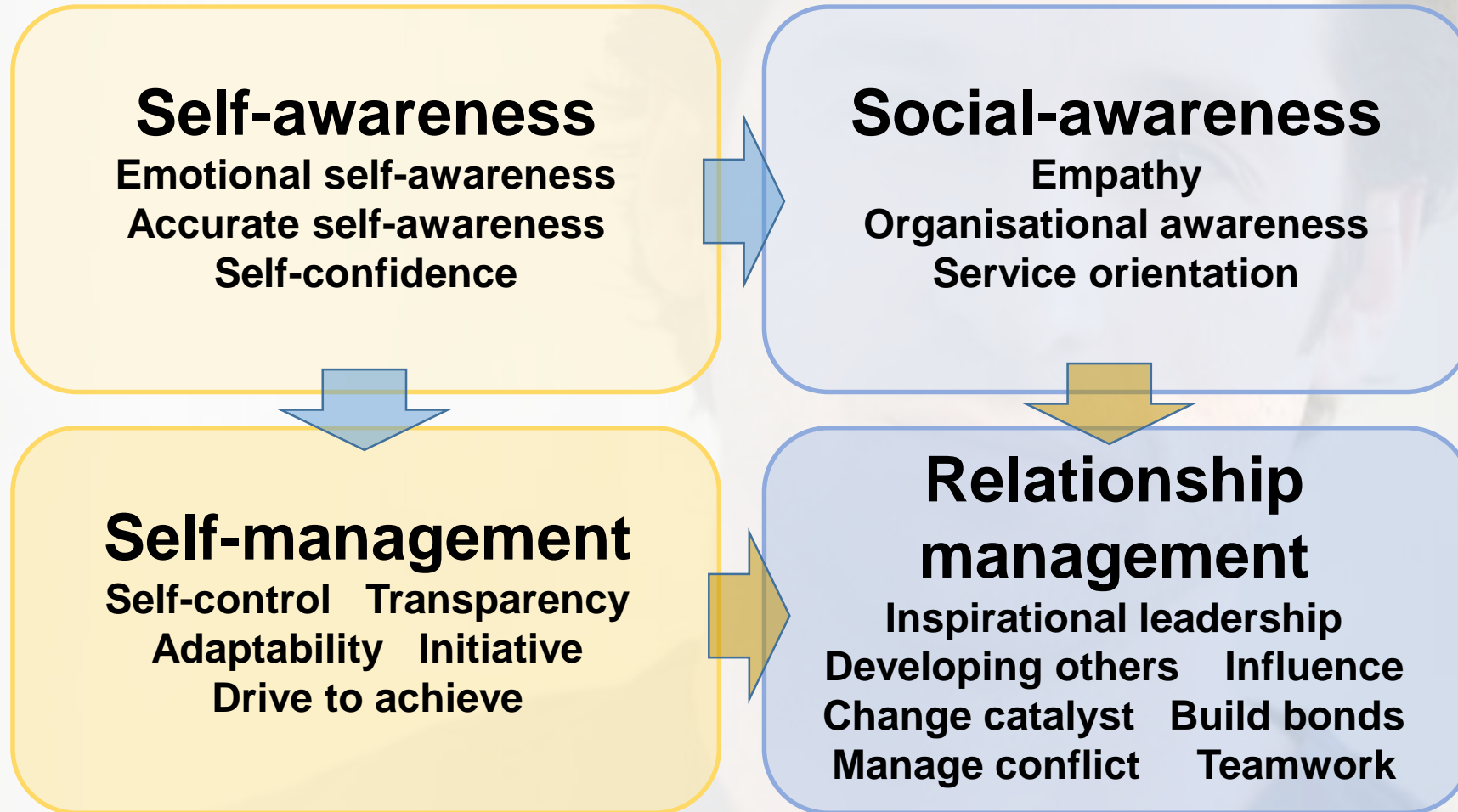
Who do you think has the
Best 'people skills'?

Who has the highest level
of personal drive and discipline?

Why do you think
they are like this?

What is emotional intelligence?

Popularised by Daniel Goleman



Why does EQ matter?

- 1. Better performance at study**
- 2. Better performance at work**
- 3. Better relationships**
- 4. More sustainable study / work / relationships**
- 5. Likelier happier with study / work / relationships**

How to improve self-awareness?

1. **Recognise that it is a life-long journey**
2. **Read self-help books on understanding yourself**
3. **Reflect on a range of personality tests**
 - Jung Typology Test
 - Myers-Briggs Type Indicator
 - Humm-Wadsworth Temperament Scale
4. **Become an 'observer' of your own thoughts**
5. **Schedule 'quiet time' into each day for reflection**

How to improve self-management?

- 1. Recognise that it is a life-long journey**
- 2. Read self-help books on motivation**
- 3. Practice doing good things you don't feel like doing**
- 4. Foster honesty and openness with trusted friends**
- 5. Put yourself in situations that will force adaptability**
- 6. Identify solutions to problems and offer to help**
- 7. Practice setting goals and striving to achieve them**
- 8. Become an 'observer' of your own behaviour**

How to improve social awareness?

1. **Recognise that it is a life-long journey**
2. **Read self-help books on communication skills**
3. **Practice listening skills and empathy**
4. **Learn assertive and polite communication**
5. **Get involved in extra-curricular activities**
6. **Become an 'observer' of other people's behaviour**
7. **Become a 'predictor' of other people's behaviour**

How to improve relationship management?

- 1. Recognise that it is a life-long journey**
- 2. Read self-help books on leadership and management**
- 3. Practice managing teams of people**
- 4. Practice public speaking**
- 5. Learn and practice influencing skills**
- 6. Get involved in extra-curricular activities**
- 7. Become an 'influencer' of other people's behaviour**

Common mistakes that block growth in EQ

1. **Lack of awareness of the concept**
2. **Poor levels of self and social awareness**
3. **Thinking personality tests don't apply to 'individuals'**
4. **Focusing on marks (IQ) to the detriment of EQ**
5. **Being imprisoned by past events and experiences**
6. **Avoiding seeking advice from a psychologist**
7. **Thinking that personality cannot change for the better if you work on improving it** (neuroplasticity)
8. **Thinking that personality cannot change for the worse if you make poor choices** (neuroplasticity)

Q3: Emotional intelligence

- a) How would you rate yourself from 1 to 5 on:**
 - A. Self-awareness**
 - B. Self-management**
 - C. Social-awareness**
 - D. Relationship management**
- b) Identify some specific ways that you can improve each of these components of emotional intelligence over the next year.**
- c) Identify one other close friend or family member who can help you with your journey.**

No answer provided