

# Emerging Leaders in Australia –

What are the characteristics of successful Emerging Leaders (or High Potential Individuals) in today's business environment

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# New Research on Emerging Leaders in Australia

## About the Emerging Leaders Study

The current research has been undertaken by Steps Leaders, Peter Berry Consultancy and Hogan in order to identify the characteristics of successful Emerging Leaders (ELs) in today's business environment in Australia. These ELs are regarded as High Potential Individuals.

The ELs consist of 112 people who have been identified by their organisations as being strong performers in their current role, with the potential to be fast-tracked as future leaders. From the current research piece a full profile of a typical Emerging Leader will be obtained, which will enable organisations to better understand the behavioural preferences, development needs, characteristics, values and motivators of a contemporary Emerging Leader. The objective was to have a number of small, medium and large organisations participate in the current study to obtain a cross section of Australian data.

## Our Executive Summary of the Key Findings is as follows:

1. The ELs are indeed leaders. They have a profile stronger than mid ranking managers and one approaching executive status.
2. The ELs have plenty of executive drive which is about confidence, competitiveness, leadership, networking and winning. They also have a keen interest in business and finance.
3. The ELs have strong personalities and will exude some executive 'presence'. They have strong egos, have colourful personalities, and like opportunities for self display and promotion.
4. The ELs scored highly for innovation and vision. They are capable of continuous improvement, thinking outside the square, and are interested in taking chances. At the same time they have a conservative, careful streak, 'better to be safe than sorry'. This can make them both adventurous and responsible.
5. The ELs have very strong people skills. They enjoy human interaction, networking, relationships and care about others' feelings. They should do well in leading teams and customer relationships. They may be too nice to the point of avoiding conflict and putting off difficult conversations.
6. The ELs are emotionally resilient. They are stable, composed, cool and calm. They can stay cool under pressure. They will be there for the key relationships without needing much private time to cope with stress.
7. The ELs have high emotional intelligence (EQ). It's the strong combination of people skills and emotional resilience that produces this admirable trait.
8. The ELs are very loyal people. They really want their organisations to succeed, they want their boss to be happy, they sometimes don't say 'no' when they should, and can be reluctant to 'rock the boat'.
9. The ELs prefer science to the arts. They are at their best when involved with analysis, investigation, problem solving, research, and will tend to be detail oriented and conscientious. They prefer functionality over appearance.
10. The ELs will typically be great team players. They do not have an independent streak involving arrogance or passive aggressive behaviour. They will be positive contributors to a game plan.
11. The ELs are overwhelmingly satisfied with their jobs, their employers and their industries. There appears to be a very good fit. This is a likely indicator of retention.

Now that we know what the ELs' profile looks like, some key challenges for organisations emerge:

1. How do you source and identify ELs?
2. How do you stretch, challenge and motivate the ELs?
3. How do you talent manage their progress?
4. How do you map their careers?
5. How do you retain them?

Now that we know that the ELs have strong skills in relationship management and that they can be quite interested in strategic planning around improvement and growth, the challenge is to get them working more 'on' the business and less 'in' the business. Organisations will prosper when their ELs work less 'in' the business by prioritising work, delegating and taking on more value-adding activity. They should map the key relationships that need to be worked and create opportunities to work on improving the culture and growing the business. The ELs have such a strong profile that they should be pushed into using more of their EQ, on top of their IQ, and working more 'on' the business.

## About Steps Leaders

Steps Leaders is in the business of expanding organisational talent pool by developing new and emerging leaders. In business for over 15 years, more than 1,000 professionals have turned to Steps for experiential leadership development and career planning they could not find anywhere else. New managers, senior executives and board directors planning the next step in their career have all turned to Steps to enhance their leadership capabilities and map their future career paths.



Steps offers a range of leadership programs that focus specifically on the behavioural aspects of leadership and management, enabling individuals to leverage their skills to build on existing leadership capabilities and perform at the next level. By participating, individuals are provided an environment and opportunity to accelerate the leadership learning process in a secure and confidential environment. Coupled with individual career coaching, each program takes individuals on a journey of self-awareness and provides them with practical strategies to realise their true potential.

Steps delivers their programs on a customised basis for clients seeking a unique and effective approach to:

- § Expanding their talent pool of future leaders
- § Supporting retention and development strategies for existing talent
- § Targeted succession and career planning across pre-executive employee bands

For further information, contact Gillian O'Mara on (02) 9922 7099 or visit [www.steps-programs.com](http://www.steps-programs.com)

## About Peter Berry Consultancy

Peter Berry Consultancy is a multidisciplinary consulting organisation specialising in profiling and consulting services that make a real difference in leadership, business planning, people and culture.



Peter Berry Consultancy has been operating since 1990 working with blue-chip organisations including Toyota, Coca-Cola, Nestlé, Toll, General Electric and Qantas. Peter Berry Consultancy has strong linkages with the Melbourne Business School and The Executive Connection. Peter Berry consultancy represents Hogan in Australia and has undertaken research projects on Leadership, Employee Engagement Customer Service and Safety.

The Consultancy specialises in making a real difference with hands-on consultants who can add real value. They like to measure organisational fitness and then work to improve the performance. The 360 feedback tool is Hogan compatible and explains what behaviours are seen at work. The Employee, Safety and Customer Surveys are powerful measures of culture and performance and can be used in business planning. For more information, visit [www.peterberry.com.au](http://www.peterberry.com.au)

## About Hogan

Hogan is an international research-based consulting firm that uses personality assessments to help organizations select employees and develop leaders. Because of its proven ability to predict employee performance, the Hogan Personality Inventory is considered the industry standard for measures of normal personality. The Hogan Development Survey is a validated survey that assesses characteristics associated with derailment and managerial dysfunction. The Hogan Motives Values Preferences Inventory looks at people's core values and drivers essential for organisation and cultural fit.



Hogan has worked with more than 1,500 companies worldwide and has performance data for more than 400 jobs, ranging from customer service roles to CEO. Hogan assessments are used by over 50 percent of the Fortune 500 companies, 75 percent of which are multi-national organisations. The assessments are also used by BHP, Qantas, Ingeus, BP, Maggie Beer, Minter Ellison, Sydney Water, Harvey Norman, Blue Star Print, Challenger, Mars, Sara Lee, Melbourne Business School and The Executive Connection. For more information, visit [www.hoganassessments.com](http://www.hoganassessments.com)

Hogan has three primary inventories:

- the Hogan Personality Inventory ('The Bright Side of Personality')
- the Hogan Development Survey ('The Dark Side of Personality')
- the Motives, Values, Preferences Inventory ('The Inside of Personality')

### The Hogan Personality Inventory (The Bright Side)

We define the Bright Side using the Hogan Personality Inventory. The HPI is an inventory of normal personality, based on the Five Factor Model, developed with employed adults, and designed to predict career success. The HPI has been used to study every job in the U.S. economy, and rests on an archival database of over 3,000,000 cases. It is available in more than 30 languages. There is a well-defined HPI profile of successful business leadership. Table One describes and defines the scales of the HPI.

**Table One: HPI Scale Definitions**

Scale Name	Definition
Adjustment	Composed, even-tempered, handles pressure well or anxious, worried, moody and easily irritated
Ambition	Competitive, leader-like, self-confident, career focussed or laid back, socially retiring, lacking confidence, struggling
Sociability	Needs or enjoys social interaction, outgoing, talkative, easily approachable or independent, withdrawn and socially reactive
Interpersonal Sensitivity	Perceptive, tactful, warm, sensitive, agreeable or cold, tough, critical, socially withdrawn and task focussed
Prudence	Conscientious, conforming, rule-compliant, reliable or flexible, open-minded, impulsive, non-conforming and risk-taking
Inquisitive	Creative, inventive, full of ideas with a broad range of interests or has very focussed interests, is pragmatic, detail focussed
Learning Approach	Takes pleasure in learning, enjoys staying up to date on business/technical matters or prefers hands on, practical learning

## The Hogan Development Survey (The Dark Side)

The Dark Side refers to peoples' interpersonal style when strengths become weaknesses in times of frustration. We define the Dark Side in terms of the Hogan Development Survey. The HDS is the result of our research on leadership, and is designed to assess characteristics associated with managerial derailment and leadership dysfunction. There is a well-defined HDS profile of successful business leadership. Table Two describes and defines the scales of the HDS.

The Dark Side profile provides unique insights into strengths that have crossed the line to become weaknesses. For ELs, careful examination of the individual scores is necessary so that through awareness and self management the positives never become negatives. In the HDS reports we tend to look at scores in the 90s as being incredibly powerful, but at the same time at a higher risk of impacting negatively on relationships with others. Strengths that are used excessively can backfire at times.

There are three themes that run through this profile. Where there are high scores on four or more of the first five scales (see table below) there is likely to be a 'moving away' syndrome. This syndrome is about shutting down from others to cope with pressure. People have a unique range of techniques and tricks to zone out, put a bubble around themselves, or create distance between themselves and others. People shut doors, do field visits or work from home. Others will see them as uncommunicative or distant. This can be the profile of a 'loner'.

The next four scales typically have high elevations for private sector executives. It's about forceful personalities with dreams and agendas. This is the profile of a 'leader'. The last two scales relate to high quality, meticulous work and unbridled loyalty. It's a profile of someone who makes things happen, often a good 2IC. This can be the profile of a 'doer'.

**Table Two: HDS Scale Definitions**

Scale Name	Definition
Excitable	Concerns seeming moody and hard to please, being enthusiastic about new persons or projects and then becoming disappointed with them
Sceptical	Concerns seeming cynical, mistrustful, and doubting the true intentions of others
Cautious	Concerns the tendency to be conservative, careful, concerned about making mistakes, and reluctant to take initiative for fear of being criticised or embarrassed
Reserved	Concerns the tendency to keep to oneself, to dislike working in teams or meeting new people, and to be indifferent to the moods and feelings of others
Leisurely	Concerns seeming independent, refusing to be hurried, ignoring other peoples' requests, and becoming irritable if they persist
Bold	Concerns seeming unusually self-confident, having strong feelings of entitlement, and being unwilling to admit mistakes, listen to advice, or attend to feedback
Mischievous	Concerns seeming to enjoy taking risks and testing the limits, being easily bored, and seeking excitement
Colourful	Concerns seeming lively, expressive, dramatic, and wanting to be noticed
Imaginative	Concerns seeming to act and think in creative and sometimes unusual ways
Diligent	Concerns seeming meticulous, precise, and critical of the performance of others
Dutiful	Concerns seeming eager to please, ingratiating, and reluctant to take independent action or go against popular opinion

## The Motives Values Preferences Inventory (The Inside)

The Inside of personality refers to core values. There are good values and bad values: charity, honesty, and fairness are good values; greed and selfishness (think senior executives at Enron) are bad values. We define values using the Motives, Values, Preferences Inventory and there is a values profile associated with successful business leadership. Table Three describes and defines the scales of the MVPI.

**Table Three: MVPI Scale Definitions**

Scale Name	Definition
Recognition	A need to be recognised, visible and famous
Power	A desire for success, accomplishment, challenge and career status
Hedonism	Producing an orientation for fun and pleasure
Altruistic	Involving concerns about others' welfare and making a difference
Affiliation	A desire for and enjoyment of social interaction
Tradition	A dedication to ritual and old-fashioned virtues
Security	A desire for certainty and predictability in life
Commerce	An interest in business and finance gains
Aesthetics	Creative/artistic self expression and quality
Science	Values analysis and the pursuit of knowledge and new ideas

The HPI, HDS, and MPVI provide well-validated and technically sound measures of the Bright Side, the Dark Side, and the Inside. Hogan has tested executives and senior leaders from major corporations all over the world using these inventories and we have a great deal of statistical data to support the claim that personality drives leadership style, and leadership style drives business unit performance.

Our definition of leadership is leading edge industry performance, achieved by a highly motivated team. The function of leadership is to set goals and direction and to give meaning and motivation to people to inspire the achievement of the vision. Leadership is a function of personality rather than organisational status. The key to personality is self awareness, self management and relationship management. As Dr Robert Hogan says, "It's about getting along, to get ahead". The purpose of leadership is then to work both "in" and "on" the business to achieve continuous improvement and strategic success.

For the purposes of benchmarking the Emerging Leadership Profile, we have mapped this group against other managerial research conducted in Australia. Firstly, we have an entrepreneurial profile, conducted in association with The Executive Connection (TEC). 55 high flying CEOs participated in Hogan Assessments. Half of these are owner operators which impacts the entrepreneurial personality. They were chosen on the basis of a proven track record of growing business revenue dramatically while maintaining sound profitability. Secondly, we have what we call an Executive Profile which consists of all of the CEOs and their direct reports who have used Hogan profiling in recent years. Thirdly, we have a Manager Profile which consists of middle level managers and supervisors. In short, we have a substantial Australian database of what constitutes managerial and executive profiles. We can then use this to analyse the DNA of the ELs.

The table below shows the participant numbers across the various groups and assessments.

	HPI	HDS	MVPI
Emerging Leaders	112	112	112
Executives	187	170	165
Managers	821	582	619
TEC CEOs	55	55	55

Each of the 112 participants was identified as an Emerging Leader by either the General Manager, HR Manager, L&D Manager, Senior Consultant or Head of Business unit. There were 112 participants in the current research from 14 different organisations. Below is the list of companies that contributed to the study in alphabetical order.

Company
Brookfield Multiplex
Capital Airport Group Pty Ltd
CSC
Goodman Fielder
Hammond Care
Hannanprint
McConnell Dowell
Nexia Chartered Accountants
Parmalat
St Hilliers
Stockland
Sydney Adventist Hospital

These numbers (112) provide substantive data for our research purposes.

## Key Findings

Overall, the ELs have a very strong profile. It maps very neatly, typically above a managerial profile but not at the entrepreneurial executive level. Our key finding is that these high potentials are indeed high potentials! The key challenge will be to motivate and stretch these people to achieve maximum stimulation and performance. Another key challenge will be to talent manage their careers and to keep them with their current employer.

Now, let's look at the key findings...

### 1. Executive Drive

Ambition, Power and Commerce are typical hallmarks of a high flying executive in the private sector. For Ambition, the ELs scored 57 which is 6 points above Managers, 2.5 points below Executives, and 8.5 points behind TEC. For Power, the ELs scored 53 which is just ahead of the Managers, 5 points below Executives, and 18 points behind TEC. In Commerce, the ELs scored 53 which is the same as Managers, but 2 points behind Executives, and 13 points behind TEC.

Ambition is a measure of confidence, competitiveness and leadership. Power is a measure of the desire for challenges, an enjoyment of networking with influential people, wanting to be in charge, and disliking lazy people. Commerce is a passion for business, business issues, and motivation by money.

For total Executive Drive, the ELs are above the Managers, close to Executives, but not yet as hungry or driven as the TEC group.

### 2. Executive Presence

Bold and Colourful are typical indicators of strong, confident personalities. Recognition can also be included in this cluster, it's about enjoying the spotlight. The ELs scored 54 for Bold, the same as the Manager and Executive score, and only 2 points behind TEC. For Colourful, the ELs scored 51, 6 points ahead of Managers and 2 points below Executives. However, they are 12 points behind TEC. For Recognition, the ELs have the highest score! They scored 46 compared to 45 for Managers and Executives, and 43 for TEC.

The Bold scale indicates that the ELs are confident, assertive and ambitious. They have strong self belief, confident egos, and may occasionally feel entitled. The Colourful score is about being engaging, socially skilled, and attention seeking. They like to be noticed and will make their presence felt through their appearance, manner, or strong beliefs. Our research shows that Recognition is not a key driver for high flying CEOs. It's not about 'them'. However, at this stage of their careers, Recognition is a slightly elevated driver for the ELs. They will enjoy opportunities for self display and public recognition, giving themselves a certain 'presence'.

### 3. Innovation and Vision

The key scales are high scores for Mischievous and Imaginative, and low scores for Cautious, Security and Prudence. In the Mischievous scale, ELs have scored 58 which is 1 point ahead of Managers, 3 points below Executives, and 5 points behind TEC. For Imaginative, the ELs scored 50 which is 2 points below Managers, 7 points below Executives, and 15 points behind TEC. For Cautious, the ELs scored 9 points below Managers, 8 points below Executives, and 6 points behind TEC. For Security, the ELs are 6 points below Managers, 3 points below Executives, and 6 points ahead of TEC. For Prudence, the ELs have scored highest.

Mischievous is about having a charming, daring, interesting personality. It's about being interested in action and testing the limits. ELs will need to be stimulated and challenged to get the best out of them. Imaginative is about being creative, innovative, and perhaps unpredictable. It's about the ability to think outside the square. The ELs scored modestly here, suggesting that they will be at their best implementing the strategic plan rather than creating it. A high score on the Cautious scale is about being conservative, careful, and afraid of making mistakes or being criticised. ELs scored the lowest of the four groups, suggesting that they are open to adventure and not afraid of criticism.

Security is about 'look before you leap', a preference for playing it safe and not taking chances. The ELs scored relatively low, suggesting that they have a natural propensity for taking some risk. Prudence is about having a safe pair of hands, being dependable, reliable, and rule compliant. ELs have scored highest, suggesting that they will tend to be hardworking, conforming and avoid trouble.



Sometimes people have what we call both a brake and an accelerator. These can be countervailing traits, but when used in harmony can be quite a powerful and mature trait. For example, a high Mischievous and low Security suggest an appetite for risk taking. However, a strong Prudence will produce a conservative trait around controlling impulses and staying out of trouble. The ELs seem to have both the brake and the accelerator. If used constructively, this means they are likely to be both creative and careful.

#### 4. People Skills

High scores on Sociability, Interpersonal Sensitivity and Affiliation, and a low score on Reserved are all indicators of strong people skills. This configuration would produce a profile of someone who enjoys relationships, is a natural 'people person', who is thoughtful and diplomatic, and cares about people's feelings. For Sociability, ELs have scored highest, 10 points above Managers, 4 points above Executives, and 3 points ahead of TEC.

For Interpersonal Sensitivity, the ELs have again scored highest, about 3 points ahead of the rest. For Affiliation, the ELs are again at the top of the ladder, 8 points ahead of Managers, 4 points ahead of Executives, and 1 point ahead of TEC. For Reserved (where a low score is more indicative of a 'people person'), the ELs have the lowest score, 6 points below Managers, 4 points below Executives, and 5 points behind TEC.

Sociability is about the need for human interaction, engagement and variety. High scores will be outgoing, colourful and talkative. Interpersonal Sensitivity is about diplomatically getting along with people, liking people, and being sensitive. Affiliation is a sign of a 'people person' where relationships and friendships are very important. A high Reserved score is a sign of someone who is task focussed, tough and independent, sometimes to the exclusion of people's feelings.

The ELs have scored highest and lowest in the right places to indicate a strong 'people person' profile. They are well placed to lead people, develop networks, be confident in the public domain, and use relationships for business gain. They may be conflict averse due to their inclination is to see the good in people. They may avoid the difficult conversations and not hold people accountable. Some may need to avoid unnecessary networking when it is at the expense of getting things done.

#### 5. Emotional Resilience

High scores on Adjustment and lower scores on Excitable are key indicators of emotional resilience. We also look for the 'moving away' syndrome which typically occurs when four of the first five Dark Side scales score above 70. The combination of high scores on Excitable, Skeptical, Cautious, Reserved and Leisurely tends to produce a coping reaction in people of 'zoning out' to handle stress or pressure. This 'moving away' syndrome affects approximately 20% of the population. It can mean that communications and relationships suffer because there is not enough emotional resilience. For Adjustment, the ELs have scored highest with 46 points, 3 points above Managers, 2 points above Executives, and 9 points above TEC. For Excitable, the ELs have scored lowest with 63 points, 4 points below Managers, 3 points below Executives, and 2 points behind TEC.

Adjustment is about stress tolerance. High scores tend to be composed, calm and even tempered, while low scores tend to live off their nervous energy and stress. Excitable is a measure of enthusiasm and intensity which crossing the line becomes moody and temperamental. The ELs have scored highest on Adjustment and lowest on Excitable which means that they have greater resilience than the other three groups. They typically will be calm, composed, emotionally mature, and can handle the 'heat in the kitchen'. Typically we will not expect ELs to be emotionally explosive with temper tantrums or dummy spits... unlike some infamous CEOs and elite sports stars!

On average there is no evidence of the 'moving away' syndrome in these individuals, which is good news. The ELs will be there for their boss, for their team, and for their clients.

## 6. Emotional Intelligence

The combination of People Skills in point 4 and Emotional Resilience in point 5 combine to produce an exceptionally good EQ profile. The strong people skills, together with the emotional maturity, auger well for emotional intelligence. As Bob Hogan says, "Life is about getting along to get ahead."

The ELs should be effective in key relationships, with bosses, peers, subordinates, clients and suppliers. These relationships will typically be built on strong communications, trust, and emotional connections... all good signs of stable, enduring partnerships.

## 7. Loyalty

Dutiful is a measure of being loyal to a fault and a propensity not to rock the boat or challenge people in authority. The ELs have scored highest, 2 points ahead of Managers, 8 points ahead of Executives, and 19 points in front of TEC. You can clearly see that the ELs are obliging, likeable and good corporate citizens looking for win win outcomes. They will sometimes have trouble saying 'no' to extra work and may sometimes not speak up when they should. The TEC group scored quite low here because they will always voice their opinions and are not afraid of ruffling someone's feathers. When you put the high ELs' score on Dutiful with their high score for Interpersonal Sensitivity you see a strong profile of a 'good cop' rather than 'bad cop'.

There is also a subscale called Identity which is a measure of one's satisfaction with their job, employer and industry. 91% of ELs scored highly on this scale, which is also a potential measure of loyalty. On the other hand, 9% are still uncertain about their career direction and are maybe thinking 'the grass is greener' elsewhere.

Another scale called Leisurely maps behaviours around arrogance and independence (sometimes passive aggressive) with very high scores. The ELs scored lowest of the groups. Combined with loyalty, they should make for great team players.

## 8. Brain Power

Inquisitive, Learning Approach, Science, Diligent and Aesthetics are key indicators about one's preferences for using the brain. For Inquisitive and Learning Approach, the ELs sit comfortably in the middle of the groups. For Science, the ELs' score of 56 has beaten Managers by 2 points, Executives by 6 points, and the TEC group by 8 points. For Diligent at 56, the ELs have come out in the top spot. They are 1 point ahead of Managers, 9 points ahead of Executives, and 14 points ahead of TEC. For Aesthetics at 39, the ELs are lowest, 6 points below Managers, 11 points behind Executives, and 8 points behind TEC.

Inquisitive is a measure of how curious, open minded and creative one will be. Learning Approach is about a preference for intellectual versus pragmatic learning. Science is the enjoyment of analysis, investigation, problem solving and research. Diligent is about being detail oriented, well organised and conscientious. Aesthetics reflects an interest in art, literature and music, and a passion for quality, look, touch and feel.

The ELs stand out for their higher Science and lower Aesthetics scores. They will be great trouble shooters and problem solvers, as well as enjoying the use of data and research. Together with the Diligent score, they will tend to produce high quality work. On the other hand, they will care little about artistic expression and the arts... their bias is towards functionality over appearance.

## 9. Other Observations

We have been able to slice and dice the data by some of the subscales. These scales live under the major headings and can sometimes be very revealing, like peeling layers off an onion:

- <sup>a</sup> On a scale called Not Anxious where a high score indicates no internal anxiety, 21% scored lowly. These people live off their nervous energy and adrenalin but we need to make sure there are stress management techniques in place so it is always healthy stress.
- <sup>a</sup> On a scale called Even Tempered where a high score indicates a strong coping tendency, 13% scored lowly, meaning they need constructive outlets to 'let off steam', otherwise dysfunctional behaviour could derail relationships.
- <sup>a</sup> On a scale called Competitive where a high score indicates drive and tenacity, 92% scored highly.
- <sup>a</sup> On a scale called Leadership where a high score indicates a preference for being in charge, 72% scored highly.
- <sup>a</sup> On a scale called Identity where a high score indicates certainty about job, employer and industry, 91% scored highly.
- <sup>a</sup> On a scale called Likes People where a high score indicates a preference for working with people, 81% scored highly. This one is particularly interesting because high scores tend to differentiate those people who must work in relationships, typically with teams, other departments, peers, clients and suppliers. Low scores indicate a preference for being serious, business-like and task focussed, and nearly always show up around technical excellence where the use of the IQ is the strength.
- <sup>a</sup> On a scale called Mastery where a high score indicates working 24/7 around passionate interests (workaholic), 70% scored highly. There may be a trade-off here between the passion and the work/life balance.

## Conclusion

The ELs were chosen by their host organisation for being high performers in their current job roles, with high potential for future advancement. Our benchmarking research confirms that they are indeed 'high potentials'. Without hesitation we can confirm that these people are 'rising stars'. They have a stronger leadership profile than the Manager group, and are not too far away from the Executive category. However, they differ from the TEC group in significant ways, which is not unusual. This is a unique entrepreneurial profile where half of them are owner operators.

We sometimes define leadership as having four key dimensions:

1. Self management... awareness, composure, integrity
2. Relationship management... partnerships, setting agendas, persuasion skills
3. Working 'in' the business... job capacity, efficiency, performance
4. Working 'on' the business... strategy, culture, execution

We define these four dimensions in the following diagram:

<b>1. Self Management</b>	<b>2. Relationship Management</b>
<ul style="list-style-type: none"> <li>• Awareness</li> <li>• Composure</li> <li>• Integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Setting Agendas</li> <li>• Persuasion Skills</li> </ul>
<b>3. Working 'In' the Business (Operational)</b>	<b>4. Working 'On' the Business (Strategic)</b>
<ul style="list-style-type: none"> <li>• Job Capacity</li> <li>• Efficiency</li> <li>• Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Culture</li> <li>• Execution</li> </ul>

Typically people are recruited for their capability in Quadrant 3. That is, there seems to be a good fit between the person and the job description. Individuals will typically have good experience and knowledge, and a resume that maps nicely to the role. We also tend to hire pretty decent people and some of this is picked up at the job interview, in the reference checking, by profiling, and during the probationary period. We tend to hire for skills and when there are problems we tend to fire for personality. Indeed some companies have now switched to hiring for personality and then training the skills. For ELs the challenge is to make greater use of their potential in Quadrants 2 and 4.

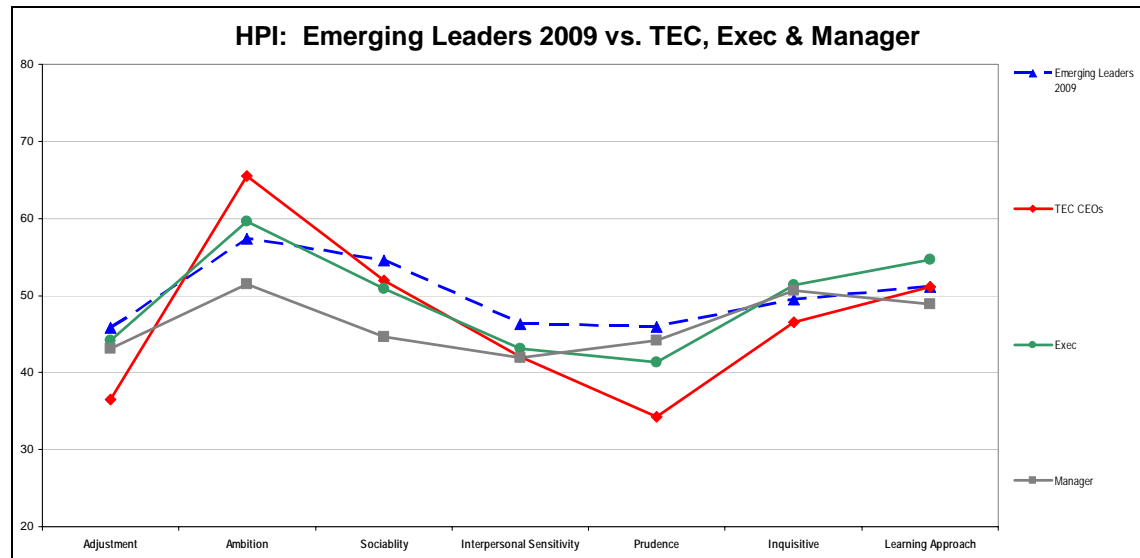
Quadrants 1 and 2 tend to be a measure of EQ, while Quadrants 3 and 4 is where the IQ plays out. By IQ we don't just mean a big intellectual number but also the street smarts and intuition. Quadrant 3 acts as a vacuum cleaner, sucking up 90% of a leader's time. The challenge is to get a better business of working 'in' and working 'on'.

When we look at the ELs' profile, they definitely have sound skills in categories 1 and 2, which is a key indicator of EQ and being able to achieve more out of life through relationships with others. The fact that they were nominated as ELs on the basis of their current performance indicates that they are highly successful in category 3. The Hogan profiling suggests that their work style will show the Diligent and Science behaviours. Category 4 is about adding value and growing the business. In point 1, Executive Drive, and point 3, Vision and Innovation, we found an appetite for adventure in a measured manner. At this stage of their careers the ELs are not the leaders of the game plan, the strategic vision, but probably better at implementation.

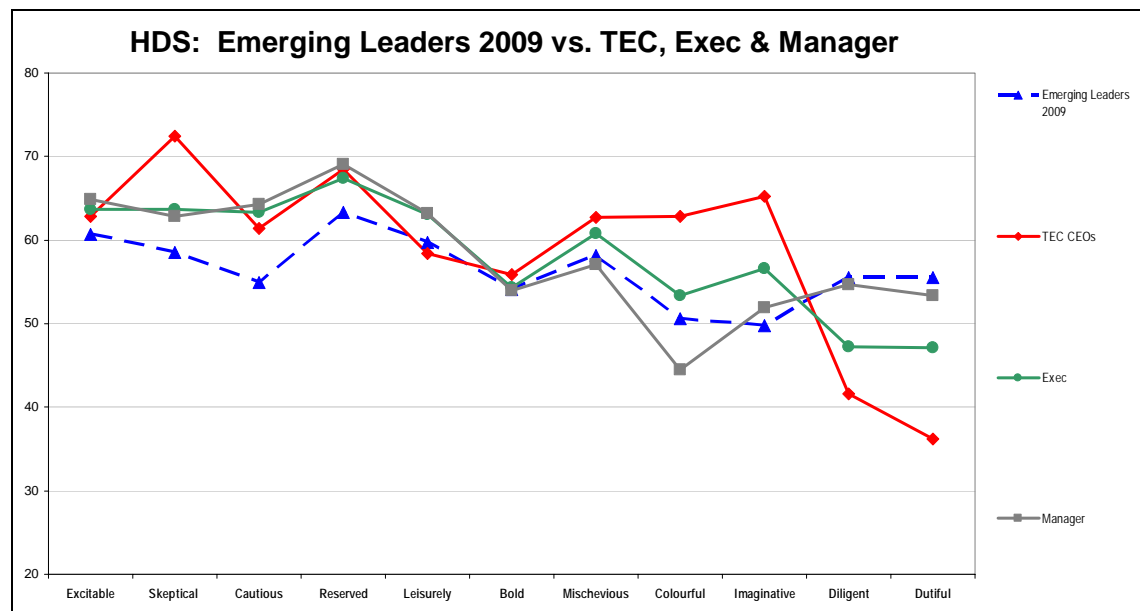
Most Managers and Executives tend to get caught up in category 3 where there is an insatiable demand for more work. This is the day to day operational world where there are hundreds of emails and meetings, plus the odd crocodile to wrestle! A key challenge is to give these ELs opportunities to work on relationship management and working 'on' the business. They need to get a better balance between working 'in' and working 'on'. Most of them would typically be 90% 'in' and 10% 'on'. We should aim to get them to, say, 80/20 or 70/30. They will need to prioritise their work, delegate more, and be disciplined by spending several hours a week in categories 2 and 4. In category 2 they should identify key stakeholders to exploit their considerable networking skills. This can be with others on the payroll, clients and suppliers. In category 4 they should look to spend more time on continuous improvement, innovation, culture change and strategic planning.

The following tables are a statistical representation of the data:

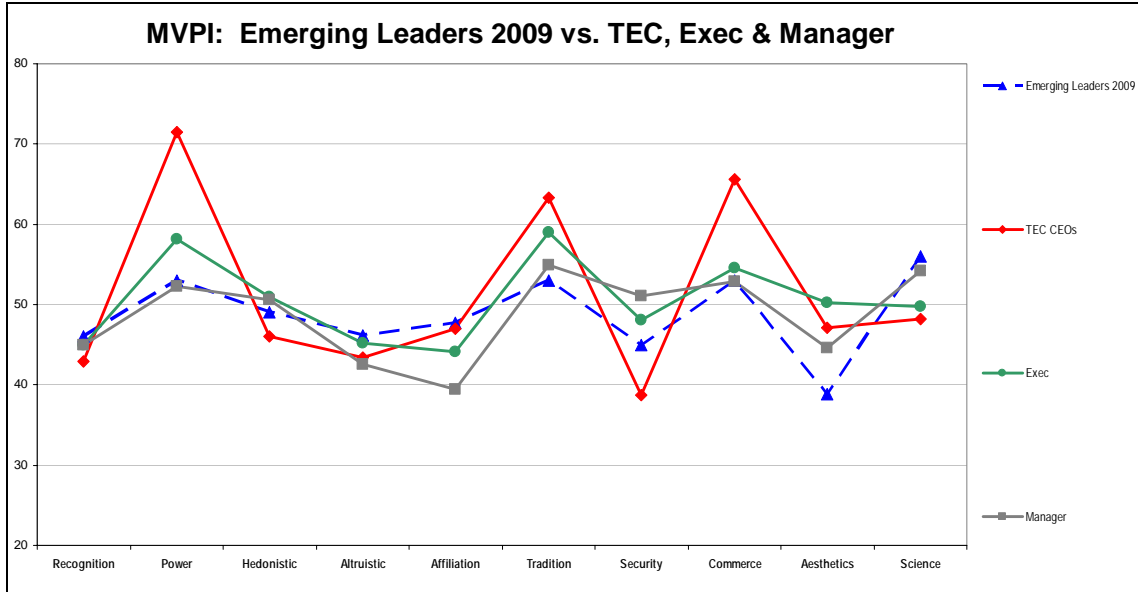
### HPI



### HDS



**MVPI**



## Development Opportunities?

### What to do with Emerging Leaders?

- <sup>a</sup> Every individual is different and individual development plans should be mapped out for every EL.
- <sup>a</sup> ELs should have strategies put in place where they can use their EQ on top of their IQ... specifically in leading relationships and networking to achieve business success.
- <sup>a</sup> ELs should have performance plans in place so they work less 'in' the business and more 'on' the business, say from 90% 'in' and 10% 'on' to 75% 'in' and 25% 'on'.
- <sup>a</sup> ELs need coaching around managing conflict and having difficult conversations because their natural profile is too accommodating. Indeed, challenging poor performers is a major problem for many high flying CEOs!
- <sup>a</sup> ELs need to be encouraged in the area of responsible risk taking. They have an appetite for risk but also have a cautious streak. They should be challenged to think outside the square around continuous improvement, innovation and new business.
- <sup>a</sup> ELs will typically search for data when decision making because their preference is around science, not aesthetics. They may need to be encouraged to use their intuition when appropriate.
- <sup>a</sup> ELs need to be encouraged to develop a sixth sense, an ability to spot the train wreck coming. Their natural profile is to assume the best in a situation, they may get ambushed. TEC CEOs have a high Skeptical score, and ability to find faults and spot trouble before it arrives.
- <sup>a</sup> Finally, ELs should have performance plans that map their stretch goals, their talent development, and their careers. Motivation and retention are key to their ongoing high performance.

## Authors

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