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The mysterious intangibles of leadership

Friday, August 13, 2010

It's subtle qualities that make the most exceptional executives, organizational psychologist says

WALLACE IMMEN

An executive may have a remarkable résumé and exceptional experience, but organizational psychologist Richard Davis has discovered it's the subtleties that can turn a good leader into a superior one.

"I always been struck by the fact that there are subtle personality differences that are the special sauce that lead to success," says the Toronto-based management consultant and partner with RHR International LLP in Toronto.

He studied 10 years of performance reviews and the management histories of 200 senior executives with major Canadian and U.S. companies to come up with a list of 10 traits that the top performing leaders have in common. He lays them out in his new book, *The Intangibles of Leadership, The 10 Qualities of Superior Executive Performance*, and talks to The Globe and Mail about his insights.

What special factors did all the top leaders share?

They fell into three categories. There are intangibles that determine how people consistently make good decisions: wisdom, integrity and social judgment. There are factors that affect how they impact those they lead: physical presence, executive maturity, fallibility and self-insight. And there are factors that continually drive leaders to greatness: will, self-efficacy and fortitude.

If you had to pick one of these 10 traits, what is the most important?

Wisdom is key to a lot of the other intangibles. Wisdom is a combination of being smart and knowing how to use your intelligence. Great leaders don't just think about what is happening, they review why things happen, why they react the way they do, whether their handling of the situation was successful, and what they should do differently.

To be wise, you must have experience. You may be young or old, but you must have a wide variety of life events that have challenged you in some way and that have taught you lessons.

How do you build wisdom?

I recommend designating regular time for self-reflection. Reserve an hour each week to think about the "big stuff," the actions and decisions you made and what you have learned in the last seven days. But wisdom also comes from knowing what others are thinking.

Wise leaders invariably have mentors or trusted advisers they rely on to challenge their thinking and they create diversity of thought on their teams and get input from people from other teams, even other companies. Based on my experience, only about 5 per cent of all leaders possess real executive wisdom. It is a rare and valuable commodity that can make you a stand-out leader.

Why do many leaders have trouble developing the intangibles that could make them more successful?

People are stuck in their ways. Our core values don't change much throughout our lives and trying to force change in individuals' personalities and psychology is very difficult. It requires accepting the need to change and some kind of key insight or event that alters how we react to events. But many executives, as they reach senior positions, have developed a habit of warding off advice from all kinds of people and it's a difficult process for them to understand that they need to change.

What is an immediate step that leaders can take to improve their performance?

In order to develop yourself, you must understand how you come across to other people. You need to ask for feedback, and you can get feedback from different places.

One source of insight is to look to your childhood. Reach out to an old friend or family member, or go to a high school reunion and ask how people experienced you when you were younger.

Really listen and ask yourself how that recollection relates to how you are today, and where some of the barriers you now feel might have first developed.

How do these intangible qualities tie to organizational performance?

They're directly tied to overall financial performance.

For instance, one intangible is integrity and over the last couple of years we've seen many examples of how senior executives who have not demonstrated integrity have brought down their companies.

One good example is Martha Stewart's company. She's a bit of a perfectionist, and became very successful because of it, but she ended up covering up what she did because she did not want to admit she made a mistake and reveal that she was less than perfect. Because of that she had a huge financial impact on her company.

What's the overall message?

The existing leadership models are too basic. They focus on skills and abilities, rather than the qualities that will ensure someone succeeds at the top. I believe that hiring managers and senior human resources people should be looking for these nuances in behaviour.

Of course, some of these intangibles are going to be more important in some environments than in others. But leaders should try to ensure that they are building on all of them.

The key message is to really understand yourself and your organization. For people who want to get to the next level of leadership, this is a window on what it takes to help you get to the top and succeed when you get there.

The interview has been condensed and edited.

THE BIG FIVE

Wisdom

What: Experience and the ability to process events from a broad perspective.

How: Be a student of yourself by setting aside time weekly for self-reflection. Be a student of what is going on in the world by avidly following the news and travelling outside your home country. Have a mentor or trusted adviser you can bounce ideas off.

Fallibility

What: Acceptance that you don't have all the answers. Without it, leaders come across as arrogant and alienate others and also won't take risks because they fear being proved wrong.

How: Invite feedback and collaboration, get comfortable with trying new approaches and if they don't work, learn from them. If they do, celebrate success.

Self insight

What: Knowing your strengths as well as your weaknesses and continually finding ways to decrease the gap between them.

How: Regularly ask yourself and others, "What can I do better?"

Fortitude

What: Doing what is right, even in the face of adversity or the potential for doing something that others may question.

How: You can't build character in a bubble. You have to continually try new things and innovate and go outside of comfort zone. Face up to your anxieties, because fears will hold you back.

Maturity

What: You don't have to be old to be mature. It comes from mastering your emotions to stay calm in crises and make others around you feel comfortable. However, it's not about eliminating all emotions and being stoic; it can also mean knowing when it is right to pound a fist on the table and get upset.

How: Practice listening and increasing the time you take to react to incoming information, taking a pause to reflect. Recognize what tends to make you emotional and work on mastering the triggers.

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