



White Paper
Determining Leadership Potential
CEO Study
Summary & Recommendations



Purpose

We have a leadership crisis. Not only is there a leader shortage, but we also too often place the wrong people into leadership roles and consequently create major disruption for business and people. We need to be better. One approach is to better identify and groom people who have higher potential to be strong leaders. This study was a robust investigation into what CEOs think about and do relating to determining leadership potential (DLP). The particular focus was to assess what tools and criteria were being used and the CEOs thoughts about leadership potential overall. The study was conducted against the backdrop of the conceptual framework – the Leadership Blueprint (LP). The LP has a heavy focus on using intelligence, motivation, personality, and learning agility (IMPL). For ease of reference, these factors will be referenced as IMPL in this study summary.

Other Research

Two prior studies were conducted by the researchers on the same topic. The first was a qualitative case study focused on the real estate industry. Data was collected and analyzed from several companies at four different levels in the organization, including the CEO, to explore their perspectives about DLP. The significant findings highlight the tremendous variation that occurs across leaders in DLP. The second study was a quantitative research effort that captured nearly 600 surveys from leaders and individual contributors worldwide. At times in this paper, we will compare major outcomes of that quantitative study and this study. The quantitative study will be referred to as the Global Study on Determining Leadership Potential (GDLP).

Demographics

The study included 51 CEOs. There were 39 participants from the US, with the remainder coming from Australia, India, Italy, South Africa, and the United Kingdom. There were 12 women and 39 men in the study. Companies ranged from start-up (2) to early developing companies (6) to mature organizations (43). They varied in revenue size with four large groups of pre-revenue and under \$10 million (18) to \$10-100 million (18), to \$100 million but less than a billion (9), to over a billion (6). The employee size ranged from 20 companies with less than 100 employees, 16 companies with 101-1000 employees, 7 from 1001 to 10,000, 6 from 10,001 to 100,000, and two companies with over 100,001 employees. Twenty-six industries were represented, with medical/health topped the list, followed by technology and retail.

In terms of what surfaced regarding demographic trends, there were a few. First, there were many more responses by smaller-sized companies. There were more of these types of companies, but they offered more comments that suggested they were extremely intentional about who they selected. There are a few traits that were very specific to the >1B group, and then a lot of responses in the 1M-100M group. Once again, we had fairly high counts in this group. Gender seemed the most interesting in terms of demographically different responses. What criteria do women rely on more than men? In general, women mentioned more specific criteria overall. They seem to have a more 'checklist' approach, whereas men tend to just 'observe' decide.

Analysis Overview

Extensive qualitative and quantitative analysis was conducted on the data provided during the 51 nearly hour-long interviews with the CEOs. They were all asked the same set of questions. Quantitative analysis was conducted on all questions with the quantitative data. At times, information was extrapolated.

Specifically, quantitative analysis was performed on data and utilized to answer the following questions:

1) How much do the CEOs utilize the Intelligence, Motivation, Personality, and Learning Agility criteria



(IMPL), and how does this vary? 2) Of those who use the IMPLs criteria, what is the relative importance of IMPLs and does this vary? 3) What is the perception of success in DLP, and how does this vary? The analysis was performed using a combination of ANOVA, t-tests, post-hoc pairwise comparisons, and non-parametric methods. Results from this quantitative analysis are compared to the results of the Global Study on Determining Leadership Potential Study (GDLP).

How Did CEOs Define Leadership Potential (DLP)?

There were three major ways in which CEOs defined leadership potential. Those themes were personal descriptive words, intensity/active words, or time-based descriptors, and humanistic interpersonal type descriptors.

Descriptive Words. A total of twenty-nine CEOs (56%) used personal descriptive type words to answer the question, “How do you define leadership potential?” There was a tendency for CEOs with revenue of \$1 million and \$100 million to use such words as there were a tendency in CEOs from technology, medical and retail companies. More women (67%) than men (54%) used such descriptors. A sampling of such descriptors is humility, work ethic, courage, accountability, charisma, initiative, role model, strategic thinker, self-aware, and belief that leadership is a privilege.

Intensity. Another way in which CEOs answered the question to define leadership potential was to describe it in terms of intensity or energy, or activity. A sampling of these descriptors was grit, curiosity, growth, competitive, driver, competitive, risk-taker, grit, curiosity, tenacity, and ability to learn. Overall, this represented 37% of our CEOs with more women than men using such terms. There was a slight bias of companies with less than 1000 employees using such terms.

Interpersonal Terms. The third way of defining leadership potential, indicated by about half of the CEOs (25 of 51), was to describe interpersonal or humanistic terms. Representative terms were caring, commitment, ability to create followership, listening, selfless, collaborative, trust, communication, emotional intelligence (EI/EQ), empathy, and influence. Company-wise, there was a bias towards retail using these descriptors above other industries and the same was true with companies less than 100 employees. There was an equal representation of male and female CEOs offering these descriptors.

Determining Leadership Potential is a future-focused effort of identifying people who have the capabilities to be successful leaders in the future as indicated by this CEO comment, people “who may not be great leaders now but have the innate characteristics, ability, and the work ethic to challenge themselves and put in the time to develop into a leader.” A common pitfall is to use in-depth leadership skills (strategic planning, delegation, managing) in DOP. These are teachable. High potentials early in their career will likely not have these capabilities. But they can have the raw ingredients that should be considered: intelligence, motivation, personality, and learning agility (IMPL).

The definition of leadership potential should include a reference to a process using rigorous ways and tools to help leaders identify people who can be future leaders. A client of mine has a great way to describe this work when he described looking for acorns that will grow into great and powerful elm trees. This was another CEO’s sentiment,

I would say to really junior people, if you can demonstrate that you can do a job a level above you and do that with humility, and when you show you have questions and are paying attention, you have a pulse, people will notice you. I ultimately look for people to really reach the pivotal of



leadership. You've got to have three equal measures: functional expertise, enterprise thinking, and collaboration.

Definition...Here is The Kim Janson definition based on 30 years of experience working at the most senior levels of major organizations, working in 40+ countries, working with 300+ companies, and extensive research including a Ph.D. in Business and Leadership:

Determining Leadership Potential is the process designed to identify vital characteristics, ideally earlier in a person's career, that indicate their likelihood of possessing the necessary components to be successful as a future leader. The process should utilize tools and assessments to help complement and validate observations. A key area of focus is on an individual's intellectual level, as intelligence is fixed, and things become more complex as one moves up in the organization. Knowledge and intelligence are often confused in this process. We are born with intelligence and then acquire knowledge. Another focus should be on personality, as it is also largely fixed. This work aims to ensure individuals don't have significant leadership derailers (ex. extreme self-focus, constant negativity/pessimism, etc.) Learning agility and motivation (hire people with their own engines!) are necessary conditions for people to be strong leaders in the future. Leadership skills such as delegating, inspiring, and strategizing and functional skills and expertise are teachable, so they are not necessary conditions of determining potential. Performance is often used as an indicator of potential but should not be. Performance should be a ticket to enter the conversation, but performance is not an indicator of potential unless the role is similar. Tremendous performance should be used as a springboard to further exploration and understanding of whether talent has the proven factors that more reliably predict potential.

What is Your Role as it relates to Determining Leadership Potential?

CEOs were asked what they viewed their role to be in determining leadership potential for their organizations. Several key themes emerged.

Assist. The first theme was to assist those who have less experience. This could entail leading by example, encouraging employees, challenging them, or helping them execute their plans. This was particularly true for companies with less than 1000 employees (30 CEOs)and equally true for men and women, and a slight bias for retaining and entertainment companies.

Organizational Structure. Another theme was the need to ensure there is structure around this work. Representative comments were setting a vision, ensuring people have the right tools, hiring people who align to the mission, etc. There was equal gender representation in these comments, with 57% of participants indicating this responsibility.

Process. A third theme, indicated by 28 CEOs in the study, focused on the process components of this work, such as identifying, observing, assessing, and deciding whether people are high potential. There was a significant bias with companies having less than 100 employees and equally representative comments from both men and women.

Encouraging. A fourth theme, with slightly more men than women of the 18 total CEOs expressing this sentiment, related to CEOs encouraging high potential employees in some way. Representative comments included empowering people, bringing out the best in others, working together, getting to know the talent, building them up, etc.



Miscellaneous. Several CEOs (18 and more women than men) answered the question by indicating their job is to find people with specific traits including humbleness, high EQ, and having drive, etc. Another small trend (16%) of CEOs consisted of CEOs using titles to describe their role such as, “I am the Chief Question Officer,” I am the “Chief Talent Person,” I am the coordinator, etc.

How Your Role Regarding DLP Conveyed to You?

Experience. The greatest number of responses pertained to CEOs learning of this responsibility based on mistakes they made and experiences they had that helped them acknowledge or learn the criticality of doing this work and doing it well. Slightly more men than women answered the question in this way, with 61% of the overall group offering such explanations. Representative comments included:

- “Trial and error. Making mistakes, realizing what worked, what didn’t work when I was not doing well.”
- “I think there’s a combination of observing multiple types of companies that I’ve been at. I think a lot of it was observing what worked and didn’t work well.”
- “Maturity. I’ve been a CEO since I was 27 years old and have worked at different-sized companies ranging anywhere from startups to 1000 person firms.”
- “Learned all along the way.”

Role Models. Another emergent theme from a large grouping of 29 CEOs, was learning from role models who did this work well, particularly for women vs. men and particularly for companies with less than 1000 employees. Descriptors reflected being mentored: “I didn’t study leadership, but my mother has a doctorate in psychology, and she was a business consultant. I have collected many, many mentors across my journey of life.” Others indicated they were coached by a leader, executive coaches, observing people who did this work well, or experiencing bad management and not wanting to have that happen again: “I had several great bosses, all were deeply flawed in some way, and I think I’ve learned a lot from every one of them about leadership, good and bad.” There was a slight bias towards health care, medical, retail, and computer software.

Reading/Programs. A smaller theme included learning through books and articles reported by 10 CEOs, particularly those with less than 1000 employees. An example of comments included: ‘I read history and management books. I follow the GE stuff, read Harvard Business Review, and all those types of things.’ An additional smaller theme noted by a total of 14% of CEOs indicated they learned how to identify leadership potential through strong leadership training programs for good HR practices. Half of these responses came from companies with between 10 and 100,000 employees represented by such comments as:

- “I spent 20 years at P&G. P&G has a reputation for being a talent engine.”
- “I used to go to Executive Focus International (EFI) conferences in Florida.”
- “I had the good fortune of spending about 20 years of my career working for PepsiCo, a great global company... a company that certainly invested in talent development holds people to very high standards and is willing to invest and give people various opportunities.”

Self-Discovery. Lastly, a smaller group of 10 CEOs indicated their skill in determining potential it is part of who they are, and they knew it throughout their lives. One CEO noted:



I've been asked that question a lot, and I think I've come to the conclusion that part of it is in my DNA. I think when you added the burden of sexual harassment and all that went with us, those of us who've been around for a while. This generation really doesn't really talk about that, but my generation, because there were so few women if any. Every job I had, I was the highest-ranking female from the time I was in my twenties. It was both a burden and an opportunity. Unfortunately, I didn't have any women mentors. I didn't really have very many mentors, period.

What Criteria Do You Use to Determine Leadership Potential?

Top 12. There was a plethora of answers provided to the question regarding what criteria CEOs use to determine leadership potential. The most common answer by far (16 CEOs) was the ability to create followership. This was followed by curiosity (9), performance (8), and empathy and communication (7) tying. The next several responses all had a total of six CEOs who offered the following responses: the ability to think long-term, possessing integrity/honesty, humility, being a good listener, and being collaborative. Rounding out the top twelve with a tie of five mentions each was the ability to understand others and overall character.

Comparison. In a prior quantitative study that included nearly 600 leaders from around the world using the same question framework, a great deal of variation was offered in terms of answers to this question as well. Below is a comparison of the top answers with their frequency for both studies. GDLP stands for the quantitative International Review Board sanctioned survey and specifically stands for Global Study on Determining Leadership Potential. Many traits appear on both lists including communicative, authenticity/integrity, and performance. Terms unique to the CEO list include followership, curiosity, humility, and empathy. (Add a little "Kim" here.)

Table 1: Comparison of the top 10 criteria used to determine leadership potential in the GDLP and CEO studies.

Top GDLP Criteria	% of Responses	Top CEO Criteria	% of Responses
1 Emotional Intelligent	7.06%	Followership	8.16%
2 Problem-solver/Decision-maker	5.41%	Curiosity	4.59%
3 Communicative	4.59%	Performance	4.08%
4 Adaptable	4.12%	Empathetic	3.57%
5 Authentic	4.12%	Communicative	3.57%
6 Critical thinker	4.12%	Long Term	3.06%
7 Ethical	3.87%	Integrity/Honest	3.06%
8 Strategic	3.66%	Humble	3.06%
9 Collaborative	3.61%	Good Listener	3.06%
10 High-performing/High-achieving	3.61%	Collaborative	3.06%



There was an array of comments that supported this list of top offerings by CEOs. For example, a significant quote on followership came from one CEO who noted,

I look for sample comments illustrating the concept of followership and whether or not people naturally follow the leader I am interviewing. The old leadership model was that people work for leaders, and I think the new leadership model is that leaders work for the people.

Another CEO comment showcasing the emphasis on performance was as follows:

Need to be a master of something. When you combine the competitive ‘I’m a winner attitude’ ... whether it is something sports, academics, or if they were in a job previously where they won an internship contest or something, it’s a requirement. If they don’t have that, then I just don’t consider that person for leadership roles.

Comments relating to the longer-term or bigger picture were abundant. One specific comment showed the uniqueness of one market and industry: “It is also important to know if one can see the bigger picture but is also sensitive to their environment and sensitive to their community. As miners, we need to be sensitive to our surrounding communities.” Another version of this long-term sentiment was, “Ambition, initiative, someone who wants to change the world.”

One CEO had impassioned advocacy regarding several elements and is noteworthy. The CEO runs a large, very well-known global brand and is very well respected.

If you have strong character, you build trust. If you build trust, you can achieve incredible things. Having strong character translates to the consistency of behavior. You are consistent in how you turn up and how you behave. I think consistency and behavior stem from consistency in thought. Consistency in thought comes from consistency, awareness, and understanding of core values. There are some values that I think are predictors of potential. One is congruence, which is what they think, feel, say, or do, is always aligned. They’re congruent or authentic. The second is courage, which is, they have the ability to articulate and speak to the point of view, what they believe in, always in respect, but also the humility to listen to other people and understand where they’re coming from. The third one for me is curiosity, which is to be smart enough to know that none of us really know anything and not be afraid to say I don’t know, or I was wrong. I think it is quite critical. Candor, I think it is important because you have to have difficult conversations. But if I had to choose a single attribute that straddles across all of these and is a predictor of future potential more than anything, it is humility.

A few other unique perspectives were offered as well. One referenced their tag line as their criteria, “We have a tag line, SODA-C. Smarts, openness, driven, accountability, curiosity.” Another referenced an internal framework, “Need to have a combination of the SIZZLE. It’s a document we created that defines who and what we are. It declares what we expect from our people, and it also declares what they can expect from us.”

Specifically Inquiring About IMPLs

This and two other related studies were conducted against the backdrop of the conceptual framework known as the Leadership Blueprint. This framework was created by Church and Silzer (2014). According



to MacRae and Furnham (2014), the Leadership Blueprint is the best framework for understanding and determining leadership potential; as such, it can be used at various organizational levels and across many jobs. The Leadership Blueprint also offers a comprehensive and integrated way to assess leadership potential (Silzer et al., 2016).

Background. The authors of the Blueprint combined half a century of theory and research on leadership potential with a robust analysis of what is being used in practice to determine and develop leadership potential (Church & Trudell, 2016). This integrated framework was created to address the inconsistencies in how theorists think about, and leaders in organizations assess leadership potential. The authors of this framework sought to dispel the myth that only one dimension, such as past performance, can determine leadership potential (MacRae & Furnham, 2014) and asserted that the work of determining potential is intricate and comprehensive (Church et al., 2015). This multi-point perspective allows for an in-depth analysis of more factors that relate to effective leadership (Church et al., 2015).

Although relatively new to the scene, the Blueprint is already being widely used by practitioners in organizations, as indicated by two studies examining more than 100 organizations that have been considered successful in their efforts of identifying and developing high-potential talent, including several large organizations, such as Citibank, Eli Lilly, and PepsiCo (Church et al., 2015; Church & Silzer, 2016). The clarity of this framework and its success in a well-respected organization makes it a powerful tool for the current study. Variation in criteria is at the core of the problem addressed in the current study.

Components. The Blueprint contains three categories to consider when determining potential: Foundation, Growth, and Career (Church & Silzer, 2014). The two elements in the Foundational threshold are intelligence and personality. These are mainly considered fixed entities through the course of an individual's life and largely unchangeable, especially intelligence (Piip & Harris, 2014). The second threshold for consideration is the Growth components of learning agility and motivation. With the amount of individual choice associated with these dimensions, the authors of the Blueprint encourage leaders to select candidates who already possess these attributes, as they are difficult to develop, being a combination of inherent traits and learnable skills (Church, 2014; Piip & Harris, 2014). For example, one cannot choose motivation for someone as a person needs to bring their own level of passion, engagement, and initiative. The last threshold, Career, contains the dimensions of leadership skills and technical expertise (Piip & Harris, 2014). This final lens of assessment can also include contextual elements such as past performance and culture fit. This last set of leadership potential dimensions is considered the most teachable out of all the components of leadership potential (Church & Silzer, 2014).

This study included a follow-up question for each of the Blueprint components. After the broad question on criteria was asked, a specific question was asked whether these CEOs used intelligence as a criterion to determining leadership potential. A follow-up question was asked how much weight they give to intelligence in their determination of leadership potential (out of a scale of 1 to 5, with 5 being most heavily weighted). Another question was asked to assess how they assess intelligence. This set of questions were asked for each of the remaining three components of the Leadership Blueprint (IMPL's) specifically, motivation, personality, and learning agility.

Statistical Analysis. Extensive qualitative and quantitative analysis was performed on each of those questions. In addition to analyzing the information offered in this study, it was compared to the results offered in the global qualitative survey study (GDLP). The analysis was performed using a combination of ANOVA, t-tests, post-hoc pairwise comparisons, and non-parametric methods.



Summary statistics were calculated for the IMPLs variables for the CEO cohort as a whole. As shown in Table 2, *motivation* is used more than all other IMPLs in both studies- unanimously in the CEO study, followed by *learning agility* and *intelligence*, and finally, *personality*. Overall, the CEOs use the IMPLs criteria more than the participants in the GDLP study (see Figure 1). All IMPLs in the CEO study had an average importance score higher than 4. CEOs rely on IMPLs heavily when determining leadership potential. As shown in Table 2, 95% confidence intervals for *motivation*, *intelligence*, and *learning agility* all contained 100% in their 95% confidence intervals, meaning they are statistically tied, with *personality* ranking in second place.

Table 2: Summary of importance scores from GDLP and CEO study.

	Do you use ___ as a criterion?				How much does ___ weigh into your decision? (5 point scale, 4 is above average importance)			
IMPLs	GDLP	Rank**	CEO*	Rank**	GDLP	Rank***	CEO	Rank ***
Intelligence	73% (68.8%,77.7%)	2	96.1% (93.18%,100%)	1	4.10	2	4.021	2
Motivation	86.5% (83%,89.9%)	1	100% n/a (unanimous)	1	4.22	1	4.319	1.5
Personality	77.8% (73.7%,82.0%)	2	91.5% (82.98%,97.96%)	2	3.94	3	4.018	2
Learning Agility	86% (83.1%,90%)	1	97.8% (90.2%, 100%)	1	4.07	1	4.364	1

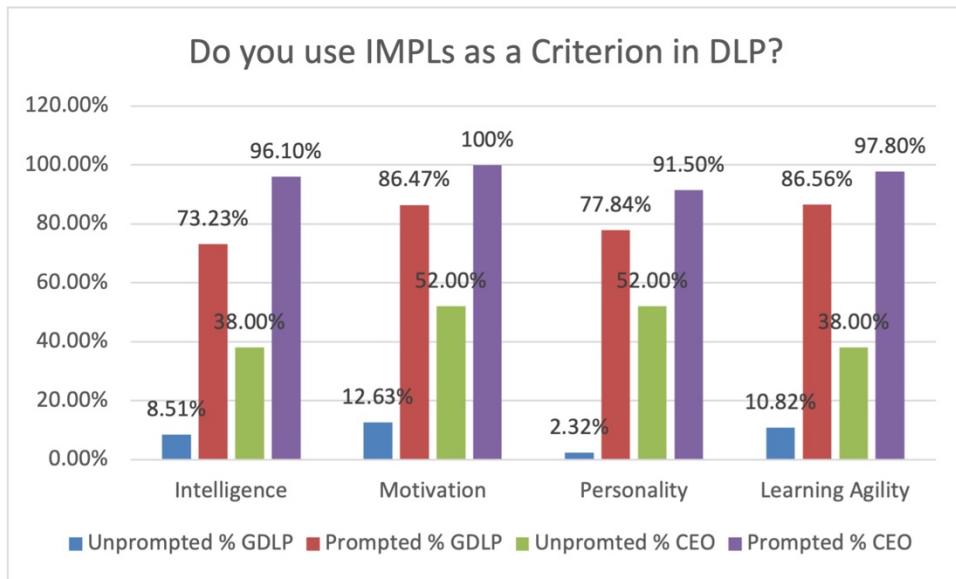
*Note that the confidence intervals in the GDLP study were computed using non-parametric methods due to small sample sizes and the violation of certain assumptions. Specifically, bootstrapping was utilized, providing effective 95% confidence intervals, comparable to the traditional parametric 95% confidence intervals.

**These rankings were formed based on the confidence intervals. Ties are assigned to groups that had overlapping confidence intervals.

***These rankings were formed based on the average importance score- ties are assigned to any variables that were not found to be statistically different using pairwise comparisons. '1.5' is assigned to motivation due to the fact that it was significantly higher than *personality*, but not statistically higher than *intelligence*, or statistically lower than *learning agility*.



Figure 1. Comparison of IMPLs of Global vs CEO study. In both the CEO and GDLP study, when specifically prompted do you use IMPL as a criterion, many more participants said yes. In general, the CEO's mentioned IMPL more often when unprompted. However, both groups mentioned IMPL criteria when asked an open ended, unprompted question of, "What criteria do you use in DLP"



An exhaustive analysis of demographic factors revealed statistically significant differences for approximate revenue, industry, field of study, and the number of direct reports. When broken down by demographic factors, the following were found to be significantly different for *personality*: approximate revenue, industry, country, and highest degree. Companies with \$100-\$500 million dollars in revenue use *personality* as a criterion more often than all other revenue groups. CEOs in Business, Finance, Technology, and the Medical industries use *personality* as a criterion more often than those CEOs in Retail and Other industries. CEOs operating in the United States use *personality* as a criterion less often than their international counterparts. Those CEOs who have been with the company for 3 years or less rely on *personality* as a criterion more than CEOs who have been with the company 4+ years. Finally, on average, CEOs with non-graduate degrees rely less on *personality* than those with graduate degrees (See Table 3). (Add a little Kim here)

Intelligence is less important to CEOs at companies that generate less than \$100 million than to those CEOs whose companies generate over \$100 million in revenue. CEOs who are in Retail and "Other" fields view *motivation* as less important than those who are in Business/Finance and Technology (marginally significant). Those who studied Finance/Business fields view *learning agility* as more important than those who studied in any other field. Those with only 4 or fewer direct reports view *learning agility* as less important than those with more direct reports. Table 3 compares these demographic findings to the Global Study results. (There aren't really any factors that pop up the same in both studies- why could this be, etc. Add a little Kim here about each individual result industry, direct reports, highest degree, what could be explaining these significant results? i.e. with learning agility, do business majors



get more training in school or in their careers? Etc.)

Table 3: Summary Comparison across Global and CEO Study

	GDLP	CEO
Intelligence	<p>Length in Position: In order from least to greatest for how often they use as a criterion: <1 year, least, followed by 1-3 and 7-10 years, intelligence is relied on the most by individuals who have been in their positions longer (10 years and 4-7 years).</p> <p>Highest Degree: Intelligence used as a criterion more often by those with a higher degree.</p>	<p>Appx Revenue: Companies that generate revenue less than \$100m use intelligence as a criterion less often than companies which generate over \$100m in revenue.</p>
Motivation		<p>Industry: Retail and Other industries use motivation as a criterion less often than Business/Finance/Tech.</p>
Personality	<p>Direct Reports: Those with fewer direct reports use personality as criteria more than those with more direct reports.</p>	<p>Appx Revenue: 100mil-500mil use personality the most.</p> <p>Industry: Bus/Finance/Tech/Medical use personality as a criterion more than Retail and Other.</p> <p>Country: US uses personality as a criterion less than International CEOs.</p> <p>Highest Degree: Graduate degree holders tend to use</p>



		personality more than those with undergraduate or high school education.
Learning Agility	Revenue: \$500m-\$1b companies rate learning agility as more important than <\$10m, \$10-\$50m, and >\$1. Highest Degree: Learning agility is used as a criterion more often for those with higher degrees.	Field of Study: Business and Finance majors use learning agility as a criterion more often than any other field of study. Direct Reports: CEOs with more than 4 direct reports use learning agility as a criterion more often than those with 0-4 direct reports.

How much do IMPLs weigh into your decision? The results provide us a loose ranking for the importance of the IMPLs variables, with *learning agility* first, *motivation* a close second, listed as '1.5', and finally, *intelligence* and *personality* tied as 2nd most important. On all four IMPL dimensions, women weighted them higher than men. CEOs who did not place much weight on intelligence were all men. A score of 4 is most prevalent across CEOs with company sizes under 1000. (Add a little Kim here)

The following sections are a summary of the specific questions asked about each IMPL, including do you use this as a criterion and how you assess each of these criteria.

Intelligence

When asked how much they weigh intelligence as a factor in determining leadership potential, 49 out of 51 CEOs in the study said they do indeed use intelligence as a criterion of leadership potential. The two who did not share any demographics other than both being men. One, was from outside the US, with 21 direct reports had a company of 155 people in it. The other participant ran an enterprise of 80k employees, had five direct reports, and based in the United States.

Wide Agreement. Most CEOs wholeheartedly agreed with the critical importance of intelligence as represented by their comments.

- “Great leaders take the complex and make it simple.”
- “It’s hard to make it to the top without strong processing skills.”
- “My team, every single job we have, should have an A+ player in that job ... A+ players mean A+ intellect.”
- “It is very hard to get high-level results if you don’t have the intelligence required to operate in a particular job.”
- “It’s being able to put intellectual and logical thinking with practical thinking.”



- “I look at the intellectual capability. How smart are they? How agile is their thinking? Are they very set in their ways, or are they open to different ways of thinking?”
- “To get to the truth and be analytical, they usually have to be of a level of intellect: 110, 120, 130 kinds of IQs.”

Minimum Threshold. When answering this question, some CEOs indicated they use intelligence as a minimum threshold to continue in the evaluation process. Representative comments included:

- “It’s a screen-out in a sense.”
- “You need some level of intelligence, but we are not looking for academic geniuses.”
- “I think it (intelligence) is table stakes, meaning it’s not 50% of what I’m deciding, is 100% of what I’m deciding.”
- “Intelligence is a 5 as a necessary condition, but then it becomes a 2 or 3.”
- “Your intelligence, your actual hard skills, etc., that gets you noticed, but it’s really learning how to read the room, learning how to identify talent, and learning how to convince people to go in your direction.”
- “For a senior level of a company, there would be a base level expectation of that.”
- “You are looking for intellectual curiosity, ability to visualize initial outcomes and then communicate outcomes in an abridged way to help people understand where they are going. Clearly, they need to have a certain level of pure intelligence.”

Components. Of the 49 CEOs who indicated it is critical, there were several ways in which they described intelligence. Descriptions included how they interpreted and absorbed information, their analytical skills, their ability to evaluate situations and make decisions, their ability to connect the dots, their ability to control their thinking, and their ability to explain complex topics in simple terms.

Social intelligence. Some CEOs spoke of person-centered qualities (ex. intuition, creativity) and social interaction, specifically indicating their emotional intelligence as a component. For example, “we've taken what we call smarts and intelligence, and then tilted it a little bit, so the focus is less on IQ and much more on EQ.” To clarify, emotional intelligence belongs in the personality category, not intelligence. But here is a good moment to focus on how important it is to CEOs since 18 of the participants mentioned these qualities when specifically discussing intelligence. Other CEOs connected learning agility with intelligence. Learning agility is someone’s desire and ability to assimilate information quickly, apply it, and continue to re-invent themselves.

Methods. There was an array of ways in which these CEOs determine intelligence. Some examined what they studied; others looked at the quality of work and outcomes. Many (14 CEOs) used tests. Sometimes the test isn’t the rest, but taking the test is the test; as illustrated in this comment, “The role of that test is not to have someone get high marks but to actually break them and see how they struggle on questions.” Still, 13 other CEOs spoke of observing people and, specifically, and 15 noted watching how they interact , while others spoke of various skills such as the ability to think in the future or think on their feet. Several mentioned behaviors such as vocal speed, vocabulary usage, and funny enough...humor.

A sample of phrases in terms of how people assess intelligence included:

- “someone is struggling to keep up with the conversation”
- “not quick on their feet”



- “take multiple conversations, their world view and how they contextualize, situational awareness...they just get it”
- “by asking questions, getting to know their work lets you get to know how their brain works”
- “use of analogies”
- “using a professional, external executive coach”
- “by listening to humor as witty people have a different level of intelligence, curiosity, intellectual quickness, can they turn complex ideas into understandable language, by how they answer three questions – what, so what, now what? the ability to synthesize information is a good indicator of intellect because you need to process a lot of information in a hurry”

Too Intelligent? One of the most interesting results was the number of CEOs (8) who spoke about intelligence by expressing concern about potential leaders being too intelligent. Additionally, several CEOs distinguished book smart from street smart and placed emphasis on street smart. Representative comments included:

- “Intelligence can be a blessing and a curse...extremely intelligent people can get lost in the details.”
- “The smartest people don’t always make the best decisions.”
- “I don’t put too much reliance on it (intelligence) because I’ve worked with some of the smartest people globally, and it doesn’t mean they’re particularly successful.”
- “I’ve had Harvard MBAs who worked for me who ended up being complete washouts when it came to leading a team.”
- “I think it needs to be practical intelligence, being able to apply intelligence. I’ve come across many Harvard and Stanford graduates who have no problem letting you know they came from Harvard and Stanford; yet, they can’t tie their shoes.”

It is important to note that knowledge and intelligence are two different elements. Knowledge is acquired over time through several mediums, of which “books” might be one. Intelligence is the raw intellectual capabilities you are born with and are fixed. Knowledge is increaseable while intelligence is not.

Role Specific. Some indicated it is important but more for some roles vs. others. Notable comments included:

- “I use dimensions of intelligence. I think it depends on the role. I think for certain roles, it’s incredibly important.”
 - “Intelligence, I think, is critically important and certainly in our more technical areas. As we hire 1000s of engineers, we’re certainly spending a lot of time understanding their technical skills and abilities.”
 - “Some roles require a certain level of intellectual aptitude.”
-

Personality

All but two CEOs indicated personality was important. Companies with revenue between 101 and 500 million use personality as a criterion more often than all other revenue sizes. CEOs of retail use it less than



CEOs in business, technology, or medical companies. CEOs located in the US used more than CEOs located outside the US. CEOs with companies three years or less rely on personality more than CEOs who have been with companies four years or more. CEOs with bachelor or high school degrees rely less on personality than those with graduate degrees.

In relation to each other, motivation statistically was most important to CEOs, followed by learning agility and intelligence with personality following last. Statistical testing showed ANOVA test significant: $F(3,174)=3.320$, $p = 0.021$, and Post-Hoc Pairwise t-tests were used to determine if any of the IMPLs were significantly higher, indicating the above stack rank.

Although 49 of the 51 CEOs said “yes” when asked if they use personality in determining leadership potential, the quantitative analysis indicated that there was no conclusive evidence that it is considered essential by everyone. These results are in contrast to what many CEO said were vital elements of determining leadership potential, such as emotional intelligence, empathy, etc. The conclusion is personality is critical, but there is both a bit of a taboo in saying that and other items CEOs are identifying.

It's important. Many CEOs straight-up agreed and emphasized the importance of personality when determining leadership potential. Representative comments from the dozen CEOs:

- “It’s really important to me.”
- “If you have the right personality, many things can be taught.”
- “I think personality can help determine what kind of a leader someone will be.”
- “Personality tells a long story about initiative and ability to handle the different things.”
- “As far as individuals that can create followership within their organizations... I think personality does have a lot to do with this.”

These next two comments are indicative of leaders learning the importance of personality over time.

- “Of late, I realized my mistake in not giving it its importance because especially when you're now going to be teams and the leaders, personality is showing up as extremely important. I used to associate personality with certain defined roles, but now I realized that it needs to be probably more important than I've been giving so far.”
- “Do I look at personality traits? Yes. Do I see that people demonstrate them? Yes. Do I think that sometimes those tests can be wrong? Not often. Sooner or later, whatever that said that was going to happen shows up. Then you get to decide whether or not that's a risk you want to take. Is it a big enough challenge for you?”

Diversity. Another set of CEOs (13) emphasized that many personality types will work as a leader and that diversity was important. This statement showcased that many personalities could work in leadership roles, but there was work to be done to be effective.

- “It is ok to have different kinds of personality, but at the real leadership level it becomes more critical that you are able to morph your personality to meet the developmental needs of the people who report to you.”
- “The more different, the better.” Some leaders thought personality was even more important for senior roles, and others thought role mattered,”
- “Personality is important, but personality for the right role.”



Nine CEOs specifically spoke about the importance of diversity.

- “I've always tried in the management team that I've pulled together to have an extremely diverse range of personalities, and it makes it harder to manage.”

This comment illustrates the efforts companies were putting into addressing this limitation in hiring.

- “At my previous job, Taco Bell, we had to put a whole training program together that focused on identifying, interviewing, and hiring people that were not exactly like you. We found that people were hiring in their likeness, and that's a problem.”

Other leaders spoke of the culture being a mirror or impacted due to the personalities of the most senior leaders. Still another set of leaders indicated while they pursue a diverse team, it is not easy.

- “I've always tried in the management team that I've pulled together to have an extremely diverse range of personalities, and it makes it harder to manage.”

Lastly, for the companies in South Africa, it is beyond gender and race and an attempt to correct historical “wrongs,” making hiring and managing people quite challenging.

What to look for. When speaking about personality in the interviews, many CEOs indicated what they look for as it relates to personality. Comments such as these are representative, collaborative, willingness to change, someone who is engaging, social capabilities, humor, nice, trustworthy, able to communicate, adaptability, driven, analytical, courage, optimistic, relationship-oriented, “someone who can get along with the rest of the team and make a positive impact,” “when leading people, it is incredibly helpful to be an optimist and find and see potential.”, “I've yet to find someone that's a leader that is not a highly driven person when it comes down to it at the end of the day.”

Humility was a theme for five CEOs.

- “You want someone that is engaging and has some character, but leadership isn't about being the most prominent personality in the room.”
- “I would say to really junior people if you can demonstrate that you can do a job a level above you and do that with humility, and when you show you have questions and are paying attention, you have a pulse, people will notice you.”
- “Ambition is important in leadership, but humility is also important for leadership. To me, the best leaders are ones that have a balance of both, and that's hard to find. It's really hard to find, but it is super important.”
- “If I had to choose a single attribute that straddles across all of these and is a predictor of future potential more than anything else, it is humility. Humility is a level of self-awareness and not taking yourself too seriously. Because if you're humble, you listen, and you're curious. If you're humble, you're congruent. If you're humble, you're always respectful, and so on. Humility is probably one of the most important values I look for.”

Other descriptors aligned with the Hogan Assessment. Many (8) mentioned descriptors relating to the adjustment scale, six mentioned ambitions (ex. ownership mentality, etc.), twenty-three mentioned



interpersonal sensitivity (ex. body language, etc.), ten mentioned prudence (did they prepare for the discussion), a few mentioned inquisitiveness and learning approach dimensions.

What not to look for. Ten CEOs spoke about the concern of derailing attributes. Unacceptable elements were people who had personality traits that were condescending, obnoxious, rude, negative, people who point fingers or look external to blame, not effective at communicating, some who is completely socially awkward, extroverts who are “all over the place,” people who cannot focus, or those who are narcissistic.

On the Hogan Scale, examples of personality traits that were of concern were ones that fell into all the dimensions of the Hogan derailler scale, the dark side of personality. Those were - reserved, prudence, imaginative, bold, colorful, skeptical, diligent, excitable, cautious, mischievous, and leisurely.

Chemistry is critical. Thirteen CEOs specifically identified chemistry as a critical factor when discussing personality. In those discussions, they offered a variety of answers, from personality was not important to personality was very important. The reality is that chemistry is about personality and whether the combinations of personalities will work well together. CEOs talked about fit, collegial behavior, able to connect and work together, respectful, culture fit, needing to mesh, “attitude,” how well they work together, having shared and aligned core values, wanting someone that the team will like, and trust (“I’ve never hired anybody I don’t like.”)

It was interesting through this portion of the interviews how much CEOs didn’t want to emphasize personality but rather other elements such as chemistry, emotional intelligence, etc. A representative comment was:

- “I want to say no, but I think the answer is probably yes, in a sense from the executive team perspective, there’s an important part of the team operating well, so someone with a personality that will be highly dissonant to the way the team is already set up is not going to be a good fit. We tend to be a nicer group, in general, I would say. We have to work amongst ourselves to be more honest with each other and to try to challenge each other a little bit more, but at the same time bringing somebody in who’s a stereotypical investment banker from the ‘80’s or ‘90’s, super-aggressive, in your face is a bridge too far for the group dynamic.”

Or this comment,

- “There is not a personality type I’m looking for. There’s a type of chemistry I’m looking for. I don’t care if somebody is introverted or extroverted or what their interests are in life. I care that they can collaborate with us, respect other people’s opinions, and have the emotional intelligence to know how to work with their peers to get a better solution. To me, that sort of personality type, I guess, or an aspect of personality that I look at.

Emotional Intelligence. EI was the biggest topic raised by CEOs. Emotional Intelligence, or some variation of it such as EI or EQ, was mentioned specifically by 18 CEOs. In addressing EQ, people mentioned having intuition, tied IQ and EQ together, emphasized self-awareness, related it to humor, ability to compromise, finding ways to work together, spoke of how this has become more important/they have become more aware of the value over time:

- “I think as I’ve gotten older, or been around longer, I tend to think that EQ becomes more and more important, the further up you go,” and its importance as it relates to intelligence,’



- “I saw all the mistakes they made by people who had high IQ and low EQ.”

For many CEOs, the level of EQ was the most important indicator of potential.

An additional eleven leaders spoke of empathy. Emotional intelligence is largely defined as having the four components of self-awareness, self-regulation, trust, and empathy. Thus, with an additional eleven CEOs mentioning this, it brings the total number of CEOs focusing on emotional intelligence to 29.

Representative comments included:

- “I'm always looking for people with strong empathetic skills.”
- “Empathy is more important than I mentioned so far.”
- “I think that people that are genuine, people that have empathy, people that are real and not giving you a script, all the time is critical. All of those softer qualities to me are what I put more emphasis on, as opposed to ‘can you tell me the revenue of every customer in this particular region.’”
- “I don't understand how anyone that doesn't have empathy is successful.”
- “I'm asking, are these people not only listening to what's happening around them in the world but are they listening with a level of empathy that suggests they know how to account for that. Not everybody knows how to do that.”

Finally, an interesting comment was offered about character in the context of personality:

- “I distinguish character from personality, where character is who you fundamentally are, and personality is how you show up, in terms of your communication style, your body language, etc. If this is the definition used for personality, I'm more concerned about character and less concerned about personality.”

How to assess. When asked how people assess personality, a variety of answers were given. One CEO mentioned how he uses a “walk-through” of their resume to learn about motivation and personality as they speak about transitions from one thing to another. Another strategy offered was asking about challenges that happened in people's lives, uncomfortable topics, and see how they address them and similarly, other CEOs ask questions about things nothing to do with work, such as hobbies, achievements, interests, etc. The intent was to hear how they talked about such things and to assess whether there was an element of negativity: “It's not necessarily about the subject I ask them about, it's about the way they're talking about the subject. That gives me some insight into a person's personality.” Similarly, other CEOs spoke of observing folks as they interact with others, and another CEO offered the strategy of examining people's social media strategy to see how they show up and engage the world.

Assessments. Assessments were a common topic. Hogan Executive Assessments were referenced several times, even with one CEO mentioning, “I was just actually grabbing a file with some Hogan assessments.” Others mentioned Myers Briggs, the Papi, the Predictive Index (PI) either as an indicator of potential, an indicator to question and learn more about someone based on an extreme tendency, or to assist in engaging with leaders. Some have built custom evaluation tools. Others use internal executive coaches or external consultants who use the above or different psychometric tests. The prevailing thought is captured in this comment,



- “Usually, those sorts of surveys also give some pretty good indications of who has leadership potential, sort of naturally and who maybe is not necessarily cut for leadership but is somebody that can contribute another very positive ways.”

A few CEOs were specifically opposed to using assessment for this purpose, “I would never use an assessment to either screen candidates or assess if somebody should be a leader or not. I think it needs to be a collection of data points that only you can get by observing someone.”

Motivation

Motivation was universally the most important factor out of the IMPLs across the entire set of CEOs. The quantitative analysis indicates that motivation is necessary when it comes to DLP. Every participant indicated they use motivation in the process and had an average importance level of 4 out of 5. It was most significant for business, finance, and technology. Additionally, most billion-dollar companies rated motivation as a 5 out of 5. Men and women rated the importance of motivation equally.

Yes! Much of the discussion with the CEOs consisted of them reinforcing the notion that motivation was critical. Comments included sentiments such as,

- “Highly successful people motivate themselves and don’t need me to do that. Winners motivate themselves.”
- “It’s going to be hard for someone to get ahead and excel in this organization, or any if they do not demonstrate motivation and energy.”
- “Individuals that have self-motivation and who are competitive individuals are the ones that I’ve found to be the most successful leaders.”

And lastly, this fulsome comment,

- “I think they need an engine; they need that motivation. I don’t confuse that with capability. If I must judge between two and one has got all this experience, but no motivation and the other’s got a ton of motivation and maybe light with experience, I’ll take the motivated person every time. It’s because, at the end of the day, they have that tenacity, that grit, that desire that ‘I’m going to go make it work.’”

What it looks like. A variety of elements were offered in terms of what motivation looks like. Descriptors included initiative, energy level (“It’s what leadership is about quite honestly. I think to be a great leader, you got to bring your own engine.”), intentionality, the ability to create followership (“it’s hard to want to follow somebody that’s not motivated”), the intent to make the most of life, most of themselves, most of others. For some, it is a combination of things, “We prescribe to the Jim Collins Good to Great philosophy and mentality. You’ve got the discipline people, discipline action, discipline thought, but they’re self-motivated.”

Other descriptors were whether they were motivated to do a good job, demonstrating entrepreneurial zeal, acts like the owner, coming up and wanting to “crush it,” finding something to move the business ahead, follow-up, are self-starters, are purpose-driven, they value the work, they want to move forward, it shows how they work with others, shows in their pace, how they move, do they show up on time, do they go above



and beyond, are they prepared. Another example is someone saying, “I can do more...give me a chance” or “Inherently, I expect a high drive, high ambition, and high work ethic. I think those are sort of aspects of motivation, and I say that’s a given.”

Motivation is the ability to fully commit themselves to be their best self. An example of that is this CEO’s comment:

- “Going back to my time at PepsiCo, and really going back to the late 90s, I was introduced to the corporate athlete. It had a profound impact on me. I started to really embrace the program and understand how important things like rest, nutrition, and exercise were for being a high-performing executive. If you’re in an executive position, having high learning agility, you must train like professional athletes. We need to invest in our health, wellness and especially invest in our energy so that when we need to be at our best, we can be, and that’s a byproduct. Others described it as just the opposite, more of what it was not. Examples of this sentiment was not having pushed someone or someone not comfortable driving the agenda or not taking ownership.”

Intrinsic Motivation. Several CEOs (7) spoke about the importance of people being intrinsically motivated. One common reason provided was this concept of the external motivators will run their course.

- “Motivation is important, and it’s important that you’re internally motivated. When you’re externally motivated, there comes a tipping point where you either have enough incentive to move on, or you say, you know what, there’s just no incentive to continue, but when you’re internally motivated, it’s as if there’s nothing that will really stand in your way.”

Said in a similar way but emphasizing it is best when there are a few motivators is this reflection from a CEO,

- “You got to be motivated by something, and hopefully you’re motivated by the right things as a leader or just a person in an organization. I hope it’s a mission and the work. It can’t just be motivated by a paycheck and, frankly, can’t just be motivated by the mission. It’s the constellation of a bunch of different things.”

One CEO was explicit in the direct link of motivation to potential,

- “If someone is not intrinsically motivated, I find it hard to see how they have potential. If you need to direct somebody to be motivated to do something, if the person is not a self-starter, then that’s not good. If you’re talking about if somebody can also be extremely motivated by money or if he gets the right amount of money, he’s motivated, then that is not the right motivation. It only works so far. If I’m hiring new people and they focus too much on the package, I get skeptical.”

How to Detect it. CEOs (10 of them) assessed motivation level in a variety of ways. One major way was to assess the interview process. The most common way of assessing was observing, especially if it can be done over time. One CEO emphasized that “words are just words, and it’s your actions that mean everything.” Another CEO indicated they measure it based on individuals respond and perform in not-so-fun placements or unideal situations’ and ultimately how committed they are. Another strategy noted by a CEO was to use open-ended questions that often have nothing to do with work. Other CEOs said they recognize it when people come with ideas and ask for more. Resiliency was also mentioned as a defining characteristic. Other



CEOs indicated they know it when they look at the background of candidates – did they solve big problems, demonstrate an appetite, overcome some challenge, history, education, successes, etc.

Ambition. The concept of ambition was raised nine times by the CEOs in relation to motivation.

- “I think a lot of leadership potential comes from internal ambition and a bit of a sense of gnosis (knowledge) - you just know that you can do it. You just must know that you can do it. I think those two things are incredibly important.”

Associated with this as well as a concept of being a self-starter and trial by fire. One CEO expounded on the importance and how she saw it especially as a woman:

- “I admire ambition. I’m an ambitious woman, and I hate when people use that word negatively, especially about women. Ambition is important in leadership, but humility is also important for leadership. To me, the best leaders are ones that have a balance of both, and that’s hard to find. It’s really hard to find, but it is super important.” Simply put, someone said they know ambition because it is in someone who wants to change the world.”

Too much. It was expressed by seven CEOs that too much ambition/motivation is as troublesome as not enough. One CEO indicated that having “extreme motivation and has no work-life balance won’t work as we tend to have a good balance, someone who is too much out of balance would be tough to handle.” An individual cannot be “filling a hole in themselves.” Another referenced the essential need that motivations were aligned with organizational need. Another CEO referenced seeing potential but not seeing motivation as a problem for leadership potential. “I might see in a very junior person a lot of potential, but they may be “I don’t want to work that hard all my life,” or “I don’t want to give that much of my life up.” Too much of it can look too persistent and not take time and place into consideration. One CEO cautioned about growing a culture that only focuses on and rewards people growing fast. Sometimes it doesn’t show well considering a particular timing when one wants to reveal ambition, meaning asking too early or too often will work against you, according to one CEO.

Learning Agility

Learning agility was ranked second out of the four IMPLs. There was broad consensus that it was important but especially for those CEOs who studied finance or business and for CEOs with more than four direct reports. There was a large variety of ways in which CEOs discussed learning agility.

Curiosity. The most common association of learning agility, detected through the comments of 10 CEOs, was to link learning agility to curiosity. Some describe it as a cycle of curiosity, and others expressed appreciation for it, such as, “I do like people that are curious. I think a measure of that is outside interest. I think people who collect things, have a hobby, are a sports enthusiast, or have some outside interest to show it’s not all about work and kids. I like the unique qualities about people.” Several described the curiosity component simply as the inclination to explore new ideas and challenge oneself. Another CEO spoke about curiosity everywhere – manufacturing facility/boardroom/military, etc. Others linked it to other key components they mentioned having great importance, “People who have learning agility, by definition, are humble and infinitely curious.” In this context, three CEOs specifically spoke about the importance of risk-taking and learning from failure.



Adaptability. The second most common way (9 CEOs) in which CEOs spoke of learning agility was in the realm of needing to be adaptive in order to “keep up” and stay relevant. The quote typifying this most was:

- “You think about 2020; none of us had a playbook for what we’re facing today. We’ve had to pay a premium on learning, agility, adaptation, and the ability to be flexible in these environments. More and more in this environment, we’re also testing for that agility and learning agility. We’re testing for curiosity, people who are really interested in continuing to learn.”

These CEOs talked about needing to determine when to stay the course or pivot and adapt...one referred to it as recognizing reality. “Recognizing reality is quite a skill because most often human beings have a lot going on in their brain and don’t have true clarity or reflection.”

This CEO captured the sentiment well in his comments:

- “Learning agility is when quickly someone could stop focusing on things that no matter because it would be too much energy for what’s going to come out of it because something changed in the environment and to redeploy those efforts to the things that they can succeed at. So, learning agility is critical to be able to succeed.”

Another CEO expressed this critical sentiment with great simplicity:

- “Without change, there is no transformation. It’s that simple.”

Another brilliant way this was expressed was through the quote:

- “It is not only being able to learn that is important but also the ability to unlearn what you have learned.”

And this one:

- “Nothing that you have learned is applicable forever. And then to relearn something else that may not be relevant, and to have the ability to learn, and we learn and be on that cycle, all the time. That requires a very special mind. And I think that’s a significant indicator of high potential.”

Every Day. Seven CEOs emphasized the need to grow every day in their reflections on learning agility. Being hungry to learn, still learn every day, should want to learn every day, being proactive and learn on the go, change direction, constantly learn, and move, and simply that learning never stops. One CEO expressed it as, “To me, if you’re not learning every day, I think you go stale. You then get behind; whether that’s market awareness, product skills, or technical capabilities, you have to stay current. So, you have no choice if you want to deliver at a high level to constantly be learning.”

Intelligence & Motivation. Several CEOs (9) indicated that they associated two other IMPLs - learning agility with motivation or intelligence. This comment exemplifies the sentiment regarding motivation, “To me, learning agility sort of goes along with motivation level. Many of the skills that I have are self-taught, and I’ve worked in entrepreneurial companies where I’ve been asked to do things that I had no idea how to do, and I just had to figure it out.” Others associated learning agility with intelligence, or “would bucket that into smart” and emphasized the capability to learn quickly.



Job-specific. Some leaders indicated learning agility was more important earlier in a career because there is so much to learn. Others indicated it becomes more important the more senior you are in a role based on the complexity, “I think it comes almost impossible at a senior level to do your job if you’re not willing to learn.” All agree with this statement to which learning agility is tied, “People who are coachable are the best leaders.”

Consequence of not learning. Five CEOs specifically spoke of the consequence of not having strong learning agility. They reflect on whether people are “ahead of the curve or behind the curve? It’s fascinating because the people who stayed behind the curve are not successful and will not be successful because the world is changing.” The consequences are significant relating to determining leadership potential in the eyes of some CEOs, “It’s pretty important. On the flip side, there are plenty of people who may not have leadership potential. They like where they are, and they’re excellent and confident in what they do. In those cases, their agility may not necessarily be a high priority. It’s just that if the company pivots, they’re usually eliminated.”

How Do to Assess. A number of methods are employed to assess leadership potential, as indicated by the CEO’s responses to this question. Three CEOs mentioned using tools such as assessments, case studies, or tests. Most of the other responses related to observation in one form or another.

Observing - Language. Many CEOs spoke of observing learning agility. There were several elements these CEOs were observing. One such element was in the language used, such as: “If you can tell they’re here to come in and just, oh, I’ve got this mindset and ethos, and I’m going to dictate that on to this new environment and they’re not here to learn, they’re here to command and demand. That’s not a learning mindset. That’s just going to create more chaos.” Other CEOs indicated they assess this through questioning in the interview process. Sample questions included Do you have a broad range or record? Do you have a framework within which you operate? Or do you only know about people that look and sound like you? Do you only read on a particular topic? Another CEO mentioned using presentations and case studies during the interview process and observe how they handled this CEOs questions in that forum. A third CEO looks at how candidates answer a question and particularly whether they use storytelling. That CEO also looks for indications as to how the individual learns because “You can learn a lot about someone just by them telling you how they learn. If the question is off-putting or stumps them, it’s usually a tell.”

Observing – Application. Other modes of observing were in how they applied knowledge they learned and what they did with it. One CEO indicated, “If they are not capable of change, it shows up pretty quickly in this environment. Another example of what that looked like for one CEO is reflected in these comments, “You want people to say, ‘When this happened, you shared it with me, and so I was thinking about that, and so this is how I approached this. Not have them say, hey, look, we had this conversation three times before.’”

Observing - Performance. Several CEOs noted that it is through the work they do and their performance, such as assessing their work through projects. Others mentioned seeking whether they take risks and how are they curious, do they problem solve, collaborate?

Observing – Curiosity. Several (4) CEOs indicated they use demonstrated curiosity as a method to assess learning agility. “I assess it by getting some sense of how curious people are about things. Who is it that goes out and is a self-directed, self-guided learner?”



Another defining comment is this one, “Learning agility looks like those who are curious and ask questions about our business strategy, our go-to-market strategy, and our product development process. Are they curious? Are they asking good questions? Are they digging deep to figure out what things mean and how they relate and can be effective?”

Related, two CEOs mentioned observing potential leaders when they are out of their comfort zone seeing what they do with that. A way in which curiosity is illustrated in what they are studying and how they learn. A sample comment is, “I track very closely the people that have decided to go off and do a coding course or a different approach to leadership style or adapting their own style.” Or broadly looking at their learning approach, what are they reading, business acumen as illustrated in this comment. “What are they learning, and how are they learning? Do you read a lot? Do you follow the industry, for example, the architectural space? What are you following? And what are you learning? It's not only the knowledge or the reading, but it's the application.”

Tools and Assessments

One area of focus in the study was to learn what tools or resources CEOs were using to determine leadership potential. There were seven themes relating to how CEOs answered this query.

In-house tools. A set of CEOs, 35% of them, account for the first theme where they indicated using in-house, custom tools. These tools are proprietary or resources such as the nine-box exercise (4), ability assessments (2), some type of survey (3), and several indicated it was input to creating a plan, “We don't use that to determine leadership. However, we use it to help us identify a path towards leadership.”

Psychometric Tools. A second theme surrounded the use of psychometric tools. These tools are used to either identify strong traits or concerning characteristics as noted by one CEO, “I actually don't think it helps develop leadership potential, I think it helps identify some of your character traits, that to be successful as a leader, you might need to work around.” These were most popular with companies with less than 100 employees, less than \$1 million in revenue, and often by retail, health care, and computer software. More than half (55%) use such tools, including 75% of the women in the study using these tools.

Examples of psychometric tools included Lattice (1), Disc (2), Hogan (3), personality profiles such as the predictive index, Myers Briggs, or psychometric testing (17), emotional intelligence tools (2), or multi-rater feedback such as a 360 (6). One CEO spoke of having a balanced approach in using such a tool (Hogan) not as a decision-making tool but as an input to a development plan that provides an opportunity for someone to improve a critical area. “Some of the assessment data, as you build development plans, focus on improvement areas. If you do not see improvement, it does become self-evident that there's a cap on that person's potential. I don't think we look at the Hogan or other assessment tools and then jump to a conclusion based on the provided feedback.”

External programs. A third set of resources surround the use of external leadership programs, including the use of standardized tests and quantitative analysis. This was used by 16% of the overall survey sample with a slight bias towards retail, and more than half were companies with less than 1000 employees. The 16% who used this strategy were all male CEOs.



Experts/Coaches. A fourth theme, offered by 18% of CEOs and an even split between males and females, consisted of utilizing specialists such as coaches to assist in this process. This was most common with companies for companies with less than 100,000 employees. Samples are MDA Training and RHR consultants (4) or a panel of coaches and experts (5).

Misc. Six percent of the survey population, all men, mentioned they use a quantitative approach to determine leadership potential. Four of the six respondents were from companies with less than 100 employees, and a total of 17%, all women, use various frameworks and competency models to assist in their efforts. Some of these resources are used to confirm the impression or instinct the CEO developed as stated by one CEO: "We do set up the various tests that are available to us and have the reports after. I often think the way I go about it is through the personal interview then use reporting to make sure my instinct was correct. So, to use the data to underline the impression."

No tools. The last theme that emerged, from 17% of participants with a 2 to 1 male to female ratio, was the sentiment that no tools were needed or recommended. All the respondents were from companies with less than 10,000 employees. These CEOs mentioned tools can be deceiving, were sour on specific assessments such the enneagram, view 360s as "dangerous" unless done with and expect."

Challenges

There were nine challenges that CEOs identified in determining leadership potential.

Lack of True Data. The largest response to identifying the challenges when determining leadership potential was the lack of true data. This was identified by 18 CEOs. Descriptions included a lack of visibility. A big issue is relying on the word of others, reputations that aren't always true, people who are chameleons or have a facade. Differentiating between those who said they do the job and the ones who actually do. One CEO explained, "Because the culture teaches you to present yourself so beautifully and so perfectly that it's impossible to tell, almost impossible to tell whether this is the real person, or this is, I don't want to call it a facade because everything is a façade by some measure. The challenge is to figure out who that person is underneath." The result is "getting snowed." "Getting snowed by what looks like success in the past; the person had the title, they seemed to be in charge of many important things. They talked a big game. Then, wanting it to work, you want to believe them."

It was expressed that you don't know the person or get the data until after the fact especially when hiring someone. But not having enough and valid data is at the core of the concern as one described by one CEO: "It's getting a broad enough view of somebody. Too many times, we operate in a sound-bite world, so very frequently, you're dealing with just sort of a sound-bite sort of situation. I'm a big believer that to really identify leadership potential, you need to see people in different settings, you need to see people in different environments, you've got to see them as the star of the team and as just a team member. The most difficult piece is giving a broad enough view. It goes back to my earlier comment about having to make a decision with less than perfect information."

Time Pressures. The second greatest challenge expressed (12 CEOs) was not taking the right amount of time to do DLP well. Many reasons were given for why not enough time is allotted, such as being in a rush to fill a role and overlooking the red flags. The limited time in an interview process to get to know someone was another reason for lack of time. Comments include: "For external people is there's not sufficient time to see them in an unfiltered setting. In an interview, you are guarded. It's hard to get to know the real



person, and it could just be time but also the setting and the environment." Another version was misplaced time meaning time in the wrong person. "Those are the kinds of people that you often put a lot of time and energy into, and then at the end of that when it doesn't go as expected, it feels not great, and you think, "why didn't I see this all along?" I would say that's the challenge."

Another element of the time concern is giving them enough time to demonstrate the appropriate skills and knowledge. "After 12 months, generally, you can see a lot. You can be a lot more confident." Or this version of that same sentiment, "The biggest challenge in identifying leadership potential is too short a time frame. Over time you see good times and bad times, you will see performance and underperformance and overperformance. You will see them motivated and see them following a leader and work through different stages of their life. When time is shortened, it is much more difficult to determine." Lastly, the dynamic of the CEO being too busy was raised, "I get so bogged down in the day-to-day stuff that I push people into managing and doing rather than the leadership work."

Be Mindful of Bias. Identified by nine CEOs, there was a significant challenge raised that came in the form of his/her own bias. One CEO explained it this way: "The biggest challenge is probably fighting any internal biases that you may have, so self-awareness is important." Another CEO was extremely reflective on this point, "I, probably like most human beings, struggle to fully understand or appreciate either cultures or styles that are very different than my own. So as much as I can say rhetorically, and I do say rhetorically, that I value it highly—I've seen the objective evidence of success when we get it right. It's so hard for me to see through the person who's particularly aggressive, or who's particularly mild, but quite forceful despite a mild demeanor. That's something that I think I'll probably be learning the rest of my life is how to how to really appreciate the strength of different cultures and different styles that aren't immediately obvious to me, given my own background."

Accurately Determining Capabilities. Many CEOs (20%) indicated their desire and attempts at determining capabilities as one of their biggest challenges as evidenced by this comment: "Ensuring that you're establishing enough "testing moments" to provide folks an opportunity to demonstrate whether it's the agility, the drive, or the things that we discussed. So, you can really go blind to folks who are pigeonholed in specific roles, and you're not seeing them stretch; you do not see the opportunity. And that is a challenge in more complex settings." The concern is referred to as the Peter Principle, where people are promoted past their capabilities, as illustrated by this comment, "That's where we struggled a little bit is someone that was doing really well, but then you put them more of a leadership role. They seem to do well with clients or handle objections and handle difficult clients very, very well. But, all of a sudden, you put them in charge of seven employees, and they struggled. They struggled for whatever reason. So that was one of the key components that was stressed where we did have challenges, and we still have yet today. Some people that were doing really well for us, but in some bigger roles have just not done nearly as well."

Some CEOs spoke specifically of taking employees out of their comfort zone and seeing how they fare. "One of the hardest things is when you take somebody out of their comfort zone, and you drop them in the deep end; how much time do you give them before it's clear that they have drowned?" A complicator of assessing this is that people might demonstrate appropriate capabilities up to a certain point but then hit a wall, then what do you do? "Another challenge is sometimes one's unwillingness to fail because many of these individuals are in high positions. What a company needs in a leader can change as the company grows. This poses some challenges and risks. Individuals who have been great for the organization when they were small may not necessarily be the right fit when the company expands. Often those companies outgrow their leaders." A specific test mentioned by some CEOs is how people respond to adversity. "When folks are faced with a challenging situation, people react so differently." One last way in which



CEOs described testing people was related to their longevity. “You want people to be around for a while. That’s one part of the equation, whether or not they’ve got the stamina to be around for a while.”

Determining who has the total package. Seven CEOs expressed specific concerns about finding people who have the full package of what is needed to be a strong leader. “I would say it’s putting all those core components together. Someone might be off the charts in one component, but they’re way too low on one or two of the other core components.” The whole package was referred to as functional capabilities such as accounting, spreadsheets but also strong communication and an understanding of organizational behavior. EQ was mentioned as was drive, intelligence, ambition, commitment. It can be disrupting when employees have strong capabilities but are not a fit (chemistry, aka personality fit), as illustrated by this comment. “It’s on that two-by-two matrix -you’ve got someone who is incredibly talented that a really bad cultural fit. I’ve got a classic example of this –there was a guy who joined us, and he was a university medalist in computer science, Ph.D., public gain. He was getting his work done on time, every time, but he would get it done so quickly that, you know, Monday morning at 11 o’clock, he would play the ukulele and start watching cat videos on Reddit and be incredibly disruptive. Everyone sitting around him got disrupted. It’s bad behavior.”

Quantifying Soft Skills. Six CEOs identified an ongoing challenge for many leaders, which is to figure out how to quantify the “soft” characteristics needed in leaders. Examples would include personality traits, EQ, adaptability, how they deal with people’s issues, as illustrated in this quote, “I think the most challenging part would be knowing how a leader would be able to manage ‘people issues.’ As I have watched leaders, and then myself, my own failures or challenges, it’s important to make sure that you address “people issues” quickly and transparently.”

How to put someone in a position to succeed. Another six leaders identified their biggest challenge to determining leadership potential was how to place people in a position so they are successful. Concerns centered on the fact that some are simply not going to be a leader even though they may have some strong capabilities in a particular area. “The challenge would include thinking through how to put someone in a position to succeed. Sometimes you do have to say, “not everyone’s going to be a leader.” That’s probably the toughest one when, again, someone is way off the charts in one aspect, but they’re also way off the charts in the other direction on the rest of them.” Another version of this concern was expressed in the lack of opportunity for people to showcase themselves in small companies without many opportunities to move up. These CEOs expressed deep responsibility for the outcomes when placing a bet on someone. “The hardest part, there is as much a failure for them as much as for me because it’s a combined project that we did together. So, if you ask me the difficult part if I choose somebody to succeed, and that person doesn’t succeed, it’s as much as it’s that person’s failure as it is mine.”

Having Difficult Conversations – Related to the prior challenge, six CEOs raised having difficult conversations as their biggest challenge. One CEO said it well, “The most difficult challenge, and I think it will always be for me and others, is when you have to have that tough conversation and have that transparent conversation around, ‘you know what? You might be an excellent performer in your current role, but you’re probably at potential.’ We all want to tell that team member that they have a next step, and they have more potential and align their aspirations with the potential in front of them. The most challenging part is when you have a high-performing organization, and you have a group of top leaders; not everyone’s going to go to the next step—having the courage and transparency to sit down and let someone know just where they are met out. I think it’s still a challenge we all face because they are good people. We do care about them.” Concern was expressed to not hurt people, but also the difficulty of having these conversations is incredibly hard. “During my career, I have witnessed very wise and intelligent leaders fail



because they didn't have the awareness or the courage to deal with people issues. Radical candor is hard." These conversations can come about when the leader has a different perspective of the employee's capability, "There are folks who think that their own view of their leadership ability might not match mine. So that can be a challenge. They think that they have strengths in a certain area that I don't see. For example, they think they are so strong and a leader, but, no, it's not resonating."

Miscellaneous. The last category of challenges is a combination of a variety of reasons. One reason, expressed by five CEOs, was the challenges presented by various cultures and geographies. Examples provided were the difficulties in promoting in South Africa based on legal, demographic quota requirements combined with lack of education issues or in India, the limitation of accepting failure, and the negative impact on creating resilient leaders. Another example was the tremendous amount of diversity in China. "When there is a big cultural difference of yourself compared to the person you're assessing, it becomes extremely hard to assess leadership. Because effective leadership in a Chinese organization was tougher in this, kind of very different from effective leadership in a Western organization. And we're still on the way, after six-years is still very difficult for me to assess leadership in Chinese culture because I worked in China, but in a very different culture. The biggest challenge is how to define and assess what should be the effective leadership style in a company that requires a different kind of leader in different regions or different positions."

One last item that needs to be included in this miscellaneous category relates to how people view themselves. Very often, it was raised that people have a view of themselves in which they thought more highly of their skills than others did. Another challenge expressed by one CEO was the opposite. "I oftentimes think a lot more of you than you think of yourself. I spend a lot of my time in all walks of life believing in you, thinking you have potential that is just limitless. You're bright. You're smart. You're a learner. You question. You listen. You have all the capabilities in the world, and you struggle. My frustration is that I see your potential, and you don't see it. I see it all the time, especially with young people. I see the potential, and they don't see it in themselves. Part of the battle is their ability to articulate why they are struggling or why it was a difficult assignment. You could fill up your book with reasons, but it is what you do about it that matters. It isn't exclusive to any group—men and women, people from different races, people from all different walks of life. I think it is inherent, this 'I can't get out of my own way.'"

What would help You in this Work of Determining Leadership Potential?

When asked what would help with their efforts and enable them to be more successful in determining leadership potential, CEOs identified five major categories of assistance. Those categories included tools (26), coaching and mentoring (18), the use of frameworks and training (15), time (12), and other miscellaneous items.

Tools. The first is in the area of tools. More than half (26) of the participants indicated they wanted some type of tool to assist with this work. The tools ranged from broad to specific. Some were looking for a way to benchmark talent against a broader scale, referred to as a roadmap of competencies by one CEO, inclusive of functional competencies. Another six CEOs had a similar sentiment as it relates using data and technology, "It be great if there was a service where you as a candidate could go in and take a profile survey, a profile test on intellect, attitude and when you apply for a job, you say here is a link to my personality assessment." Other CEOs are seeking tools that "get below the surface" while relatedly, others are looking for "truth detectors" to assess whether what is being offered by candidates is reality. Honesty



was a consistent theme mentioned by several CEOs. "As you move up in your organization, your world gets more and more filtered. People tell you what they think you want to hear as opposed to what they really should say." Some CEOs spoke of the value of having different experiences with potential leaders, such as golfing. "There is value to the unguarded moments because ...you can get people in an unguarded moment, and you can see a little more of the curtain pullback."

Specific tools that were mentioned that were identified as valuable were 360-degree feedback assessments, DiSC, Myers Briggs, and Hogan. Some have used engagement survey data. Some companies use custom tools that give them the data they deem critical. One CEO identified HR as a vital tool to help flush out potential, emphasizing that the "Peter Principle is real" and the cost of talent mistakes is tremendous. Several (6) CEOs mentioned the use of case studies as a credible and important tool they use.

Several mentioned they do not actually know what is available in terms of tools and would appreciate assistance in this area, as indicated by this CEO. "I think a list of the top five tools to use in assessing leadership potential and an explanation of what and how and why and then I can use them so that I can choose the one or maybe not even the top five, the top three so that I can actually use the tool as a guideline, and then a basic how-to assess leadership potential."

Coaching. The second-largest category of answers to the question of what would help was in the area of coaching, mentoring, and learning from others. This help was mentioned both in the context of what would assist CEOs and also what would assist potential leaders in being better. "I think with a lot of the younger folks who I could see growing into leadership roles, they get stuck in the "my job title today is this, my salary today is this," and they hear the words about what the growth potential is and where they're going, but they get impatient. So, having somebody to mentor and help outside of the company, because I think it's a different perspective, would be helpful." Similar sentiment expressed differently, "I just think it's finding people willing to be coached. Everyone says in the interview process that they love being coached, but they resist and hate it. It is amazing to me how many people do not want that coaching."

Other CEOs expressed their commitment to filling the organizations with good coaches to enable the development of others as indicated with this quote, "I think making sure that I'm creating a tribe of more effective coaches and mentors across the organization who are then able to multiply unlocking of potential of the people across the organization. I do feel that we have a deficit of talented and experienced coaches and mentors." Some focused on internal resources, including the need to have HR raise their game in this space. "We need a complete redefine and reconfigure of human resources. So, starting at that place because right or wrong in organizations, that's who's accountable for this work. We need HR to go from transactional and figure out pretty quickly how to mechanize a lot of the transactional parts of that work."

Other CEOs spoke of subject matter experts who could raise the acumen of people in the organization on this subject. "It would be useful to have someone who can help educate us on the what and the why." Or expressed this way by another CEO, "I know that there are trainers out there that can come in and work with teams." Other CEOs expressed the sentiment more broadly in terms of having a facilitated open dialogue in the organization. "Whenever we take the time away from the hectic day-to-day to, usually external facilitation, to do some coaching development of a team. Just put some time into ourselves; I find it very useful... once or twice a year, we make an investment in ourselves, but it's not enough; it never feels like it's enough."



Frameworks. Another genre of help that was identified as being desired was in the area of frameworks. Nineteen CEOs spoke of this being a resource that would help them greatly. Sample expressions of this idea are, “Having a framework to help someone be evaluated would help to gather my thoughts in a more analytic manner” and “There hasn't been a lot of structure in my career regarding leadership development and potential, so it's something that I'm learning” and this view, “Number two is if there are frameworks to think about this, I would benefit. The way my mind works, I do get drawn to frameworks and concepts.”

Related to this was the desire to have more formal training and ongoing learning events on this subject matter. A representative comment was, “A more structured program inside the company to give people different experiences. We're not as intentional about leadership growth and presenting people with the experiences that they need to have as we should be. It's very organic in the way we do it.” Other CEOs expressed the desire to have a curriculum that would provide ongoing knowledge and skill-building in this area, “Nobody has a training program anymore. Nobody thinks they can afford them. I don't see individuals and organizations investing. Somebody has got to teach people how important this is.” Some CEOs expressed the desire for learning events due to the changing nature of the world and the desire to keep up. “What worked 10-15 years ago may no longer be relevant today. We're in a very different world with COVID and working from home. Workplace dynamics have changed. There's always going to be a younger generation and having something more recent and more relevant would be very helpful.”

Learning tactics and how to formulate appropriate questions for interviews was also a source of focus for CEOs, “Knowing interview questions designed to identify and assess whether an individual holds certain characteristics.”

Time. Time was raised in two different ways by a dozen CEOs when asked what would help. The first way was related to the time it takes to develop people. The second was the difficulty in focusing CEO time on this.

Under the premise that development takes time, a very respected leader of a very large organization summarized this sentiment with this question, “We spend a lot of time on talent development, but how do you find those up-and-coming leaders early in their careers and continue to find ways to accelerate their development? I'd love to determine how to arrive at some conclusions earlier and how to expedite this process.”

The other temporal concern expressed was the availability of time to do this work, “Time would be another thing. It's hard to find the time, especially in an entrepreneurial company, to develop those leaders because you're just so busy.” Similarly, this CEO expressed it as, “You get so bogged down in the crisis that you don't then take the time to cultivate the leadership team in a way that they need in a way that is best for them, that's for you, that's your organization longer term.”

Miscellaneous. There were a variety of other comments that were offered that didn't combine into a theme but were interesting to note. These included a desire for more opportunities to put people in challenging situations to develop, doing work that resulted in more women in the workplace and elimination of the gender pay gap, ways to address a geographically limited talent pool such as in Australia, desire to add younger talent to bring a different energy, and money to use for development.



CEOs were asked what hinders them in this process. The following themes emerged.

Time. Similar to the answers when asked, “What challenges have you faced in determining leadership potential,” time was raised as a major theme. Seventeen CEOs raised this as a hindrance. This came in many forms, including being pulled into the day-to-day responsibilities. Another CEO mentioned the need to put in enough time with his CHRO and development team and get access to the talent for these purposes.

Several CEOs mentioned that it was not being treated like the priority it is, as evidenced by this CEO, “A lot of the day to day gets in the way. It’s the classic kind of seven habits, urgent versus important. Leadership development is totally important, but it’s not always urgent.” And this quote, “I think that as leaders, we think of our tasks of getting that return on investment, hitting that capital budget, all very tangible things. And yet, executing our strategy is done through our people, and we don’t spend enough time on that.”

The other version of comments made about time was that this work takes time over time. “It’s taking the time to do it right. I think in a world where we operate by sound bites, I think when we share a sound bite and we react, it takes a good leader to think about what that means, but we don’t have the time to think about what it means. The hinderers are just truly the time that I think it takes to identify the potential... putting people in situations to see if they have good judgment, see if they have the capacity to learn, to see if they can be active listeners and adapt and lead both directly and indirectly, to influence people.”

Several mentioned that the pandemic compounded this issue. “I feel like with the pandemic... We have such a limited amount of time... We’re forced to just be as efficient as possible, and we sacrifice getting to know one another. So that’s probably the biggest piece that’s hindering right now from determining leadership potential is the ability to connect with my team on a deeper level.”

Culture. Another major hindrance identified was the company culture by as many as ten CEOs. Characteristics described were there wasn’t a culture of developing talent as illustrated by this comment, “The hardest thing really to break through are the blockers and the people who are just never going to go to the next level or taking up oxygen from the people who could be sitting in their chair who could go to the next level a couple of years later, or very likely.” Other comments on culture indicated the culture was more about keeping people happy, “In the current environment I’m in, it’s an underlying culture that is more about keeping people happy than it is about doing the right things. To me, it presents mediocrity rather than top performance. It creates a challenge as a CEO or the person that’s really trying to drive the sustainability, the company’s future.” Other items also raised relating to culture were lack of clarity of structure and goals, too much communication resulting in distractions from core priorities, resistance to change, fear of making mistakes, and comfort with the status quo.

There were some interesting comments offered regarding lack of organization understanding., “Lack of knowledge, lack of organization; I think we apply less science to the organization than any other part of our business.” Additionally, a few powerful sentiments about people not being able to take feedback. “I think the current society wants us to not be critical. Criticisms are viewed as a de-motivator, but you can criticize people positively too. It’s a reaction of, ‘yeah, I don’t listen to anything ahead of the, “but.”’ What I did well doesn’t matter because you’re going to tell me what I did wrong...” Someone in this same genre of reasons spoke of people having simply not seen it before, “I think it’s a modeling issue. In other words, if you haven’t seen it before. Now you have technologies that get in the way. There’s this constant barrage. People text people instead of calling them on the phone.”



Loyalty. Six CEOs spoke candidly of the challenge of loyalty in this work. “Loyalty and closeness. I think that it’s easy to say it’s show business and not show friends, but it’s harder to deliver on that. I believe that you get close to people, you want to build esprit de corps. And one of the things that are hardest for me personally is getting close to folks and then deciding to let them go.” Biases were raised as part of this conversation by several, and this quote captures the challenge of biases, “As I get older, I get so entrenched my own way of thinking, it becomes harder to challenge myself to be more diverse.” Relatedly, one CEO spoke of their own lack of awareness of all the elements to determining leadership potential to be a real hindrance. The fundamental challenge regarding the humanity of all of it was offered by this CEO, “It’s the human side. I do not want to hurt people’s feelings or destroy people’s lives. I have no issue with conflict or having a difficult conversation, but sometimes you’re firing people, and that is almost always unpleasant.”

Miscellaneous. There were some other less frequent ideas that were offered but particularly noteworthy are as follows. One spoke of the volatility of their particular industry and the resulting lack of control. Several commented on the desire to dive into the day-to-day because there was a lack of trust in the resources to get it done or even have the right level of product or customer knowledge needed. Another reiterated the lack of assessment tools and talent management process as a real hindrance. Lack of diversity was raised, as was a lack of experience and perspective of the talent. Financial resources to do this work well was identified as a hindrance. Lack of HR expertise or resources were also offered as a hindrance. Difficulty attracting top talent to a particular industry was offered as a root cause. Inability to get the quality time needed with high potentials was identified by several as a major hindrance. The challenges and limitations presented by Covid as also offered by several CEOs. This last comment was only offered by one CEO but came up often in other forums, “The belief that you have to be extremely successful at something to be promoted. If you aren’t successful, you can’t be a good leader. If you are successful, you are a good leader. Sometimes you’re not an outstanding technician, but an excellent leader.”

How successful

- We have evidence that supports the success rating is higher for CEOs who studied a business related major- CEO’s who studied more technical fields do not feel as successful.
- Small sample sizes for all groups
- Hypothesis:
 - H₀: The average success rating is the same for all Industries
 - H_A: At least one Industry grouping has a different average success rating than the others
- Significant: $F(4,31)=4.018, p=0.01$
- Post-Hoc: Which groups are different from each other?
 - Pairwise comparisons using 2 sample t-tests: Retail vs Tech/Engineering was significant: $(t(6)=3.142, p=0.026)$
- Conclusion: At least one of the industry levels differs in its success rating. Retail has significantly higher success rating than Technology/Engineering. Due to small sample size, I consider this to be ‘marginally significant’.
- With a larger sample size, we likely could detect more differences, if any exist.

Limitations



Limitations in this study result from small sample sizes in some subgroups. To mitigate this, some groupings were combined when needed. Additionally, though many tests were performed, no family-wise error rate was set, due to the preliminary nature of this research. Statistically, this results in a greater possibility of false positives in our results. In the future, it would be beneficial to confirm these results with more data as it is obtained.

Future Directions

A few results to be considered for future research- though not statistically significant: Those CEOs with a doctorate degree or equivalent may value *intelligence* less than those who have completed lesser degrees- though sample sizes are very small for this particular subset. Male CEOs may view *learning agility* and *intelligence* as less important as their female counterparts. Those with 11+ direct reports may not value *personality* as much as other CEOs with fewer direct reports.

Misc. Notes

- Teachable – decision making, communication
- Judgement comes from experience
- Non teachable – humility, integrity, curiosity, intelligence, congruence
- Knowledge vs intelligence
- Intelligence – street smarts vs book smarts vs analytical
- Concept of meshing with a team in terms of personality. But what are the things that prevent you from meshing. Derailers. Find those early then increase the pool of potential good leaders THEN worry about chemistry fit
- Values comes up a lot, shared values
- Defining intelligence. IQ, Intellectual curiosity
- Defining personality as it relates to EQ, including empathy
- Personality vs diversity