Understanding Leadership at COMPANY

Results based on the Leadership Circle Profile™

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A business cannot consistently perform at a level higher than the collective effectiveness of its leadership.

William Adams
Author, Mastering Leadership

2

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Methodology

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Leadership Circle Profile^{TM} (LCP)

- 360^0 tool that validly and reliably solicits feedback directly from leaders and their bosses, peers, and direct reports, as well as others working closely with the leaders

- Rating Scale Items are aggregated into

  - 5 Creative dimensions built on18 core competencies
  - 3 Reactive dimensions built on 11 reactive tendencies

- Summary scores reflect

  - Comparison of Reactive to Creative
  - Balance in the focus between Relationships and Task Achievement

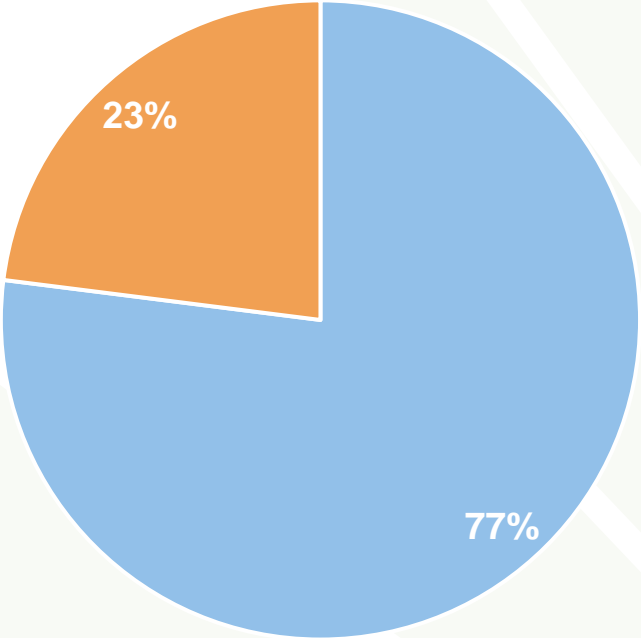- Includes a measure of overall Leadership Effectiveness

Company Leadership

45 leaders from across regions completed the LCP

- – 65% North America
- – 21% Asia
- – 14% Europe

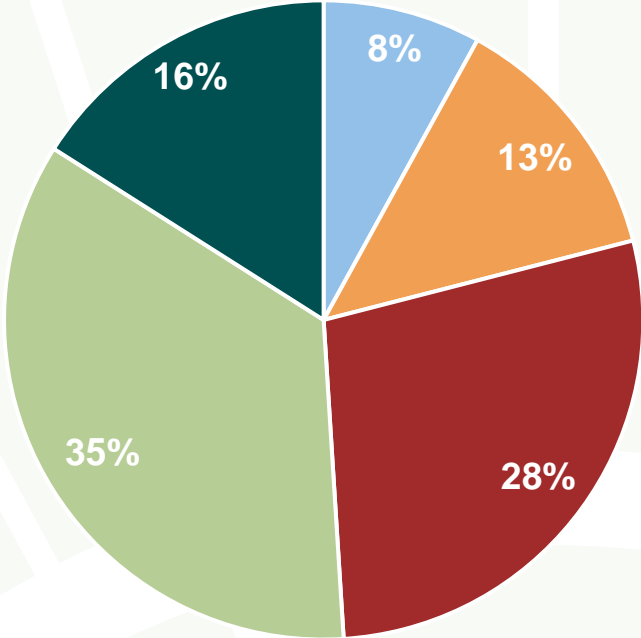**873** Evaluators provided feedback on the leaders

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Demographics of Leaders

Gender

- Male
- Female

77%
23%

Management Level

- C-Suite
- Senior Leaders
- Directors
- Managers
- Lower-Level

8%
13%
28%
35%
16%

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Analyses

- **Descriptive Analyses**
  - Averages aggregated from profiles ratings
  - Ranges and frequencies based on the distribution of scores across leaders
  - Correlations conducted on standard score performance
- **Comparative Analyses** – inferential statistics conducted on the performance of subgroups of leaders
  - Based on demographic characteristics
  - Most and Least Effective leaders (based on leaders in the top and bottom quartile of leadership effectiveness)

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Collective Leadership Effectiveness

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Aggregate Profile of the COMPANY Leader

On average, COMPANY leaders…

- Have developed Creative skills at about the same level as the typical leader in our global database

- Score at the same level as the typical global leader in terms of balance between *Relating* and *Achieving* competencies

- Are challenged by Reactive Tendencies similar to other moderately effective leaders

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Strengths of COMPANY Leadership

42% of leaders score above average on ***Composure*** – maintain high performance despite stressful environments, staying composed, calm and focused under pressure.

42% of leaders score above average on ***Selfless Leader*** – true servant leaders who view relationships as opportunities to serve. Engaged and humble at the same time, working from a position of equality and seeking mutual benefits rather than personal reward.

40% of leaders score above average on ***Sustainable Productivity*** – have a long-range view that permits building upon achievements rather than simply maximizing temporary gains. Manages long-term projects by providing necessary resources and setting targets that challenge rather than deplete team members.

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Challenges of COMPANY Leadership

44% of leaders score above average on ***Perfect*** – need to attain flawless results and perform to extremely high standards in order to feel secure and worthwhile as a leader

Challenge: overextends strengths, ultimately leading to reduced performance.

40% of leaders score above average on ***Belonging*** – create a sense of worth and security from belonging to the group and complying with the norms, rules, and values of that group.

Challenge: Compresses the full extent of creative power into culturally acceptable boxes.

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COMPANY Leadership vs. Global Leadership

Collective leadership performs similarly to our global database, with most leaders falling within the "average" category across creative competencies. However, COMPANY leaders are less likely to lead from a *Controlling* orientation than other leaders, which may be positively influencing their overall effectiveness.

| Leadership Dimension	Percentile Ranking	# Leaders Below Average	# Leaders Average	# Leaders Above Average
Creative Competencies				
Relating	48%	11	20	14
Self-Awareness	55%	12	20	13
Authenticity	46%	15	20	10
Systems Awareness	53%	8	26	11
Achieving	45%	13	22	10
Reactive Tendencies				
Controlling	27%	30	10	5
Protecting	33%	25	13	7
Complying	36%	23	15	7

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Largest Leadership Gaps*

- ***Decisiveness*** – the ability of leaders to make decisions on time, and the extent to which they are comfortable moving forward in uncertainty.

- ***Composure*** – ability, amid conflict and high-tension situations, to maintain a calm, focused perspective.

- ***Selfless Leader*** – the extent to which leaders pursue service over self-interest.

*Performance in these areas fall below the mean performance of global leaders

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The tendency to lead from a *Belonging* orientation may be greatly diminishing COMPANY leaders' abilities to make timely decisions and move forward in the face of uncertainty. The offsetting nature of *Belonging* and *Decisiveness* is clearly illustrated in the correlation between leaders' scores on these two dimensions. *Belonging* accounts for 18% of the variance in *Decisiveness* scores.

Canceling Effect

r = -.42, p<.001

High

BELONGING

Low

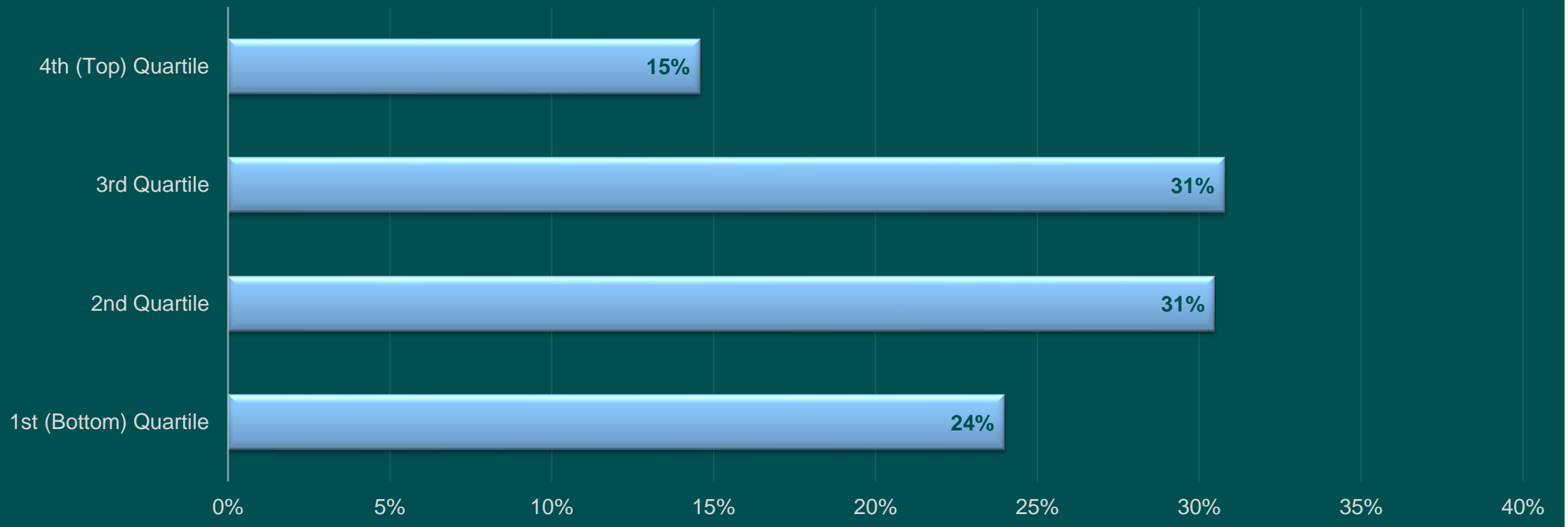Low   DECISIVENESS   High
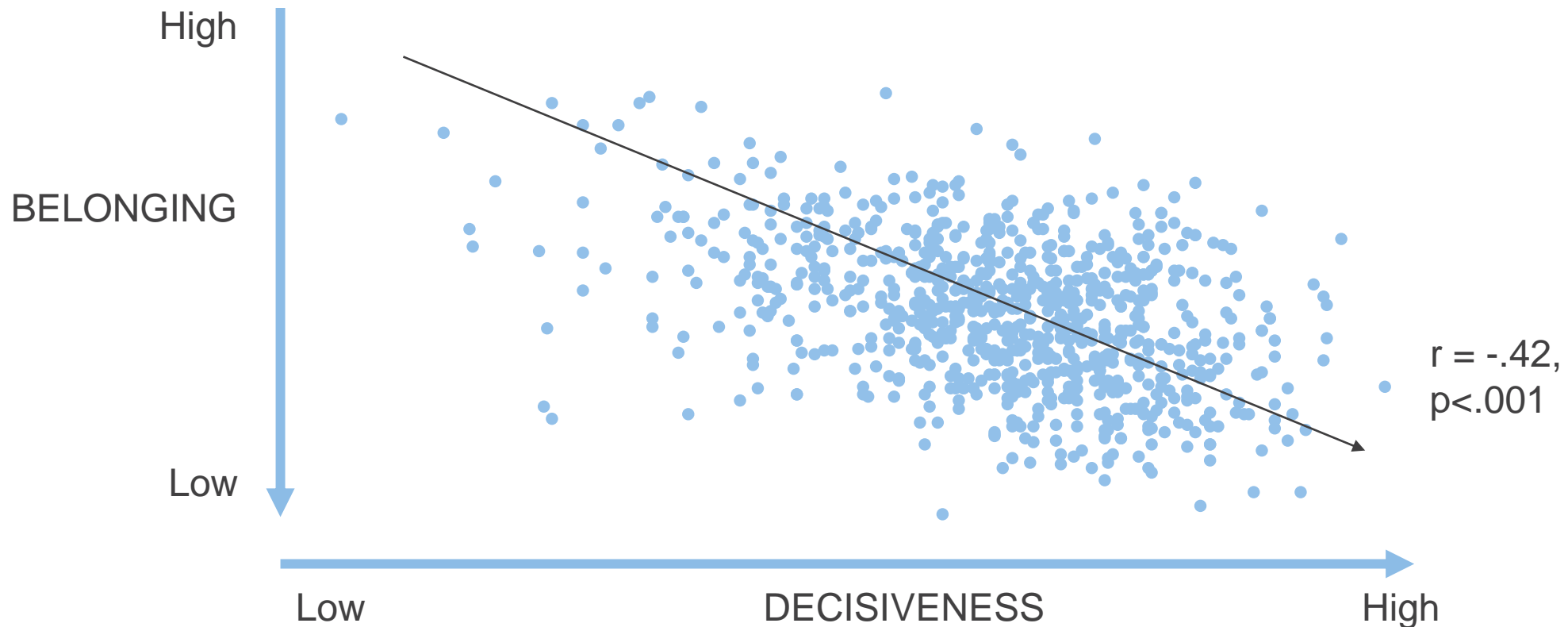
Potential Blind Spots

There were no significant differences among the ratings of each type of evaluator or the self ratings. This finding suggests that leaders manage in the same way with all groups and are aware of how they are showing up as a leader. Leaders need to leverage this awareness into a "call for action" to improve their effectiveness.

Dimension	Boss Rating	Peer Rating	Direct Report Rating	Self Rating
Creative Competencies Relating	50.5	49.3	48.7	50.0
Self-Awareness	51.7	50.1	50.5	51.9
Authenticity	51.6	48.5	48.6	49.1
Systems Awareness	49.8	51.2	49.5	51.4
Achieving	47.1	48.0	47.6	50.5
Reactive Tendencies Controlling	43.7	46.0	44.2	47.1
Protecting	46.9	47.7	46.1	48.2
Complying	49.7	48.9	48.3	49.6

Note all means are reported in standard scores to allow for direct comparisons.

15

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Less than one-fifth (15%) of COMPANY leaders are rated as highly effective (in the top quartile of all leaders). However, many leaders are on the cusp of more effectiveness. Reduction of reactive tendencies may be a key lever in making this shift.

**Frequency of COMPANY Leaders Scoring at Each Quartile of Leadership Effectiveness**

Quartile	Percentage
4th (Top) Quartile	15%
3rd Quartile	31%
2nd Quartile	31%
1st (Bottom) Quartile	24%

0%   5%   10%   15%   20%   25%   30%   35%   40%

16

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Differences in Leadership Effectiveness

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When comparing the performance of COMPANY leaders at various management levels, there are some interesting interactions. The differences were statistically significant for *Authenticity, Systems Awareness* and *Achieving* and are a function of more senior leaders outperforming lower-level leaders. This finding, although perhaps not surprising, suggests that senior leaders have developed greater competencies particularly in terms of task-oriented skills.

Average Differences in Creative Dimensions by Management Level
### (based on standard scores)

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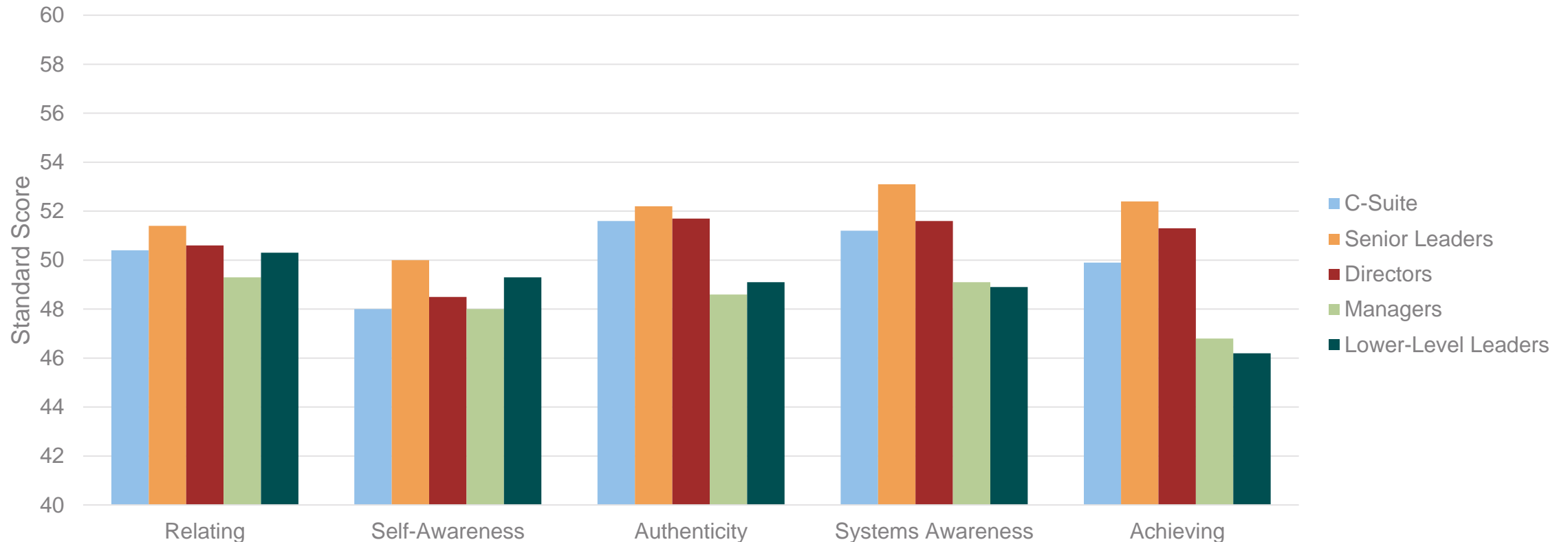
The differences in Reactive tendencies were modest and significant only for the *Controlling* dimension. Interestingly, for all management levels, leaders are most challenged with *Complying*, suggesting that there may be a cultural influence that is cultivating the need to belong.

**Average Differences in Reactive Dimensions by Management Level
(based on standard scores)**

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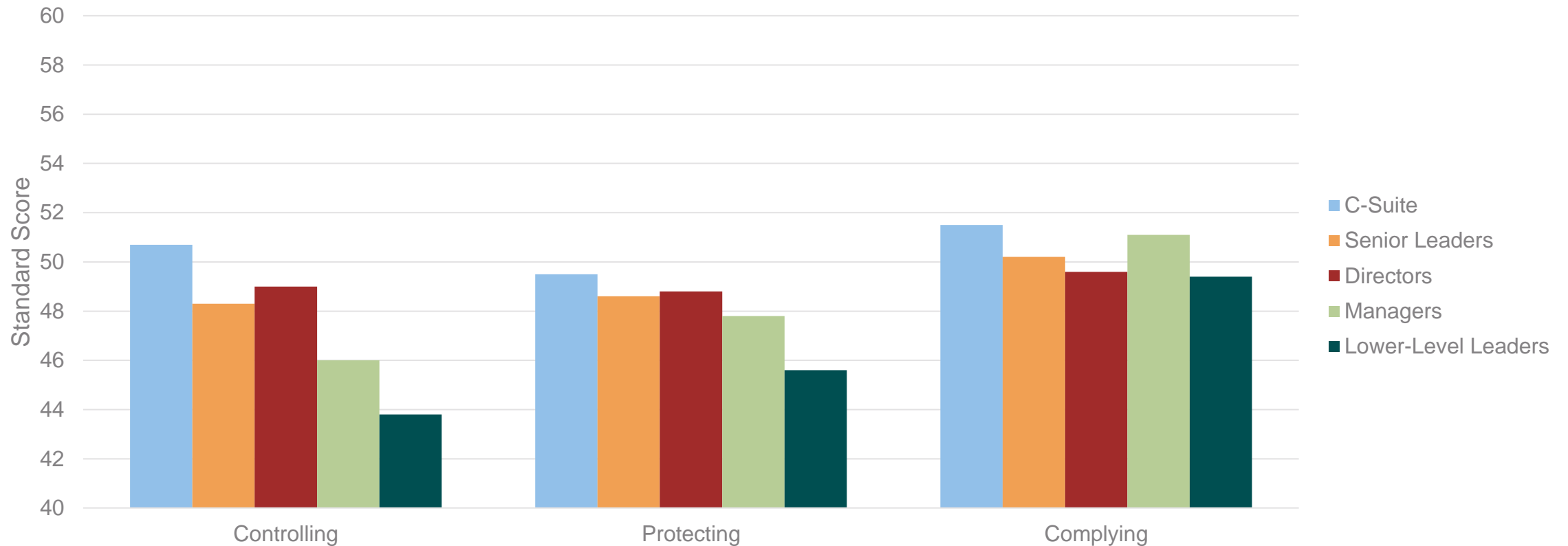
Across all Creative dimensions except *Self-Awareness*, Female leaders demonstrate slightly more developed competencies than Male leaders. The differences were statistically significant for *Relating* and *Authenticity*. Both male and female leaders performed highest within the *Systems Awareness* dimension.

Average Differences in Creative Dimensions by Gender (based on standard scores)
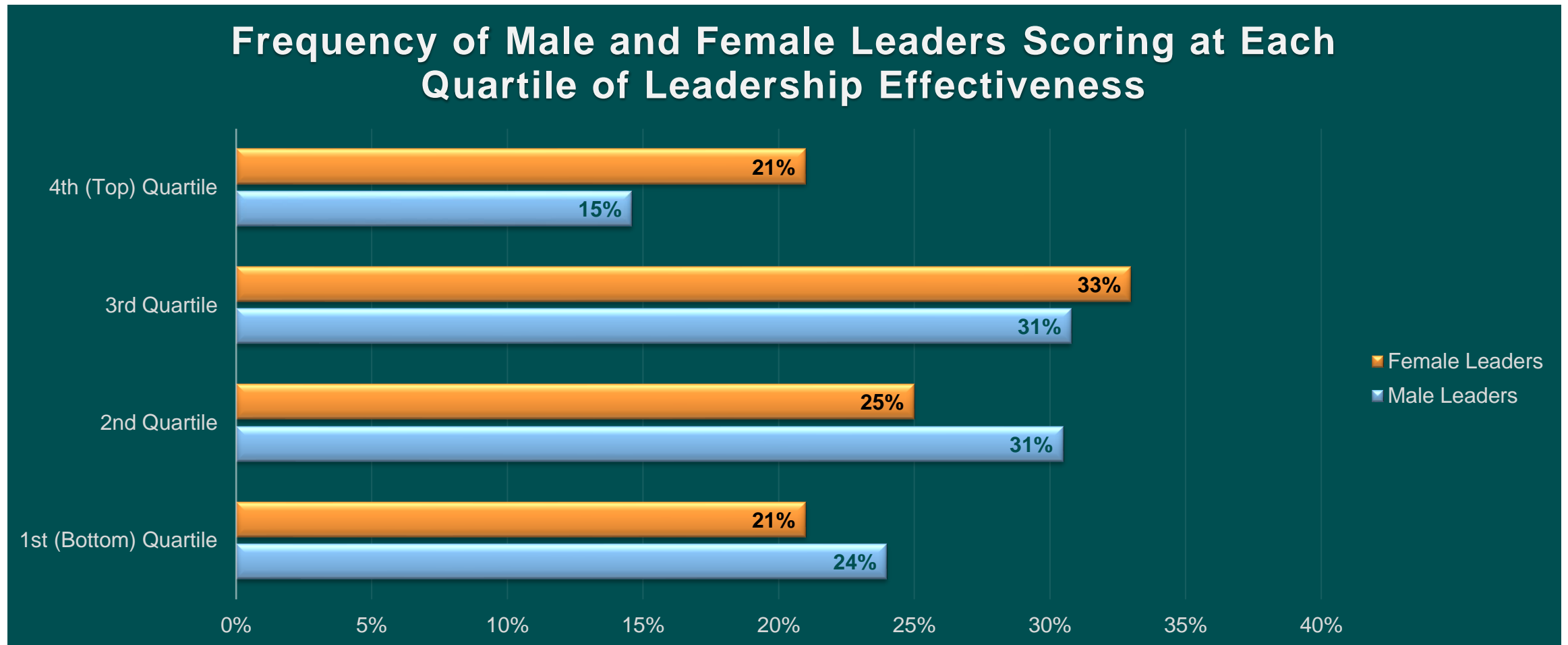
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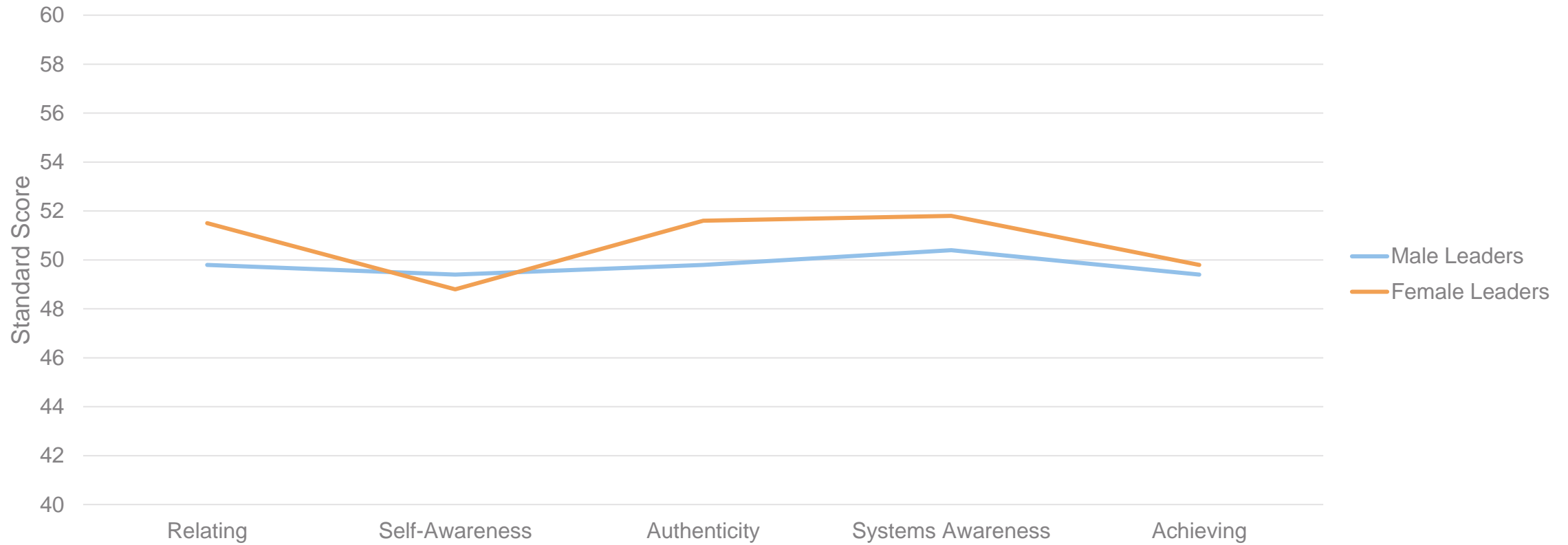
Female leaders demonstrate significantly less reactivity overall compared with their male counterparts (the differences were statistically significant for *Protecting* and *Complying*). However, both genders struggle most with *Complying*, and specifically *Belonging* behaviors.

**Average Differences in Reactive Dimensions by Gender
(based on standard scores)**

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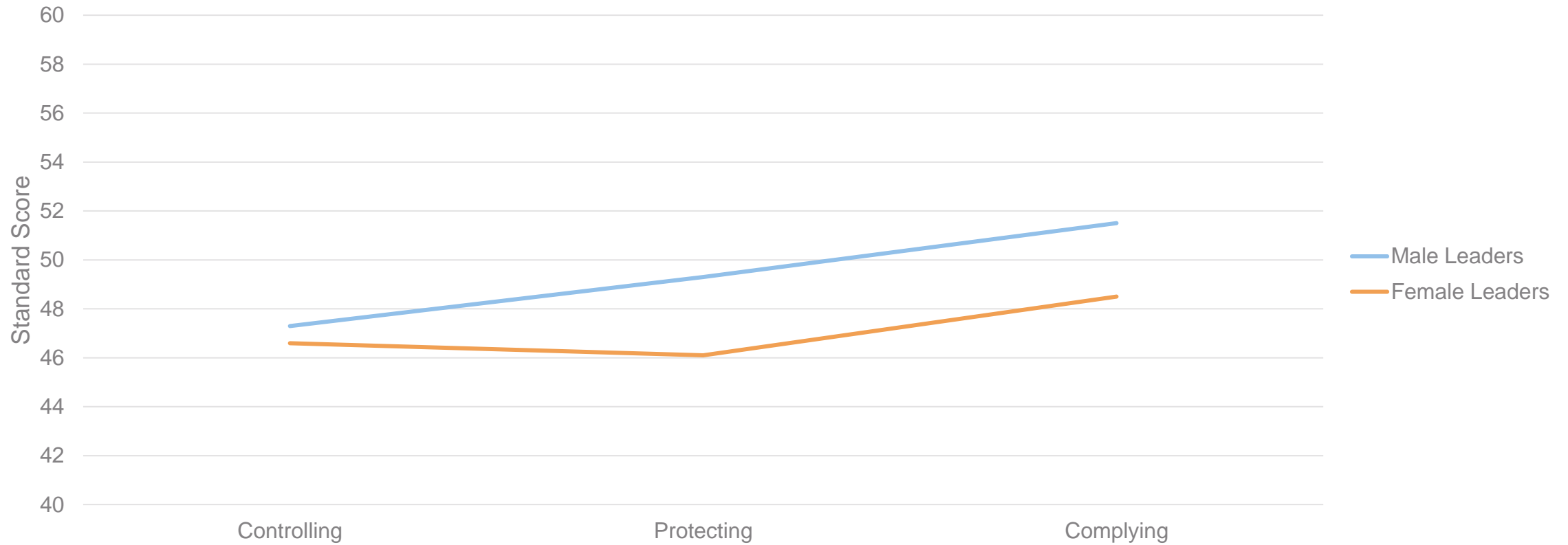
There is a greater frequency of highly effective female leaders than male leaders. The higher levels of reactivity may be diminishing male leaders' effectiveness.

Frequency of Male and Female Leaders Scoring at Each Quartile of Leadership Effectiveness

Quartile	Female Leaders	Male Leaders
4th (Top) Quartile	21%	15%
3rd Quartile	33%	31%
2nd Quartile	25%	31%
1st (Bottom) Quartile	21%	24%

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Leveraging Leadership Effectiveness

23

Comparing Aggregate Profiles

Most Effective COMPANY Leaders
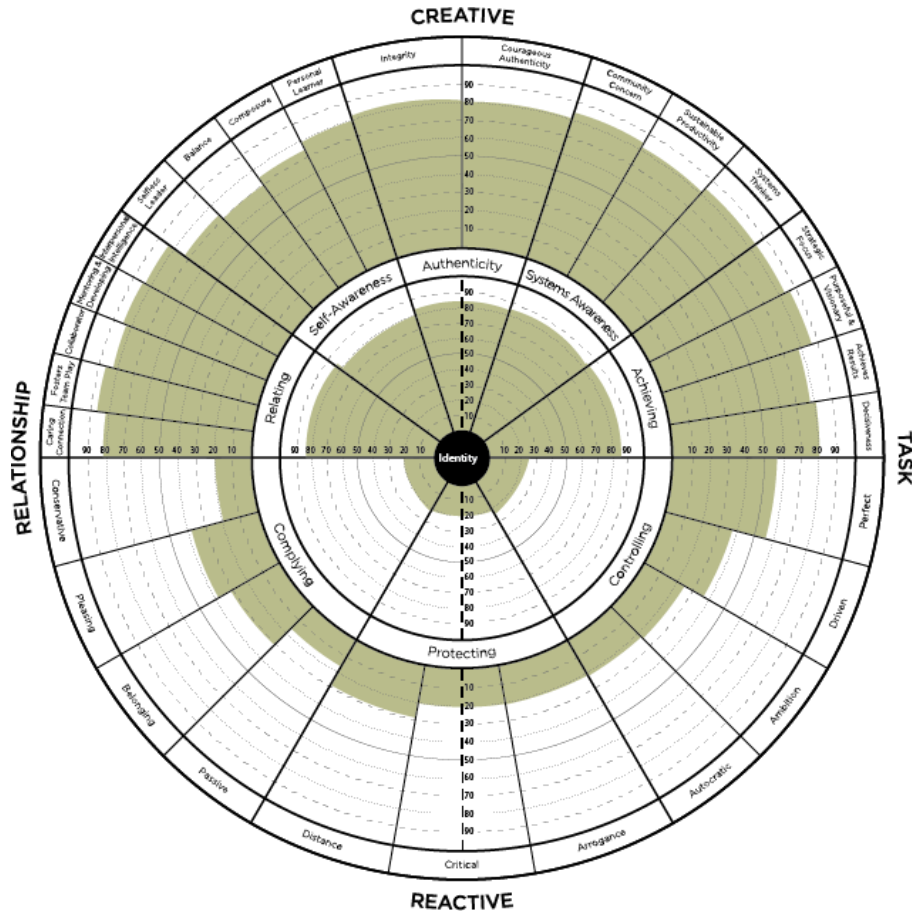
Least Effective COMPANY Leaders

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Key Comparisons between the Most and Least Effective Leaders

- Not surprisingly, the most effective COMPANY leaders are significantly more Creative than the least effective COMPANY leaders and suggest that the most effective leaders are showing up fundamentally different at work.

- The most effective leaders are also less Reactive overall, with large (although smaller than creative) average differences.

- The reactive pattern holds consistent for all dimensions except *Perfect,* where there was no significant difference between the performance of the two types of leaders.

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Top 10 Leadership Competencies and Behaviors

The Most Effective leaders are frequently engaging in highly creative behaviors that span both people and tasks. The Least Effective leaders are most often managing from a reactive orientation, which is in large part why they are rated as ineffective.

Most Effective Leaders	Least Effective Leaders
1. Fosters Team Play (Relating)	1. Passive (Complying)
2. Purposeful & Visionary (Achieving)	2. Distance (Protecting)
3. Mentoring & Developing (Relating)	3. Belonging (Complying)
4. Community Concern (Systems Awareness)	4. Pleasing (Complying)
5. Systems Thinker (Systems Awareness)	5. Driven (Controlling)
6. Strategic Focus (Achieving)	6. Autocratic (Controlling)
7. Interpersonal Intelligence (Relating)	7. Perfect (Controlling)
8. Collaborator (Relating)	8. Critical (Protecting)
9. Integrity (Authenticity)	9. Conservative (Complying)
10. Caring Connection (Relating)	10. Arrogance (Protecting)

26

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It should be noted that the Most Effective leaders perform significantly above average on the creative dimensions with the largest gaps - scoring almost a full standard deviation above average (compared with the global database). While the least effective leaders perform significantly below average - scoring more than a full standard deviation below the mean across these dimensions. The reverse was true for the one reactive dimension with a large gap (*Passive*).

10 Leadership Attributes with the Largest Gap Between the Most and Least Effective Leaders

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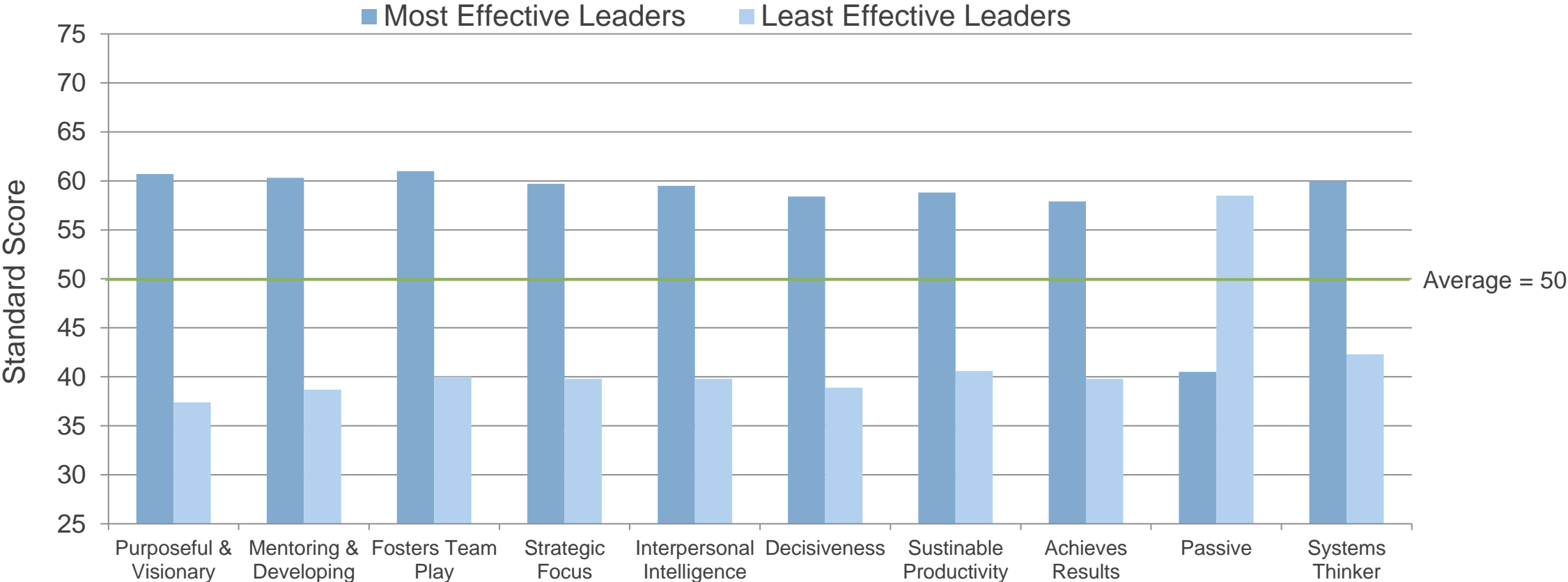
Leveraging Leadership Skills

- The largest differences between the most and least effective leaders are predominately in the Creative Dimensions. The less pronounced differences in the Reactive suggest that reactive tendencies may be endemic in the COMPANY leadership culture and others may be more accepting of these behaviors. Leaders will need to be vigilant about observing these behaviors when they occur.

- The areas where only the Most Effective leaders excel reflect key growth opportunities that can be coached. If the Most Effective leaders can overcome their tendency to demand perfection and instead encourage learning and acceptance of mistakes, it may assist COMPANY leadership to become more effective overall.

Conclusion

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Summing Up Leadership at COMPANY

- Currently, COMPANY leadership is ==moderately effective== but there is room for considerable improvement to transition to a world-class level where leaders can have the greatest influence on business outcomes.

- The leadership culture appears to be highly focused on achieving results but may be ==neglecting the development and support== that are required to sustain high levels of engagement necessary for long-term success and innovation (remaining relevant into the future).

- Like many other companies in our global data base, COMPANY has a ==mix of highly creative and highly reactive leaders==, with the typical leader exhibiting enough Reactive tendencies to diminish, or cancel out, the impact of their creative skills.

- Numerous leaders, particularly those in higher management positions, may be more ==focused on reacting to what they don't want== than on bringing into being what they do want. They are playing not to lose and to avoid failure by reducing threats and eliminating problems.

    - However, Research has shown that leading from this reactive orientation tends to foster stagnation in performance, increases crisis (as opposed to strategic) management, fosters relationship struggles, and lowers the health level of the organization.
    - Further, when senior leaders take a "Command and Control" approach to leading, it fosters compliance among lower-level managers (as observed in the management level results). This in turn leads to a form of "learned helplessness" where the creative potential of these rising leaders is greatly suppressed.

- The ==most effective leaders demonstrate a very different pattern of leadership== compared with the typical COMPSNY leader. They are highly creative and much less reactive.

    - Rather than maintaining distance in their relationships they vulnerably embrace and foster deeper connections, and consequently, they are more effective at leading as opposed to simply managing people.
    - The fact that COMPANY has these type of leaders suggests that it is possible for CIMPANY leadership to evolve.

30

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Recommendations for Developing Greater Leadership Effectiveness

- Explore the extent to which the current leadership culture promotes the advancement of leaders who will be less effective.

- Look for opportunities to develop the relational skills of leaders; use the most effective leaders to mentor others in these areas.

- Foster a feedback culture that creates collective accountability for calling out reactive tendencies that diminish organizational innovation and success.

  - Encourage authentic conversations.

  - Empower leaders to take risks, make decisions, and thoughtfully challenge the direction of the organization.

  - Develop a tolerance for mistakes that are made in service of progress.

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