

What Predicts Executive Success?

It's long been a question hiring managers have asked: Do nice guys -- or gals -- finish first when it comes to company performance? New research based on assessments of high-level executives uncovers the answer. Niceness does work -- but also key are self-awareness and interpersonal skills.

By Michael O'Brien

Conventional thinking holds that a CEO with a hard-charging, take-no-prisoners style will more often positively impact an organization's bottom line than a "nice guy" would, but there's been little hard evidence to support such a theory.

"We know very little about what predicts executive success," says John Hausknecht, an assistant professor at Cornell University in Ithaca, N.Y.

Until now, that is.

Hausknecht recently led a research team from the university's School of Industrial and Labor Relations that examined the assessments of 72 senior executives from 31 companies in an effort to define the sometimes indefinable qualities that will lead an executive to excel in his or her position.

The study consisted of two phases.

The first was an in-depth executive assessment in the form of a four-hour interview conducted between 2005 and 2008 by Denver-based organizational consulting firm **Green Peak Partners**, which probed the executives' backgrounds, including family, education, early-career and recent professional experiences. Those assessments led to a map of the executives' individual qualities, including leadership styles and technical competence.

The second phase consisted of interviews with the supervisors of those executives, between April and October 2009, to determine how well the executives performed on the jobs for which they were hired.

"It is extremely rare to gain access to detailed pre-hire candidate information and short- and long-term indicators of executive performance for this many individuals," Hausknecht says. "Much of what has been written about predictors of executive success is based on personal anecdotes or conventional wisdom, rather than scientific evidence."

Through statistical analyses, performance was simplified into two separate categories: the ability to drive results and the ability to manage talent, and when the findings came back -- in the form

of the Green Peak Partners report "What Predicts Executive Success?" -- conventional wisdom took a hit.

"Our findings directly challenge the conventional view that 'drive for results at all costs' is the right approach," says **J.P. Flaum**, managing partner of Green Peak Partners. "The executives most likely to deliver good bottom-line results are actually self-aware leaders who are especially good at working with individuals and in teams."

The research found that an executive with strong interpersonal skills will drive more positive business results, while "arrogant, hard-driving, impatient and stubborn" leaders rated low on all performance dimensions of the study.

The research also reinforced the belief that an executive's experiences and leadership style are directly linked to performance.

Stephen Bruce, vice president of human resources for Waltham, Mass.-based PeopleclickAuthoria, says he's not surprised by the findings, but he says a current lack of "soft skills" in executives can be easily explained.

"The level of development and management experience has diminished over the last 10 to 15 years, primarily because of cost-cutting at companies," he says. "Part of that lack of experience is a lack of core competencies as a leader," including the development of interpersonal skills that could benefit an individual through his or her career.

"If you talk to anyone in talent management [who] does a lot of staffing, they would say they don't consider soft skills as important as other things," such as previous results at other organizations, he says.

"But while [bottom-line] results are important, just as important is assessing competencies beforehand."

Tres Roeder, founder and president of Roeder Consulting in Cleveland, says he agrees with the results of the survey, but cautions that there is a difference between an executive who is merely "nice" and one who has full command of his or her interpersonal skills.

"In the field of project management, there is an overwhelming body of knowledge correlating interpersonal skills to project success," he says. "I would say this is different, however, than being 'nice.' People with great interpersonal skills are 'nice' when appropriate. Other times, they need to be tough if the situation calls for that behavior.

"For example, we don't always want personal trainers and coaches who are nice to us," he says. "They need to push us to do that extra rep. They are helping us by being tough on us."

Robert Sutton, a professor of management science and engineering at the Stanford Engineering School and author of the new book, *Good Boss, Bad Boss: How to be the Best and Learn from the Worst*, says the best executives are willing to change tactics as appropriate.

"Good bosses are self-aware and the bad ones live in a fool's paradise," he says. "The good ones know what it feels like to work for them, are aware of their weaknesses and constantly make little adjustments in response to the moods and moves of the people around them, while the bad ones are remarkably clueless.

"As such, I was pleased to see in the study's findings that 'bully traits' and poor interpersonal skills were hallmarks of bad leaders, *but* I was even more interested to see their finding that leadership searches give short shrift to 'self-awareness,' which should actually be a top criterion."

Roeder also agrees on the overall importance of self-awareness in executives.

"Self-awareness is the prerequisite for critical leadership behaviors such as earning buy-in, communicating key concepts and building high-performance teams."

PeopleClick Authoria's Bruce says HR professionals understand the importance of such soft skills, "but they struggle with the ability to have a tool or process or methodology to impact change and development of those individuals" within an organization.

"Unless you have a solution to really address it, be it a process or partnership, [HR] lacks the ability to impact and drive change," he says.

Becky Winkler, principal at Green Peak, says "a key takeaway [from the research findings] is that soft values drive hard results -- and that companies ... need to put more effort in evaluating the interpersonal strengths of potential leaders. Evaluating technical competence alone isn't enough."

July 15, 2010