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*A Comprehensive Resource Guide
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ACCORD MANAGEMENT SYSTEMS

• *Getting the People Side of Business Right . . . The First Time* •

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The CEO's Guide to the Personality

BY WILLIAM F. WAGNER

Forget about age, education, and prior experience. It is the behavioral characteristics of employees that correlate with better sales performance, higher productivity, and lower turnover.

How many companies have a sustainable competitive advantage when it comes to their people? Not many. In a recent survey CEOs revealed that they consider only about 30 percent of their employees to be awesome performers, an average that may be acceptable on a ball field, but certainly not in business.

To make matters worse, many CEOs and training managers spend the majority of their time working with the poor performers trying to make them average, instead of working with their best performers to make them superstars. This fact begets the question: How can CEOs analyze what the people needs of their companies are, place the right people in the right positions at the right time, and make sure that the organization is properly developing and retaining these people?

FIRST STEP: ORGANIZATIONAL ANALYSIS

One of the primary reasons for the lack of a sustainable competitive advantage on the people side of an organization is failure to assess the organization's needs with respect to its life cycle. For example, a company in a start-up mode or one that is expanding into new markets requires visionaries and strategic thinkers. A fast-growth company needs people who can infuse a tremendous amount of drive, people who are self-confident, assertive, and won't take no for an answer. A business that is growing at a steady rate may need to add more tactical day-to-day thinkers.

A second reason most companies are unlikely to have a noticeable people strategy advantage stems from failure to determine the personalities required in various positions in relation to the life cycle. A company must benchmark each position to determine behavioral expectations with the goal of maintaining a balance between function

and form. The objective way to go about this is to ask several managers who are familiar with the position what personality traits each position requires. (A good tool for this purpose is the McQuaig Job Survey questionnaire, discussed later.) The next step is to examine the personalities of three or four people who are highly rated and currently in that position. The results will determine the best behavioral attributes for the job.

Finally, once again looking at the organization's life cycle, it is imperative to establish not only what the position requires today, but also what it might require one, two, or even five years from now. A plan of promotion for the employee in the position will also ensure opportunities for advancement.

RECOGNIZING TYPES OF PERSONALITIES

Part of the challenge with respect to filling positions with good people and keeping them is understanding who people are and what it takes to work with them.

Behavioral analysis measures personalities with four basic factors: dominance, sociability, relaxation (work pace), and compliance (precision). Those who have a higher level of dominance would be more like a Rambo. On the lower side of dominance are people more like a Mr. Rogers or a Mary Poppins. On the high side of sociability could be a Howdy-Doody and on the low side a Clint Eastwood character or a "Just the facts, ma'am" Jack Webb-people who say what they mean and mean what they say.

The relaxation scale runs from the tortoise to the hare. On the high side are methodical, calm, patient people who can do repetitive tasks, sit at a desk for eight hours a day, and never get anxious.

On the love side are salespeople and executives who have a high sense of urgency, enjoy multi-tasking, and deal well with pressure. On the high side of the fourth factor, compliance or precision, are people like Felix Unger of “The Odd Couple,” and on the low side are people more like Oscar Madison.

Each personality type has a tendency to ask different questions. Highly compliant people ask “how.” They want to know how to do it because they want to do it by the book. People who are more relaxed ask “when” or “what.” People who are more dominant ask “why.” They question almost everything. They say, “Why can’t I,” “Why can’t we,” “Why shouldn’t you,” “Why didn’t you?” More sociable people are always concerned about people, so they ask “who.”

Work in a “pressure cooker” requires people with a high sense of urgency. They must be lower on the relaxation scale, meaning they have more drive. They put pressure on themselves and others. For a front-end position in sales or an executive position, employees need a combination of three traits: They must be higher on the dominance scale, lower in drive, and more independent than compliant. For a bookkeeper position, you’d want someone who is more accommodating, analytical, calm, patient, and “by the book.” That is not to say those without this combination of traits can’t do the job. They can. It is just more difficult.

A benchmark study published in the *Harvard Business Review* dispelled the myth that factors such as age, race, college degree, gender, or prior experience are critical factors in job success. It is the behavioral characteristics of individuals that correlate with better sales performance, higher productivity, and lower turnover.

Each personality type has a different primary motivational need.

Jim Collins, author of *Built to Last*, said, “The right people are your most important asset. You can’t get the right behaviors (performance) from the wrong people.”

MOTIVATIONAL NEEDS

Each personality type has a different primary motivational need. For example, a person who has a higher level of compliance buys 300-count thread sheets because they are the finest quality made. A more stable person with a higher level of relaxation buys them because they last forever. Highly sociable people buy them because they feel good and because they want to keep up with the Joneses. Highly dominant people buy them because they want to, and they don’t need any other reason. Understanding individuals’ motivational needs makes it easier to communicate with people, develop them, and motivate them to a much greater level.

Advertisers have long used motivational needs in advertising. About 15 years ago, Lee Iacocca sold the Chrysler minivan with the words, “If you can find a better car, buy it.” He was not talking to the CEO, because the CEO would say, “I will.” He was talking to the more than 70 percent of the population that wanted to be told what to do.

Table 1. Styles of Communication and Behaviors of Different Personalities

Personality Factor	Favorite Question	Characteristic Behavior	Characteristic Behavior If Low on Scale
Dominance	Why	Dominant, competitive	Accepting
Sociability	Who	Sociable	Analytical
Relaxation	When or what	Relaxed	Driving
Compliance	How	Compliant, conscientious	Independent

Is there a barrier to change because of a behavior, attitude, or a lack of clear goals?

“Behavioral assessment is without question the most efficient way to determine how to hire the right personality for a job, understand a person’s motivation, and know how to work with him,” says Richard Sapio, president of Dallas, Texas-based MUTUALS.com.

EFFECTIVE INTERVIEWING

Interviewers look at three things in a candidate: appearance, skills, and personality. Appearance is easy to appraise, highly subjective, and easily changeable. But the impact of appearance on job success is extremely low unless the position is that of a news anchor or an actor in a beauty role. You can assess skill sets objectively by giving tests or by contacting former employers or universities for verification. Skills are easy to upgrade, and their impact on performance is anywhere from low (as in the case of a receptionist) to extremely high (with an engineer or a surgeon).

Personality is the most difficult aspect to appraise in the traditional sense, and appraisal has always been subjective. Further, personality is stable and difficult to change, yet its impact on performance is very high. This means the one factor that has the greatest impact on the majority of jobs is the most difficult to measure unless you do it objectively.

Even if it were possible to measure subjectively what a job requires, it is categorically impossible to ascertain subjectively who the applicants or incumbents really are. People are almost always hired based on appearance and skills, and are fired or quit usually because of personality.

Only an objective behavioral assessment tool, such as the McQuaig system, can determine if a candidate’s personality and style will spell success. The software-based survey, developed by The McQuaig Institute in Toronto, Canada, mea-

asures an individual’s underlying temperament or behavior patterns and eliminates guesswork. “The system helps managers assess candidates by offering an objective overview of the candidate’s assets and limitations for the position, and by providing focused behavioral interviewing questions,” says Maureen Townson, managing director of The McQuaig Institute.

Testing saves many hours in the selection process. Dr. Alan J. Rowe CEO of Ideation, a Los Angeles consulting firm that uses behavioral testing, gives the following example. “The Post Office Department had 110 candidates and wanted to select 20 for postmaster training. The interviewers put the candidates through 40 hours of intensive interviews, testing, and exercises. Based only on their scores on a decision-style test, I selected 19 of the 20 they had selected. A 10-minute test replaced 40 hours of work.”

CREATING A PERSONALITY PROFILE

It is possible to delineate the behavioral requirements for almost any job in a subjective manner. The first step is to ask questions about the job itself. Is this a big-picture job or a small-picture job? Is it a visionary job or a detail job? Is it a job that requires strategic thinking, i.e., does it deal with projects that go out a month, six months, five years, or even ten years? Or, is it a position more involving day-to-day operations?

Another set of questions can determine the nature of the personality required. Does the job require a more technical or a social method and style of communication? Is the job more introspective, or does it require more sociability? Does the job require conceptual or abstract thinking, or does it require the employee to deal with tactical matters? Does it require performing repetitive tasks or a variety of different assignments every day?

The resulting assessment, however, is still subjective, and the difficulty of appraising applicants during interviews remains. It is best to soften the reliance on subjectivity in favor of an objective, understandable, workable system that ensures that the right person is hired for the job. With an objective assessment tool, you can measure a personality for any type of position based on the company’s corporate culture and management hierarchy.

“We have been using behavioral testing to evaluate prospective employees for four years,” says Mark Gordon, CEO of Synergy Networks, Inc. in Vienna, Virginia. “Every existing position has an ideal personality profile against which we evaluate candidates. It has allowed us to make better hiring decisions and recognize problems sooner. We have also educated every employee in behavioral assessment. Now when there’s a position to fill, we have a dialogue about how the personality profile should look. The candidates we interview almost always agree with their assessment. In most cases the tool is dead on.”

“An objective behavioral instrument is especially helpful when screening out executive-level individuals,” says organizational psychologist Dr. Bruce Heller, president of Strategic Leadership Solutions in Encino, California. “It reveals areas where the individual’s strengths might not fit the organization. “

PROMOTING FOR SUCCESS

One of the challenges corporations face when promoting people is set forth in the “Peter Principle,” named after author Dr. Laurence Peter who believes “In a hierarchy, every employee tends to rise to his level of incompetence.” Promotion to a position of incompetence happens to someone who is at best an excellent supervisor, a good salesperson, a competent bookkeeper, or a good office administrator. Often they were among the first employees in the company, and because they have done well, they naturally deserve a promotion. But when they are promoted to the next position up the ladder, they fail.

The reasons for this phenomenon become clear when you take behavioral characteristics

into account. A bookkeeper is detail-oriented, analytical, introspective, goes by the book, and works at a methodical pace in a stable environment. He or she is calm, patient, accommodating, and cooperative. This person may be the best bookkeeper the company ever had, but may not make a good controller. The position of controller requires a different personality—someone who can go out and work with banks, vendors, suppliers, and perform a variety of other tasks.

Similarly, a person who does well in a line position may not have the personality to be a department head. The best customer service representative may fail as a manager. The best salesperson may not make it as a sales manager. They fail not because of skills, but because they don’t happen to possess the personality necessary for the job.

A case in point was former General Motors CEO Robert Stempel. He was one of the most successful, highly trained engineers ever at GM and kept being promoted to the next position up the engineering line. At the age of 55, the company made him CEO. He was unable to make the transition from a specialist, a by-the-book kind of person, to a generalist. Two years later, they fired him. If GM had understood personality traits, he and perhaps thousands of other employees would not have lost their jobs.

People take jobs and promotions for the wrong reasons. They aspire to promotions because of what the job gives them, what they can buy with it, not because of what it does. Those in the executive tower still believe that everybody aspires to promotion and greatness, but that is simply not the case. It is much more realistic to replace the corporate ladder with a corporate lattice. An employee can move horizontally throughout an

Table 2. Selection Criteria and Impact on Performance

Selection Criteria	Ease of Appraisal	Objectivity	Stability	Impact on Performance
Appearance and Presence	Easy	Highly Subjective	Highly Changeable	Low
Skills and Experience	Moderate	Objective	Changeable	Medium
Personality (attitude and beliefs)	Difficult	Subjective	Stable Difficult to Change	High

organization for 20 years without ever getting tired or burned out. Provided the company has the right organizational chart, there will always be a place that is behaviorally comfortable for the employee.

Most organizational charts, however, fail to take the behaviors of people into consideration. No matter how deserving a person may be of a promotion, personality must be the overriding factor. Again, the first step is to analyze the organization's needs, where it is now, and where it should be. The next step is to determine if the right people are in the right positions. What is preventing them from succeeding? If they are successful, how can the company deploy them to make them even better? Provided you arrive at the answers objectively, they will ensure that employees remain challenged and motivated.

AVOIDING "PARALYSIS BY ANALYSIS"

In many companies, employees lack the level of mutual respect and trust necessary for teamwork. Divergent personalities cannot see eye to eye because people have a tendency not to understand others nearly as well as they understand themselves. A CEO, for example, who can accomplish a goal within a matter of hours or days has tremendous difficulty appreciating why others cannot accomplish the same thing just as quickly. This makes it difficult for the CEO of a certain personality to help others develop.

Those in the driver's seat have high levels of dominance, and their favorite question is "why." Their style of management is typically challenging. Their style of communication is telling, not selling. They think more technically in terms of systems, concepts, ideas, and technology as opposed to thinking socially in terms of people. The people who typically work for them are the "how" people.

The following scenario is common. The CEO asks for something to be done, and the "how" person asks, "How do you want it done?" because he or she wants to do it right to avoid blame. When the "why" person gets a "how" question, her first thought is often, "If I have to tell you how, I might as well do it myself." The "how" individual needs a book to go by. The "why" person tells the highly compliant person not to worry about "how," and just do it. The "how" person, with a great deal of

Poor communication is primarily a result of personality conflict.

trepidation, then does the job and brings it back to the "why" person. Naturally, the "why" person asks, "Why did you do it that way?" At that point, the "how" person becomes paralyzed and can no longer do the job unless he or she has a clearly defined plan to follow. But the person who is responsible for giving him the book is the "why" person, whose job it is to write the book. Unfortunately, that person is also the least likely to do so. This paradox is called "paralysis by analysis."

"The most important thing in working with people is to motivate them to do what you want," says Bill Ritchie, president of Binary Arts Corporation in Alexandria, Virginia. "To achieve that, you need to know how to communicate with people the right way. You need to recognize who the other person is and how you need to communicate in order to get what you want."

According to a survey conducted by MICA Management Resources, 73 percent of respondents felt their leaders were only somewhat to moderately effective. If the leaders in question knew about personalities and their characteristics, they could predict behaviors and manage people much more effectively.

"Behavioral testing is an excellent diagnostic tool that allows CEOs to understand their own personalities better and know how to motivate executive staff and how to communicate with different kinds of personalities to get results," says Dr. Barton Goldsmith, a former chair for The Executive Committee (TEC) Worldwide.

MERGERS AND ACQUISITIONS

According to a study recently published in *USA Today*, 48 percent of CEOs and 56 percent of sales executives saw morale as the top problem sales organizations faced after a merger or acquisition. The reasons for this become clear when

you understand personalities.

Some years ago, General Motors purchased Ross Perot's company EDS, primarily to infuse GM with the entrepreneurial types who had managed to grow EDS by 20 percent a year. These people were all very domineering "why" personalities. A great deal of conflict resulted because GM managers were mostly by-the-book "how" people. Most of the EDS people felt stifled and left within a few years, including Ross Perot. They no longer had the independence, autonomy, and control they required.

Many companies need a high level of complex-thinking people with dominant personalities, self-confident self-starters who drive companies. But without their buy-in, without keeping them focused, a company has a hard time keeping them at all. At that level, turnover costs a company hundreds of thousands of dollars. Understanding what motivates employees through objective assessment allows CEOs to provide an environment that enables people of all personalities to excel.

CONFLICT AND THE "GOLDEN RULE"

According to a 1998; *USA Today* article ("Failure to communicate is costly for companies"), executives surveyed by Office Team reported that 14 percent of each 40-hour workweek is wasted because of poor communication between staff and management.

Poor communication is primarily a result of personality conflict. People who have the most abrasive, least warm personalities are those who are highly dominant, those who are by-the-book, and those who are more introspective. They are often found in engineering, technical departments, software development, or manufacturing. When such people come together, they should be able to discuss issues based on their merits, relying on the divergence of their business acumen. But they typically can't get beyond their personalities. "Creative abrasion" results.

Conflict is also common between the front of the house and the back of the house, between sales and bookkeeping, and sales and production. Neither side understands or trusts the other because they are different. People speak the language of their own personality. Not understood, it makes others feel uncomfortable. When it is understood, differences in behavior are no longer

Replace the corporate ladder with a corporate lattice.

taken personally. Someone who appreciates personalities and their distinct languages will know that a co-worker who seems a bit surly is not being rude, but simply demonstrating a more introspective nature. Understanding others and embracing those differences generates a greater level of mutual respect and trust, thereby mitigating the abrasive element.

"We have been using objective behavioral testing not only for recruitment, but on an ongoing basis for teambuilding and reorganizations," says Gordon. "Understanding how personality affects the way people work has allowed us to be proactive in preventing communication difficulties and personality conflicts. In fact, behavioral terminology and assessment have become part of our culture. When there is trouble with a customer or vendor, we develop an appropriate response based on the individual's personality."

To work together effectively, people must be treated differently depending on their personalities. The Golden Rule, "do unto others as you would have them do unto you," simply does not work. The CEO must treat people the way they want to be treated, not the way the CEO wants to be treated. Only behavioral assessment makes it possible to know who wants to be treated in what manner.

An objective determination of what qualities jobs require, along with an understanding of personality differences, make it possible to create an organization where people work in consensus and with a level of coalescence. The majority of conflict disappears.

PREVENTING COSTLY TURNOVER

If turnover were a line item on financial statements, companies would have solved the personality problem long ago. Preventing just one good person from leaving can save an organization hun-

dreds of thousands of dollars.

Rowe gives the following example. "I was contacted by a company president who was alarmed because his chief engineer wanted to leave. The company was a supplier to the phone company and the chief engineer was working on a \$20 million project. I gave him a test that revealed that his style was analytic behavioral. People with that style have a high need for affiliation and often feel rejected. The chief engineer was certain he would be fired as soon as the project was completed. I told the president that all he needed to do was make the chief engineer feel wanted. As a result, the chief engineer stayed with the company for another five years. If he had left, the company would have lost the \$20 million project."

People often resign because they are asked to do things that go against their natural grain. A salesperson, for example, tires quickly in an introspective job. Someone with a high sense of urgency finds repetitive tasks draining. A person who is accommodating becomes exhausted from dealing with confrontational elements all day. Objective personality assessment leads to effective management because it allows all the managers in the company to understand their people better. This removes the majority of obstacles that prevent people from doing their jobs and doing them well.

Understanding personalities is essential for developing employees to their maximum potential. Different people learn in different ways. When "who" people, "why" people, "when" people and "how" people wind up in the same training class, chaos results. Highly dominant people learn extremely fast, but without repetition or use, forget just as fast. People who are more relaxed, patient, methodical, and calm, learn much more slowly, but they remember forever. Their learning style drives dominant people crazy, while the methodical people in turn perceive the dominant people as being disruptive.

"A behavioral instrument provides information on the type of training issues that might arise with different personalities," says Heller. "Companies

that use the McQuaig system, for example, have discovered that it helps shorten learning curves in training situations. The instrument also helps with career planning by showing how far individuals are able to stretch themselves in situations that are not natural for them."

EMPOWERING THE CEO

As important as it is to develop and train people properly, it is even more essential to choose the right people to train and develop. Select a flat stone with rounded edges, throw it on the water, and it will skip easily across the surface. Similarly, if you pick the right person for the job, the new employee will almost always exceed expectations. If you select the wrong person, just like a stone lacking the desired shape, the individual will most often sink.

The topic may be challenging, but it is vital that CEOs understand the core complexities of behavioral assessment. When you create organizational charts according to personalities, people become a competitive edge that is sustainable throughout the organization's life span.

Behavioral testing is still largely considered to be a tactical human resources tool. CEOs who can go beyond that and see it in its strategic application will be able to grow their companies much faster and at far less cost. To create a thriving organization that will grow, change, and be a living and healthy organism, CEOs must appreciate behavioral testing as a strategic application. They must begin using it to understand the behaviors required in different positions. Getting the people side of a business on target affects the bottom line by preventing turnover of good people, increasing efficiency, decreasing the maintenance of people, and allowing CEOs to think, plan, and work on the business rather than in the business.

William F. Wagner is CEO of Accord (Systems for Executive and Organization Development). Located in Westlake Village, Calif., the firm assists companies with the implementation of behavioral assessment techniques.

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