

The Future of Leadership Development: The Higher Levels of Leadership Indicator

by John Baker, Sequent Inc. and Paul Otte, Franklin University Leadership Center

“Information-based organizations have to make a special effort to prepare professional specialists to become business leaders. Broad experience of the kind needed by a CEO no longer comes naturally during an executive’s career.”

Trends Shaping Tomorrow’s World,

Marvin Cetron and Owen Davies

THE FUTURIST May-June 2008

Every year, there are an untold number of individuals selected for leadership positions ranging from their very first leadership opportunity to CEOs of major companies. Some will succeed while many – unfortunately – will fail. The cost organizations incur from these failures can be measured in lost revenues, stalled momentum, missed opportunities, increased expenses, and unwanted turnover. The individuals who fail experience damaged relationships, tarnished reputations and, sometimes, ruined careers. Many will blame those who are selected, but do not perform, yet the organization may also be at fault. Others will place the onus on the organization’s leadership development program (or lack thereof), yet even the best program doesn’t accurately identify, or prepare, the best leader for the position 100% of the time.

It is estimated that selecting leaders based on their performance as professional specialists alone has a 50% probability the person will be a good manager and only a 10 to 20% chance the person will provide the needed leadership and add value to an organization. Why? Because too often, promotions are based solely on past results - individuals are selected for positions of leadership because they are skilled workers, good students, or top performers in areas generally not involving leadership.

Why are the results and the projections for the future so dire? And if leadership failure is so costly, why do organizations continue to make these mistakes? We believe it results from focusing only on one, or two, elements of leadership, and not assessing all of the factors that taken together make for a successful leader. And this incomplete view results from, and is reinforced in our selection, evaluation, and leadership development programs.



Defining Leadership

How can we increase our chances of selecting and developing leaders that succeed when the need for, and demands on, leaders seems to be growing every day? Let's begin by identifying the underlying elements of leadership. Although there are many different definitions of leadership, we have found the great majority of them have three elements in common: the characteristics of the leader, the relationship between the leader and the follower, and the accomplishment of organizational goals (achieving results). We have also noted that most leadership theories and models focus on the individual leader and the behavioral aspects of the leader-follower relationship, but only a few consider the importance of achieving positive outcomes.

Likewise, the most frequently used leadership tools either assess the individual – for example, the Myers Briggs Type Indicator (MBTI) which is based on personality preferences – or evaluate the leadership “style” employed in the leader-follower relationship – from the early emphasis on task or people, to the more balanced approaches, like Blake and Mouton's Managerial Grid, through the situational approaches, like the Hersey and Blanchard LEAD instrument, to today's emphasis on 360° tools that rely on the followers and others to assess the leader, along with a myriad of other tools developed by individual trainers. But only a few have been developed to assess the leader's potential to increase an organization's value, to set goals and achieve results, the third element in defining leadership.

Focusing on the Results of Leadership – A New Higher Levels of Leadership Model

By focusing on the results of leadership, we are not discounting the importance of the leader-follower relationship, or the characteristics of the leader. After all, if people aren't willing to follow a leader, little can be accomplished since the relationship is critical to the followers' willingness to be engaged in the organization. What we are suggesting is that even the best relationship between a leader and the followers may not be properly employed to accomplish organizational goals. In other words, others may be willing to follow a leader anywhere, but some leaders fail to point them in the right direction. The key to leadership now, and in the future, will be to select and develop leaders with the proven experience, or potential, across all three elements of leadership.

What is needed is a model that can be applied to leaders at all levels, including those who are being considered for promotion to their first leadership position, or selected for a leadership development program. One that helps in identifying leaders who have, or have the potential to, set higher level goals and achieve them in shorter timelines (when compared to others).

One such model exists and it can be found in *The Conflicted Leadership and Vantage Leadership*¹ written by General Al Gray and Paul Otte. They propose five Higher Level of Leadership themes; seeing the possible over the probable (being opportunistic), staying focused despite uncertainty (without creating certainty), remaining conceptual, having commitment, and a sense of presence

(in time and place). These themes can be found in leaders at all levels. “Higher level” is meant to describe those who are functioning at higher levels of leadership, not necessarily those who occupy the higher level positions in an organization.

We believe, based on our experiences and observations, those leaders (and organizations) who think in the ways set forth in the Higher Levels of Leadership themes set higher level goals. They present the goals at a conceptual level (communicated by philosophy and intent, reducing conflict), go beyond the probable to what is possible (being opportunistic), and build on an understanding of the organization (both in time and place). Those who think this way accomplish their goals in shorter timelines because they have commitment (courage, resolve, and passion), can focus their efforts on the end state, and are able to build momentum (relying on speed, surprise, and boldness, while overcoming friction).

We further believe, if you identify individuals whose thinking is consistent with these five Higher Levels of Leadership themes, along with an ability to create and build relationships, before promoting them to positions of leadership, or even investing in them through a leadership development program, you will improve your chances for success (greatly increasing your odds beyond the 10 to 20% previously predicted for an effective leader). The key is to be able to assess a leader in all three elements of leadership.

Currently, organizations use a mixture of approaches to evaluate the characteristics of the leader and the relationship between the leader and the follower elements of leadership. These often include past experiences, personal observations, the opinions of others, an interview process, in-basket exercises, and assessment tools or indicators. All have been used with positive results.

Organizations we have worked with, both through Sequent and Franklin, have, however, shown only limited success in identifying which individuals have the ability to build on their relationships to accomplish organizational goals. As a result, Sequent, Inc. (a Human Capital consultancy and outsourcing services firm) worked with Franklin University's Leadership Center to develop an assessment tool that we believe has great potential for identifying the thinking patterns identified by Gray and Otte in their Higher Levels of Leadership themes.

The Higher Levels of Leadership Indicator (HLLI)

We created the Higher Level of Leadership Indicator (HLLI) to be used to identify leadership potential in individuals at all levels. The HLLI measures an individual's way of thinking and reports the results based on the five Higher Levels of Leadership themes. Assigning values to 20 pairs of statements, the HLLI Report provides the individual with a summary showing the five Higher Levels of Leadership themes, the maximum number of points possible for each theme, and the individual's self perception, along with their totals for each theme.

Unlike other instruments that attempt to correlate an individual's response to a seemingly unrelated statement to the characteristic being assessed, the HLLI emphasizes the individual's self perception – a direct assessment (on a 0 to 5 point scale) by the individual of a statement based on one of the Higher Levels of Leadership themes. This direct approach has been designed to increase the validity of the HLLI.

Scoring for the HLLI is also unique. Unlike many other assessment tools used today, the HLLI does not use the typical scale that forces an individual to choose between two statements at the extremes of a continuum. In the HLLI, each statement in the pair can be responded to independently. This not only strengthens the resulting HLLI score, but also allows for unique Duality, Conflicting, and Net scores.

- The HLLI score is measured by the individual's responses to the 20 statements (one from each pair) designed to measure the Higher Levels of Leadership themes.
 - Using a 0 to 5 point scale for each statement, the maximum HLLI score is 100, reported over the five themes.
- The Duality score is a measure of the individual's self-assessment of a complementary skill or quality found in 10 of the statements. Because the duality variables are complementary skills, it is possible to have both a high HLLI score and a high Duality score.
 - Since there are only 10 Duality statements, with a 0 to 5 point scale for each statement, the total of the individual's responses is multiplied by 2 (to be comparable to the HLLI score), resulting in 100 points maximum.
- The Conflicting score measures the individual's responses to the opposing quality in a given set of conflicting statements. Because the conflicting variables are deemed such that one cannot demonstrate both qualities, the validity of the responses is lessened if both the HLLI score and the Conflicting score are high.
 - Like the Duality score (there are 10 conflicting statements, with a 0 to 5 points scale) the total is multiplied by 2 (100 points maximum) to be comparable with the HLLI and Duality scores.
- The unique Net score is the HLLI score minus the Conflicting score. To us, it reflects an individual's commitment to the Higher Levels of Leadership themes.
 - Nets scores can be positive (when the HLLI score exceeds the Conflicting score), negative (when the Conflicting score is greater than the HLLI), or 0 (resulting from equal HLLI and Conflicting scores).

Interesting Results

The results so far have been even more interesting than any of us working on the project would have initially expected. To date², the average HLLI score is 75. This is slightly higher than we had expected, which we believe indicates a positive agreement with the higher level themes, based on individual self perceptions. Most HLLI scores have ranged between 50 and 100 with most scores within 10 points of the mean. Using the HLLI in a variety of organizations, with individuals at all levels, has shown a consistency in the mean HLLI score. Most groupings of the HLLI results have been within 1 to 2 points from the 75 average.

We have also been gathering demographic data, that includes; years of professional business experience, size of organization (number of employees), level of leadership (from none to senior executive levels), and (self-described) primary roles. In addition, individuals have identified their sector of current employment; business, community/not-for-profit, education, or government organizations. There have been no significant differences in HLLI scores based on demographic data, which supports our belief that the Higher Levels of Leadership themes apply across all levels.
need to UPDATE

The Duality scores have a lower mean (60 update), but like the HLLI most scores are within 10 points of the average. Since by design, the intent of the Duality statements is only to provide a point of comparison for the HLLI themes, we have performed no further analysis on the Duality scores.

The Conflicting scores have a similar mean to the Duality scores (60 update) but, have a wider range, from lows in the 20s to highs closer to the 100 points possible. Since the Conflicting statements are by design deemed such that one cannot demonstrate the qualities in both statements (using phrases like more often or focus primarily), many of the Conflicting scores reported have been higher than we expected.

Because of the higher than expected Conflicting mean, along with the wider range of scores, the individual results for Net scores have ranged from the -20s to +50, or more, with an average of 15 (update). Further analyzing the results, we have found that 15% of those taking the HLLI have Net scores of 0, or negative; 50% are between 1 and 19; and the remaining 35% have scores over 20, with the highest Net scores exceeding 50.

In an effort to further understand the implications of the wide range of Net scores, we reviewed the recorded scores from hundreds of individuals, as well as discussing the results with many of the participants in our HLLI presentations. Overall, the participants feel their HLLI results accurately reflect their thinking. In the relatively few instances when there are concerns, the most frequent explanations are that there are external factors currently impacting the individual that result in a distorted self-perception, or there are internal reasons such that the individual doesn't feel a "fit" with the organization's values, which result in a self-assessment that reflects the conflict.

Other potential factors (more difficult to determine) are that some individuals tend to self report high assessments in response to all statements (in this situation it results in higher HLLI, Duality, and Conflicting scores). Also, it is possible that some individuals do not read the statements correctly which could result in higher Conflicting and lower Net scores. We believe these factors affect all assessment tools and with our large number of responses their impact on our totals is minimized.

Those with higher Net scores tend to be individuals who thinking is consistent with the Higher Levels of Leadership themes. In addition, they seem comfortable with this way of thinking, either due to past successes, or because the way of thinking is accepted and respected in their organizations. Those with higher Net scores that are known by either of us are individuals who have shown to set higher goals and accomplish them in shorter timelines. They come from a variety of organizations and levels. These findings appear consistent with our expectations and support our belief in the importance of the third element in leadership, achieving results.

Due to the unique nature of the HLLI and the thinking patterns it measures, we have found the scores become even more meaningful when compared to the scores of others, both individually and in groupings. In our leadership development sessions, we encourage individuals to compare their scores to the results from all who have taken the HLLI to date. Whenever possible in working with organizations and other groups we provide benchmarking totals. Recent examples include; senior leaders (compared to the total organization), Superintendents (compared to Principals), and graduates of a leadership program (compared to new participants).

The Future of Leadership Development

Until now, organizations have had limited success in identifying which individuals have the ability, or potential, to build on their leader/follower relationships to accomplish organizational goals. The critical third element of leadership, achieving results, has been missing in most leadership models. At a time when the need for, and demands on, leaders seems to be growing every day, we must find a way to increase the probability those in leadership positions succeed.

We believe the future of leadership (and leadership development) can be found in a new model for leadership, a new way of thinking that is based on five Higher Levels of Leadership themes. These themes provide the foundation for a new leadership assessment tool that can be used to identify leadership potential in individuals at all levels. The HLLI can provide you with a leadership advantage - in identifying leadership potential, selecting program participants, developing future leaders with a focus on achieving results, and assessing the results of your leadership development programs.

Like any assessment tool, the greatest potential for the HLLI may be to open a dialogue within an organization, communicating what leadership is expected and valued. Once that is determined, a company will be able to use the HLLI in selecting individuals with the highest potential to benefit

from its leadership development efforts. If properly used, we believe the HLLI can help to reduce leadership failure, prepare better leaders, and ultimately provide the broad experiences needed by CEOs and all leaders.

Franklin University's Leadership Center and Sequent, Inc. are proud to bring this powerful assessment tool to organizations and individuals. As more data is collected and information gathered, we will share our findings with those interested in following the progress of the HLLI. To be on our contact list as we release new findings, or to use the HLLI tool in your own organization call 614.947.6888 or email leader@franklin.edu.

John Baker is the Practice Leader for Leadership Development and Executive Coaching at Sequent. He assists leaders and organizations in reaching the next level of success by developing skills and behaviors that are aligned with the goals of the company. John can be reached at 614.839.4056 or jbaker@sequent.vbiz.

Paul Otte, is Executive Director of Franklin University's Leadership Center. The Leader Center was founded in 2003 to raise the level of leadership in central Ohio's business, community, government, and educational organizations. Paul can be reached at 614.947.6881 or otte@franklin.edu.

¹ *The Conflicted Leadership and Vantage Leadership*, by General Al Gray, USMC (ret.) and Paul Otte is available from the Franklin University Press.

² Based on results from XXX individuals, recorded in a variety of settings.