



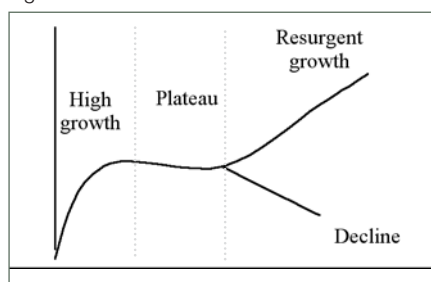
focus on business leadership

By Keith Liddiard, deputy CEO, the Centre for High Performance Development (CHPD)

With the rapid growth of many economies in the GCC, all businesses, large and small, are employing leading edge technologies and business practices to meet the challenges of growth. One of the most important recent developments is the focus on a new style of leadership required to cope with the growth. In this article Keith Liddiard examines what the most successful businesses in the region, as well as other parts of the world, do to both prepare their existing leaders for the changes and select future leaders.

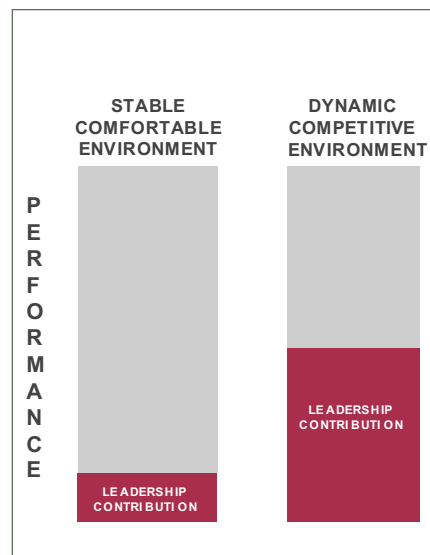
Many businesses encounter three distinct periods (See figure 1). Firstly, fast growth, often followed by a second period of 'plateauing' then, in the third period, either resurgent growth or, too often, decline. Decline in this third period is particularly prevalent in owner-managed businesses that wrestle with growth beyond the capability of the original entrepreneurs.

Figure 1



Research published recently by Harvard Business Review, (HBR, 2005) and the Centre for High Performance Development, (CHPD, 1999, 2004, 2006, 2007) has shown conclusively that in the fast-moving, competitive, modern business environment, being experienced in many parts of the Arab world today, people and particularly leaders have a large and increasing impact on the sustainable performance in this third period. (See figure 2)

Figure 2



These two pieces of information provide a challenge to businesses in the Arab world today, as they clearly prove the link between having the right people and performance.

Julia Payne, CEO at the Centre of High Performance Development, explains the conundrum: "On my visit to Saudi this year as part of a UK Trade Delegation and on recent visits to Qatar and Dubai, I heard local business people tell a story that was very familiar to me personally. Firstly, that businesses could do even better and grow even faster if only they had enough of the right people. Secondly, and this came mostly from owner-managed businesses, I heard that their growth was stifled either by a lack of processes or by a lack of innovation. Many found it difficult to grow beyond the ideas of the original owner. What I have found as I have grown my business is that these two issues are connected."



In summary, there are then three main questions businesses must address and tackle to sustain performance:

- 1) What do the 'right people' look like and do these 'right people' change as a business grows?
- 2) What is the balance of skills required across a team of people?
- 3) How do we, as businesses, identify, attract and develop the right people?

What to Look for in your People

Research studies from many of the leading institutions around the world including Harvard, INSEAD, IMD, CHPD etc. have shown that there are three aspects to consider together when deciding on the 'right person'. These are:

- **CAPABILITY** - including their thinking and decision making skills, their people skills, their inspirational and influencing skills and their proactivity
- **PREFERENCES** - how they like to innovate, deal with detail, work with people, take decisions, exercise power, learn, get things done, and behave emotionally)
- **CAREER MOTIVATION** - including their desire to be a leader, a technical expert, an entrepreneur or be autonomous

It is not important or even desirable that the 'right person' has all the right capability, preferences or career motivation. For capabilities, each individual must develop a core of five or six 'High Performance Behaviours', (HPBs), (see figure 3). For preferences, the 'right person' will have at least half the indicators in figure 4 as preferences. Finally, the 'right person' will align their career motivation with their role. The challenge, especially for owner-managed businesses, is to start valuing all the capabilities and diversity in preferences.

What Balance of Skills is Required Across a Team?

Historically, businesses have focussed on an individual's performance and parts of their

capability to try and identify their potential for promotion. While these aspects are important businesses must have a broader view to take the balance of both capabilities and preferences required by the wider team. This is especially important if the business is experiencing 'plateauing' of performance described earlier.

Julia Payne continues to explain: "If companies have been successfully innovating often it is because that is what the people and leaders 'like to do'; it's because of their preferences and motivation rather than their capability. Equally if companies have built their success and reputation on quality service or high quality products you often find a desire in the organisation for attention to detail and processes."

Companies' growth is usually determined by one or other of the above but not usually both. The plateau effect happens at the point in time when the 'other' element is required but the incumbent team, having recruited in their own image, have no wish to implement the missing element. Importantly, they often do not value people with different preferences and fail to recruit or promote them because 'they don't fit in'. In other words, innovative business people create innovative ideas and businesses but do not value service quality or processes sufficiently to sustain performance. On the other hand service-orientated, business people create success based upon high quality, efficiency and great process but fail to innovate sufficiently because they do not attached a value to this or the people that would innovate for the company.

All business who want to sustain performance must balance teams with people who have very different preferences. They must have both innovative and intuitive styles alongside people who are rational, detail conscious and pragmatic. With very different styles in the team it is then important to build capability to make those differences productive rather than destructive. Many businesses do not achieve this and their growth is severely effected. Julia Payne reflects: "I have seen many great businesses fail because owner-managers

were unable to work with people with very different styles. I see it as my role as CEO to identify the wide range of talent and styles required on the board and then to facilitate the team so they all maximise their strengths and contributions. It is hard work but I know it means we will continue to perform."

How do Businesses Attract, Identify and Develop the Right People?

In many parts of the Arab world today, talented managers are a rarity. This, in fact, is a worldwide phenomenon. So just at the time when business performance is increasingly dependent upon leadership and management we find there are not enough talented people to run our fast-growing businesses. In this environment, identifying and growing potential is as important as trying to recruit the right people.

Identifying the right people requires sophisticated techniques to ensure those with potential are given the right roles to develop. Businesses large and small can neither make costly mistakes promoting the wrong people nor can they afford to miss spotting the hidden talent.

The latest methods being employed in the best organisations, large and small, create a 'talent matrix' shown in figure 6. The data that feeds into the matrix is collected using a number of tools and methods including questionnaires and observations. The result is a clear view of who has potential for different roles. Julia Payne points out: "I have been able to identify real hidden talent using this approach. For example we have spotted those with real selling capability in unexpected

Figure 3 - High Performance Behaviour (HPB)

Cluster	Behaviour
Thinking <i>Seeking information, managing complexity, generating ideas, developing options, depth and creativity of thought, encouraging innovation</i>	Information Search Concept Formation Conceptual Flexibility
Developing <i>Valuing and respecting others, coaching, creating trust, empowering others, facilitating groups, developing people and building teams</i>	Empathy Teamwork Developing People
Inspiring <i>Communicating a compelling vision, influencing others, generating passion, energising others, building confidence and belief</i>	Influence Building Confidence Presentation
Achieving <i>Getting results, driving excellence, customer focus, making targets, galvanising action, delivering the bottom line</i>	Proactivity Continuous Improvement

Figure 4 - Leadership Preferences and Orientations

Thinking Orientation	<i>Vision Intuition Risk-taking Instinct Flexibility Initiative Detail averse</i>
Social Orientation	<i>Sociability Teamwork Assuredness Affiliation Consideration</i>
Power Orientation	<i>Dominance Control Assertiveness Persuasiveness Decisiveness</i>
Achievement Orientation	<i>Work ethic Goal Focus Fate Control Methodical Conscientious Planful</i>
Emotional Orientation	<i>Steadiness Calmness</i>
Mastery	<i>Development Learning Growth</i>

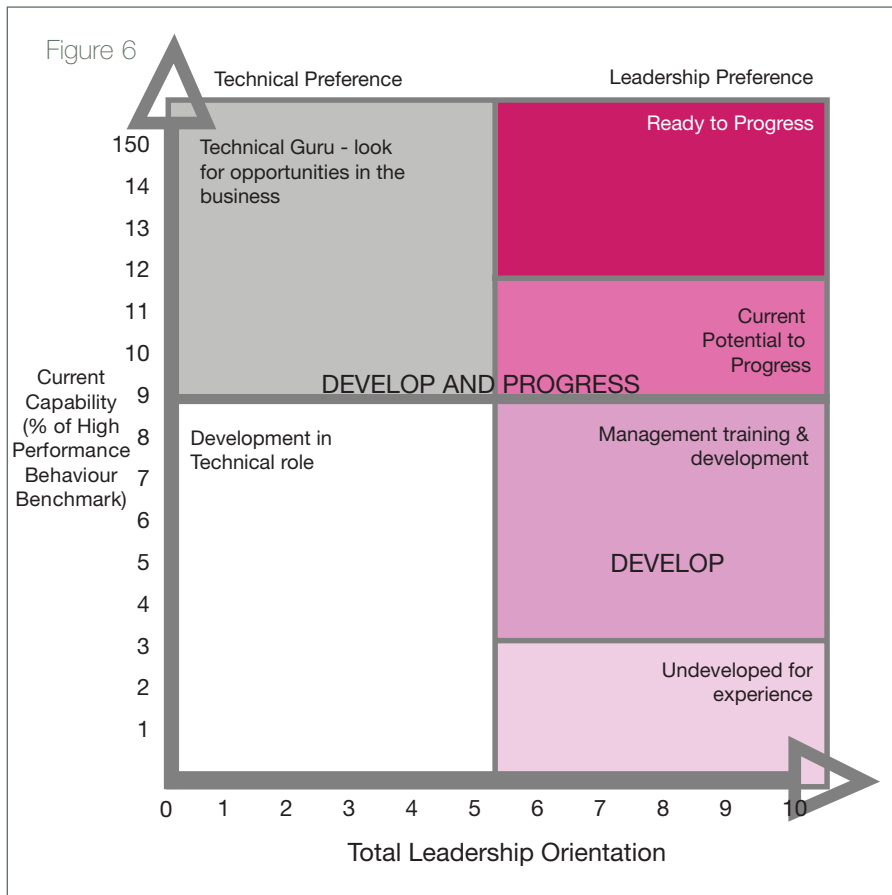
departments. It has also worked the other way. I recently was able to encourage someone to move from an account director role into a product development role based on the 'talent matrix' analysis."

Having identified each group there are some golden rules for development:

- 1) People learn most 'on the job'.
(Remember the 70:20:10 principle)
- 2) Focus development on one thing at a time
- 3) Link development to a real business measure like '15% improvement in sales' (remember what gets measured gets done)
- 4) Review development plans regularly with your line manager and ask for feedback
- 5) Managers must see themselves as coaches

In summary, the Arab world is experiencing unprecedented change in the market place. Technological changes, high growth industries, inward investment and higher levels of education in the work force are impacting the way we do business. The quality of leaders and managers will ultimately determine performance and success. All businesses, but especially owner-managed business, must invest in identifying and developing a more diverse leadership team if they are to have sustained performance.

The Centre for High Performance Development (CHPD) is a member of the Arab-British Chamber of Commerce.



18th - 19th November 2007 - Emirates Palace, Abu Dhabi, UAE

THE ABU DHABI CONFERENCE 2007

Building a new global centre




Keynote address:



H.E Nasser al-Sowaidi
Chairman
Department of Planning & Economy

Featured special addresses:



H.E. Khaldoon Mubarak
Chairman
Executive Affairs Authority



Falah Mohammed Al Ahabbi
General Manager
Abu Dhabi Urban Planning Council

Register now using this priority code: **ABCC01**

Tel: (+9714) 390 0699 or (+9714) 390 0049
Fax: (+9714) 368 8025
Email: conferences@meed-dubai.com
www.meed.com/abudhabi

Platinum sponsors:




Gold sponsors:





the new **economic focus** magazine

For advertising enquiries, please contact: Publications UK Ltd
Tel: +44 (0)20 7408 9615, Fax: +44 (0)20 7408 9610
Email: enquiries@publicationsuk.co.uk
Website: www.publicationsuk.co.uk