

Business Challenges



Overview

“It is not easy to see the future when you have a good thing going in the present.”

Jagdith Sheth

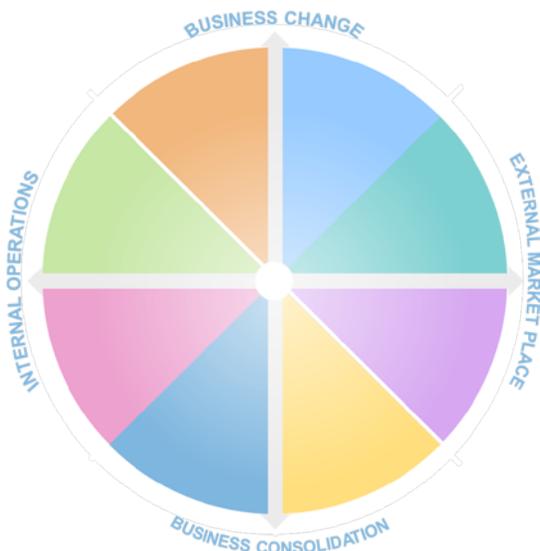
Business

Challenges: the rationale

Business Challenges¹ was developed by AM Azure Consulting in the 1990s as a response to the recognition that “martini managers” - managers equally effective “anytime, anyplace, anywhere” - were in short supply. Despite the best efforts of the competency enterprise and associated activity in management training and business education, the outcomes of succession reviews indicated a shortage of “all-singing-all-dancing” executives².

And the growing research in strategic leadership suggested that organisations might be better served by assuming a leadership model of “horses for courses” rather than attempt to access large numbers of “strategic leaders for all seasons”.

The Business Challenges framework provides a vocabulary to connect strategy and leadership. The model maps out eight themes that can be used in pinpointing an organisation’s strategic emphasis and the focus of its capability, as well as in describing different leadership patterns.



Strategy

- What are the major strategic challenges we face?
- On what battle grounds are we going to compete?

Organisational Capability

- What do we need to do to:
 - Stay in the game
 - Excel and win?
 - What combination of professional expertise and knowledge will build the capability we need to advance our strategic position?

Leadership Effectiveness

- What are the implications for leadership capability?
- In which areas do we need outstanding leadership?
- How well placed are we to deliver on our strategy?

“Understanding and addressing the assumptions management is making is crucial....the sheer logic of strategic choice is not enough; it will not be convincing if it ignores management’s assumptions.”

Michael Porter



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Challenges: the rationale

In our review of a range of strategic models³ we highlighted two dominant and consistent themes, which appear to be major differentiators of leadership outlook:

Focus on internal operations vs external business environment

Preference for periods of business change vs business consolidation

Internal Operations vs External Environment

Just as each country has its internal domestic and external foreign policy, companies must attend to external events in the market place as well as their internal systems and processes. This is a difficult balance to maintain. On the one hand, organisations must ensure sufficient resources are devoted to the development of products and the exploration of new markets. On the other hand, time and energy must be directed towards improving the efficiency and productivity of the internal operations.

For some companies this balancing act becomes too difficult and they lose their way. In the language of personality dynamics, organisations either become extroverted or introverted. Extroverted by focusing energies exclusively on the external market place, which places a strain on the organisation's internal systems and processes. Or introverted, by concentrating on internal efficiencies, and losing sight of shifts and trends in the business environment.

In a similar way to organisations, individual managers also find difficulty balancing both sets of priorities, and tend to display a stronger orientation in one direction than the other.

Business change vs business consolidation

This theme represents the second major dimension defining business outlook. It is now something of a management cliché - "change is the only constant". However, it does highlight the emergence of a dominant trend. The combination of competitive pressures, technological developments, and not least, shifting social, economic and political forces has meant that flexibility and responsiveness are critical requirements in business success.

During periods of crisis and challenge - for example the formation of a new business or tackling the decline of an existing one - an organisation's ability to move quickly to exploit change is essential.

While change may be an ongoing theme in organisational life, nevertheless, it must be viewed simultaneously with its mirror image - stability. Change can also result in chaos and confusion. Organisations also need executives who can ensure stability and consolidation. When the business has expanded rapidly, and secured its market position, the challenge is to safeguard initial success through longer-term planning and coordination, and the "routinisation" of previously ad hoc policies and processes.

Within this framework of two dominant dimensions, eight discrete patterns of strategic orientation are identified.



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Challenges: 8 strategic themes

Architect

redefining the organisational infrastructure to create new operating methods and practices; exploiting technological capability to create new organisational structure, systems and operating style; conducting a re-appraisal of the organisational infrastructure in the context of improved technological capability

Visionary

planning next generation products and services to formulate an innovative business strategy; developing new business concepts which redefine the rules of business success; addressing the impact of emerging trends and developments in the market-place for the organisation's long-term strategic position

Trouble-shooter

identifying and removing unproductive and inefficient business functions; tackling those business activities which are no longer contributing to corporate performance; divesting unprofitable activities which are failing to support corporate priorities and objectives

Explorer

investigating opportunities to break into key markets in pursuit of a diversification strategy; developing relationships with other key players in the industry to explore scope for alliances and joint ventures; identifying opportunities for the future growth and expansion of the business

Regulator

focusing attention on the efficiency and consistency of all internal processes; monitoring work flow for opportunities to standardise organisational activity; applying financial discipline and administrative control over organisational activity to gain improved levels of efficiency

Builder

translating business strategy into sales and marketing priorities; reviewing the customer service delivery process for areas of improvement; exploiting the organisation's customer-base through attention to sales and marketing activity

Integrator

raising the overall skill level of the work-force through focusing resources on training, development, recognition and reward; raising levels of staff capability and motivation to improve organisational loyalty and pride; breaking down functional differences and resolving complex views to unite the efforts of different groups

Lobbyist

representing the organisation's interests across the wider business community to improve corporate image; planning a programme of corporate communication which gains greater influence and freedom of manoeuvre for the organisation; building relationships with key players throughout the industry to improve the company's standing in the market-place



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Challenges at a strategic level

For organisations rethinking their strategic position, and conducting a 3C analysis of their own **Capabilities** - the strengths they can deploy; as well as **Competitors** - current and emerging threats; and **Customers** - the shifting expectations of existing and new customers, Business Challenges represents a powerful “thinking tool”. It provides a user-friendly language to explore strategic options - given the inter-play of capability, competition and customers - to identify future business priorities.

Michael Porter famously said that “strategy is choice”. And there are no easy choices. Instead there is the hard work of evaluating the trade-offs of different options within the context of the risk profile of the organisation⁴.

Key principles to shape the strategic conversation at senior levels:

1. All eight themes are relevant to any organisation, and bases need to be covered across all eight. But **the emphasis will shift over time** as the market place changes and strategy evolves. If “what got us here won’t get us there”, what shift in priorities will be required in future?

2. Competitive advantage and sustainable success won’t depend on any one Business Challenge. It will be the **combination of excellence** in two or more themes that will make the difference. Some combinations are obvious and relatively “easy” to implement. Others are less intuitive, and potentially more difficult to execute. Which combinations provide the basis for sustainable advantage in the market place?

3. Sustainable success needs to access a range of leadership talents and styles, but focus is required to attain **exceptional levels of performance**. At any moment in time, “pivot roles” require a distinctive outlook. Strategically, which roles have the potential to help the organisation make the transition from survival to success and then go on to achieve exceptional business gains?

4. Each of the eight strategic themes possess distinctive **opportunities whilst incorporating specific hazards**. The trajectory of success incorporates risks that need to be understood and managed. This principle requires leadership judgement to recognise strategic nuance. The factors that drive business success also have the potential for strategic failure⁵. Are these risks understood in managing the strategic review?

Envisia Learning provide a number of “thinking tool”⁶ activities to support the facilitation of strategic debate at senior levels.

“Don't fall in love with ideas. By ideas I mean: systems, marketing approaches, technologies, partnerships, whatever. Because as soon as you fall in love with one approach, you lose sight of other possibilities. ...Every right idea eventually becomes the wrong idea.”

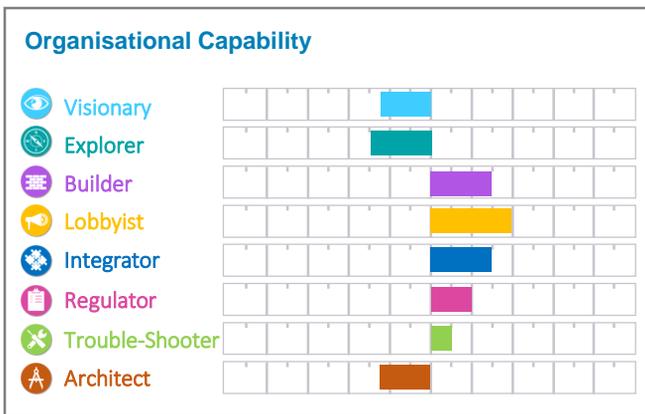
Roger von Oech

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Challenges as organisational capability

The assessment of organisational capability was based on a survey of 60 firms across a range of sectors. As well as reporting overall results by each of the Business Challenges, detailed analysis reviewed 64 specific business and organisational activities, an analysis that is available in a separate report.

Profiling organisational capability



The overall pattern is one in which organisations see their strengths primarily in market place consolidation: raising levels of customer service and using their influence to protect market share. It is also one of maximising the effectiveness of the internal operation: gaining incremental improvements in efficiency through financial management, administrative consistency and work-force capability.

Organisations are less positive about their entrepreneurial activity to translate imaginative business concepts into a programme for growth and expansion. They are also more critical of their capabilities in conducting major scale organisational change.

Overall, this is a profile of organisations better placed to improve current business operations and consolidate existing strategy than originate breakthrough ideas or push dynamically into new markets.

Probably no great surprises here, and for many organisations this set of current capabilities underpins their ongoing business success. For other organisations however the competitive challenge is to build new capabilities given the mix of opportunities and threats they face in their market place.

This will require a strategic rethink about how to shift from the existing business model to an entrepreneurial outlook that is more agile and versatile in adapting to change.

“Competitive success depends on transforming a company’s key processes into strategic capabilities that consistently provide superior value to the customer.”

George Stalk Jr.

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Challenges as organisational capability



	Visionary	Trend Spotting Scanning the business environment to identify significant moves in social, economic, technological activity	Research Capability Translating leading edge ideas from the academic/technical research into workable business concepts	New Product Development Moving promising new concepts into tangible products and services
	Explorer	Managing the Growth Momentum Determining the products and markets which represent areas of potential growth	Identifying Alliances Searching out other organisations where partnerships and alliances will be mutually profitable	Deal Management Negotiating commercial arrangements to expand the organisation's sphere of operation
	Builder	Customer Analysis Analysing customer feedback to determine perceptions of the product/service proposition	Customer Reach Promoting product developments and enhancements with effective advertising and pricing	Distribution Management Managing the mix of distribution channels to reflect customer requirements
	Lobbyist	Reputation Management Presenting corporate interests positively to key stake-holder groups	Political Influence Setting an agenda within the political decision making environment	Regulator Relations Exerting influence with regulatory bodies to maximise the organisation's space for manoeuvre
	Architect	Technological Impact Recognising the relevance of technological developments on organisational activity	Work Flow Redesign Translating technological innovation into improved processes and systems	Change Leadership Planning and implementing major changes in organisational structure and practice
	Troubleshooter	Early Warning Systems Measuring corporate activity to determine activity to identify potential problems	Corporate ReFocus Re-allocating organisational resources around core business aims	Productivity Management Tackling high cost-low value activities to raise levels of productivity
	Regulator	Management Information Developing relevant indicators to monitor corporate activity and outcomes	Administrative Consistency Installing standard operating procedures to improve process efficiency and standardisation	Financial Control Establishing financial discipline throughout corporate activity
	Integrator	Resourcing Ensuring the ongoing supply of employee capability	Culture Management Implementing processes to reinforce corporate values and ethics	Knowledge Coordination Facilitating the sharing of resources, ideas and information throughout the organisation

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Challenges as leadership effectiveness

Strategic Leadership Development

Strategic thinking and decision making are becoming increasingly key skills within the repertoire of senior executive capability. Organisations rightly are looking at ways to build effectiveness in this area through a variety of interventions, from informal briefings to more extended and structured programmes of business and leadership education.

Business Challenges – as a self report questionnaire - completed as part of these events, provides an effective way to personalise the learning process. By identifying an individual’s distinctive strategic leadership profile, it highlights those strategic issues that are more or less visible on their leadership radar, and identify how their mind set shapes the way they think about strategy.

In addition we have a number of exercises and activities to help facilitate the discussion of Business Challenges within workshops, applying the framework as a “thinking tool” for organisational analysis and competitor intelligence.

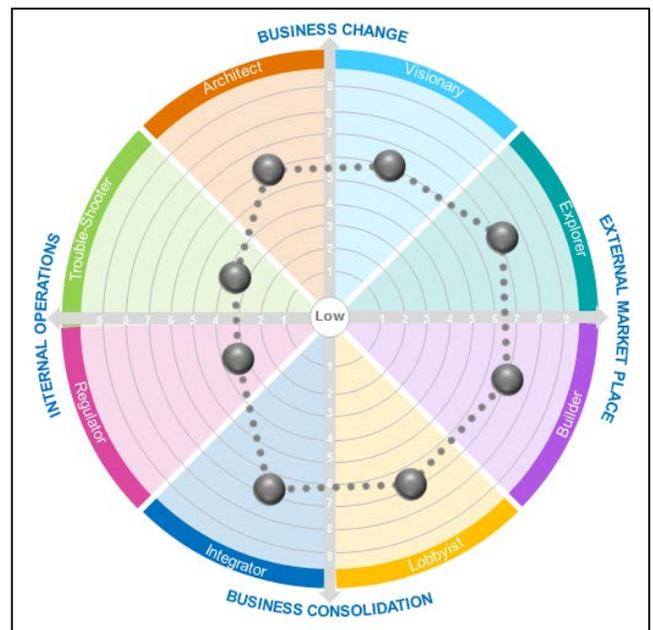
Executive Assessment

Business Challenges is applied to identify the dominant business focus of candidates for senior level positions.

A Finance Director, for example, will typically have an orientation towards Regulator. But a Finance Director who is also a Trouble Shooter will have a different outlook to the candidate who is an Explorer.

The Business Challenges assessment provides a face valid and user-friendly format to prioritise the interview process and gain a better insight into the opportunities and risks of different candidates’ business outlook.

It also provides a consistent framework to compare and contrast very different career histories and experiences, important when extending the trawl for leadership talent across different industries and sectors.



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Challenges as leadership effectiveness

Succession Management

Here the Business Challenges framework and methodology highlights the breadth and depth of capability within the emerging leadership pool.

The top team in succession reviews does not think competency. Instead it sees individuals as solutions to the business problems they face now, and can anticipate in future. Who will turn-around an underperforming business unit; start up a new venture; or shake up and revitalise customer service?

Business Challenges maps out the kinds of solutions that current and emerging successors will or won't provide. Robust succession of the kind that helps "future proof" organisations isn't simply about continuity of capable management. It also requires diversity of mind set.

Business Challenges opens up a dialogue to check that the organisation possesses "different pools of available talent" and can deploy a range of leadership approaches from its current and emerging leadership population.

"Life can be really unkind...you can arrive at the top of a corporation just when everything you know is irrelevant to the future."

CEO

Executive Coaching

No doubt executive coaching should address personal competency and effectiveness. But executive coaching also needs to help managers understand the nuances of business context and gain a better insight into the opportunities and risks of their business world view.

Which strategic challenges will be tackled with enthusiasm? Which will be avoided, and which might not even appear on the leadership "radar screen"?

Business Challenges provides a perspective to help managers make sense of the business pressures they face and those becoming more important as they progress their careers.

Visionary

"The best way to predict the future is to invent it."
Alan Kay



How prominent has this theme been in your career to date? How has it affected your leadership outlook, the issues you think are critical to business success, and those which are less important?

How important is this theme within your current role?

How relevant is this theme to your future progression?

Key questions

Who could I learn from?

Recommended Reading



www.emerson.co.uk/016007045839

http://www.emerson.co.uk/016011578518520

www.emerson.co.uk/0160570311682



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Challenges: research highlights overview

Over the last two decades the Business Challenges methodology has been used at a number of different levels - as a self report tool of preference, effectiveness and experience, in executive role profiling and as an organisational survey - using a variety of questionnaire lengths and formats. Reliability estimates and factor analyses indicate a robust and defensible assessment.

This section highlights some of the research studies that have looked at the practical applications of Business Challenges:

[Organisational Survival and Success](#); the impact of organisational and leadership capability across the Business Challenges on business outcomes after 10 years.

[Business Challenges and Executive Roles](#), and the pattern of Business Challenges across different functional groups.

[Business Challenges, 360 Feedback and Management Effectiveness](#); the correlates for each Business Challenge with impact as evaluated by work colleagues.

[Business Challenges and Construct Validity](#); cross referencing Business Challenges against other widely used assessments (Talent Q Dimensions, OPQ, Motivation Questionnaire, the Hogan Development Survey).



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Challenges: research highlights

Organisational Survival and Success After 10 Years

In 1998 we coordinated a research programme to explore how organisations evaluated their strategic and organisational capability and also reviewed the range of their processes and practices in succession and talent management⁷.

Succession processes included: an analysis of business planning, mechanisms for review and decision making, the application of technology, the role of the CEO and the top team as well as the range of development practices supporting talent management.

Succession outcomes focused on the appointments process, coverage for critical roles, breadth and depth of professional and management capability and retention.

10 years later we reviewed rates of organisational survival and success within the research sample, and asked:

- To what extent did strategic capability in 1998 “predict” organisational outcomes in 2008?
- Which strategic capabilities made most and least difference in shaping survival and success?
- Did leadership capability improve the odds of organisational success?

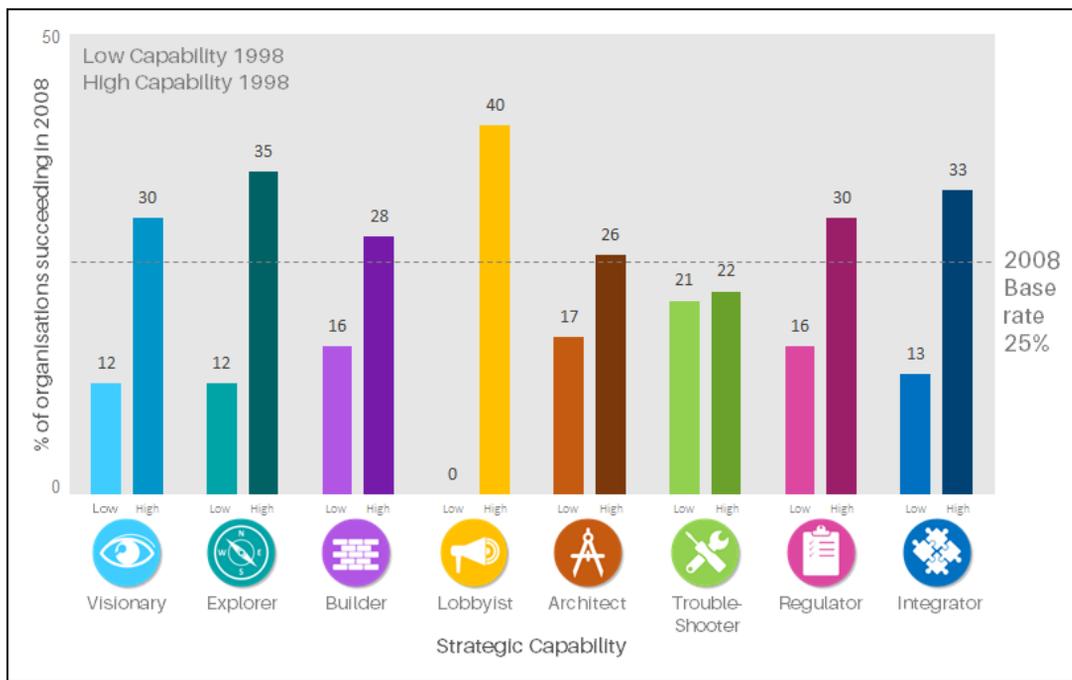
“Under achievement was punished. 40% of organisations failed to make it through the decade in their original ownership pattern. And it was difficult to succeed. Only a quarter of organisations came out of the last decade in significantly better shape.”

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Challenges: research highlights

Strategic capability in 1998 and organisational outcomes in 2008

How did strategic capability shape the chances of survival and success in 2008? Against the base line rate of 25% success, we contrasted the fortunes of low and high performers against each of the eight Business Challenges.



High **Visionary** organisations in 1998 fared reasonably well over the ten year period. Two thirds went on to survive and a third succeeded. Around two fifths of the low Visionary firms struggled and only a tenth succeeded.

Only 4% of the high **Explorer** firms had disappeared by 1998 in comparison with 17% of the low Explorers. 35% of high Explorers went on to succeed 10 years later in contrast to only 12% of the low Explorer organisations.

The **Builder** capability was not a significant determinant of survival, but it did seem to contribute to success. A third of the low Builder organisations were struggling in 2008 (only 16% succeeded) in comparison with the high Builders, where 28% succeeded.

High **Lobbyist** organisations in 1998 had a good chance of survival and success. 40% of the organisations reporting high Lobbyist capability went on to succeed. For low Lobbyist firms, none were successful by 2008 and 46% were in the struggling category.



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Challenges: research highlights

High **Integrator** organisations were less likely to disappear than low Integrator organisations and a third of high Integrator firms were succeeding in 2008 compared to only 13% of low Integrator organisations.

The **Regulator** capability did not appreciably impact on survival but it did shape success. 30% of high Regulator organisations went on to succeed in contrast to only 16% of the low Regulator firms.

Trouble Shooting capability in 1998 did not translate into future survival or success outcomes. Perhaps high Trouble-Shooting capability was indicative of fundamental problems rather than organisational resilience.

The **Architect** capability as reported in 1998 did not significantly predict outcomes in survival and success.

In summary, survival and success even over the relatively short term scale of 10 years is a tough challenge now for organisations⁸.

A good set of business cards in 1998 helped but didn't guarantee a winning hand by 2008. Some organisations didn't play their cards well and fell by the wayside by 2008. And some were "unlucky". Others managed to improve their business fortunes. Overall, however, strategic capability improved the chances of survival and success⁹.

The cards that seemed to matter most and least:

It was capability in the themes of **Lobbyist**, **Explorer** and **Visionary** that seemed to optimise the odds. Organisations which had developed a forward looking outlook with an imaginative growth plan and had established networks of influence to create strategic space (with regulators, political decision makers, the media) fared relatively better. Those that hadn't were more likely to have a hand that would go on to lose.

Regulator and **Integrator** - those organisational themes about effectiveness through systems and people - also helped the chances of survival and success.

"Only 11% of organisations lower in overall strategic capability in 1998 went on to succeed 10 years later. A third struggled. For firms higher in strategic capability, 31% went on to succeed."

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Challenges: research highlights

Leadership capability and survival and success



Within the research programme, organisations also evaluated the leadership population, and the results were cross referenced against survival and success rates.

Broad based general management and leadership effectiveness didn't emerge as an important driver of organisational outcomes.

Which specific strategic leadership outlooks and skill sets did?

Organisations reporting lower levels of **Visionary** and **Explorer** management capability in 1998 were more likely to disappear than survive. But higher levels of management capability in these two themes didn't predict future success.

Higher levels of management capability in 1998 in the themes of **Trouble Shooter** and **Integrator** didn't determine the odds of survival, but they doubled the chances of succeeding.

Business leadership and its impact on organisational outcomes is a complex dynamic. The type of leadership that ensures survival may be different to the leadership that drives success.

For this grouping of organisations, the picture seems to be one in which imaginative and entrepreneurial leadership secured survival to keep "in the game". But another leadership approach maintained momentum to advance and achieve success, an approach which developed people capability and ensured that the organisation focused on its fundamentals.

"Succession management processes need to ensure an alignment between the organisation's point in the "life cycle", its strategic focus and the decisions it makes about current and emerging leadership."



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Challenges: research highlights

Business Challenges and Executive Roles

If the Business Challenges framework identifies a range of strategic outlooks, then meaningful differences should be expected across different functional groups.

Based on a data set of 439 senior managers, the analysis looked at relative differences across 10 groupings:

- Customer Services
- External/Corporate Affairs
- Finance
- General Management
- HR/Personnel
- IT/IS
- Legal/Compliance
- Operations/Production/Manufacturing
- Supply Chain/Logistics/Procurement

Visionary scores were highest for executives in External/Corporate Affairs roles, and lowest for those in Finance, Legal/Compliance and Customer Services.

Sales and Marketing executives reported the highest scores for **Explorer**, and those in Operations/Production/Manufacturing, the lowest.

Builder scores were highest in Sales and Marketing and Customer Services, and lowest in IT/IS and Operations.

Executives in External/Corporate Affairs reported the highest scores for **Lobbyist** and Finance executives the lowest.

Integrator scores were highest in HR/Personnel roles and lowest in Supply chain/Logistics/Procurement roles.

Finance executives reported the highest scores for **Regulator** and HR/Personnel and IT/IS the lowest.

Trouble Shooter scores were most evident in Operations and less evident in IT/IS roles.

Executives in IT/IS reported the highest scores on **Architect**. Lowest Architect scores were observed in External/Corporate Affairs role.



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Challenges: research highlights

Business Challenges and Executive Roles

This pattern, largely predictable, confirmed the two dimensions of External Market place vs Internal Operations and Change vs Consolidation. Some functions are required to invest more time and effort facing the market place vs internal processes and systems, and some functions are more occupied with change and others with consolidation.

However - given the impact of functional expertise and experience shaping the mind set of different types of executives - it establishes the Business Challenges as an assessment that provides accurate insight into leadership style.

That is fairly obvious. More importantly, it is the pattern of low scores across the different functional groups that is more informative, and casts light into the challenges and tensions of bringing executives from different backgrounds together in strategic decision making.

These tensions are explored in detail “[28 Strategic Conversations: Is Your Organisation Having the Right Conversation at the Right Time](#)”.



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Challenges: research highlights

Business Challenges, 360 Feedback and Management Effectiveness

In another data set, 130 managers, undertook a 360° feedback exercise. This exercise was based on a framework of 6 broad based managerial themes.

Managing Tough Times
Building Relationships
Organising For Excellence
Applying Business Judgement
Inspiring People
Maximising Personal Effectiveness

Individuals who completed Business Challenges – ratings of experience and a forced choice measure of effectiveness – also received feedback about their impact from work colleagues.

Scores by Business Challenges – both experience and effectiveness - were correlated with others' perceptions of impact across the six management dimensions.

Visionary

Experience: Applying Business Judgement (.17)

Effectiveness: Inspiring People (-.25), Maximising Personal Effectiveness (-.21)

Executives with Visionary experience are seen as more effective in business judgement. Visionary managers seem relatively less concerned with the management of individuals and teams, and may be more obsessive and driven and less concerned with the work life balance.

Explorer

Experience: Managing Tough Times (.24)

Effectiveness: Organising for Excellence (-.19)

Executives with experience of Explorer activities are evaluated more positively in dealing with difficult problems.

Explorer managers seem less likely to be preoccupied with the maximisation of efficient resources, and less concerned with the detail of planning, coordination and organisation.

Builder

Experience: Managing Tough Times (.19)

Effectiveness: Inspiring People (.30), Organising for Excellence (.27), Building Relationships (.22), Maximising Personal Effectiveness (.20)

Experience as a Builder is associated with higher levels of impact in managing tough times.

Builder managers are rated more positively across most of the management themes. Effectiveness as a Builder seems to draw on a range of different management talents and skills.

“Management, after all, is people, and businesses are made successful by people, not by plans.”

Kenichi Ohmae



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Challenges: research highlights

Business Challenges, 360 feedback and management effectiveness

Lobbyist

Experience: No significant correlations

Effectiveness: Managing Tough Times (-.27)

Lobbyists are seen by others as relatively less capable in Managing Tough Times. Lobbyists seem to be better at positive impression management to external stake holders than in confronting and addressing internal problems.

Integrator

Experience: Managing Tough Times (.26)

Effectiveness: Organising for Excellence (.18); Inspiring People (.17)

Experience as an Integrator is associated with greater impact in dealing with difficult problems.

Integrator managers are viewed more positively by colleagues in in maximising resources and engaging individuals and groups as part of a collective effort

Regulator

Experience: Managing Tough Times (.24);

Applying Business Judgement (.20)

Effectiveness: No significant correlations

Experience as a Regulator results in higher evaluations by colleagues of impact in applying judgement and tackling difficult problems.

Trouble Shooter

Experience: Managing Tough Times (.39)

Effectiveness: Managing Tough Times (.21)

Trouble-Shooters - for both experience and effectiveness - are rated by others as

more effective in taking on the unpopular and difficult issues which the organisation needs to address to improve performance.

Architect

Experience: Applying Business Judgement (.22)

Effectiveness: Inspiring People (-.19)

Experience as an Architect is associated with greater impact in business judgement.

Individuals regarding themselves as more effective in the theme of Architect are regarded by others as making less impact in the management of individuals and teams



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Challenges: research highlights

Business Challenges, 360 feedback and management effectiveness

Unsurprisingly business experience is associated with greater impact as perceived by colleagues. The correlations are modest (effectiveness is more than experience) but experience clearly represents one dynamic of executive effectiveness. Importantly, breadth and depth of experience is most associated with problem solving, particularly in tackling the tough challenges of organisational life.

This makes sense. Some leadership skills can be developed relatively quickly and easily. Others require personal exposure to real life issues, and effectiveness needs experience built over time.

The correlations of impact with effectiveness - because of the forced choice format of this measure¹⁰ - are more indicative than definitive.

Nonetheless it is clear that the different leadership approaches within the eight Business Challenges have a different management impact as perceived by colleagues.

“The nature of a virtue is that a vice is almost always hidden inside.”

Mary Loftus



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Challenges: research highlights

Business Challenges and Construct Validity

The results from the Business Challenges evaluation reflect a mix of individuals' professional and functional background, career experience (including successes and failures) as well as personality and motivational factors.

Because Business Challenges has been used across a range of assessment assignments at senior executive levels - cross referencing the pattern of Business Challenges with other diagnostic tools – we can identify the impact of these personality and motivational dynamics.

As well as establishing meaningful construct validity, this provides an insight into the psychology of the eight Challenges.

Research has identified the correlates of Business Challenges with:

Talent Q Dimensions from Korn Ferry identifies 15 traits of personality, clustered by People & Relationships, Tasks & Projects, Drives and Emotions based on a modified n-ipsative question format (rating and ranking); (N=112).

The **OPQ32i** from CEB is an ipsative measure of personality for use in a variety of occupational applications. It maps out 32 scales, although the test publishers indicate the results can be summarised against the established Big 5 of personality; (N=406).

Based on a rating questionnaire format, CEB's **Motivation Questionnaire** measures 18 dimensions of an individual's motivation to provide an understanding of those situations which increase and reduce their motivation; (N=209).

The **Hogan Development Survey** is a personality questionnaire that highlights the “dark side” of leadership and the factors that can derail leadership careers. Based on 168 items, the HDS measures 11 themes that represent risks to leadership effectiveness; (N=246).

Note that the correlational pattern reported for each of the eight Business Challenges with the other assessment methodologies is affected both by sample size and the variation in the response formats of questionnaire design across the different applications (and the distinctive statistical issues of ipsative measurement).

The interpretation of correlations therefore represents a generalised narrative – accepting the risk of caricature - to highlight the potential opportunities and risks associated with each Business Challenge.

Visionary



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Conceptual (.38) Creative (.34)</p>	<p>High</p> <p>Innovative (.31) Conceptual (.28) Forward Thinking (.26) Variety Seeking (.22)</p>	<p>High</p> <p>Flexibility (.25) Autonomy (.18)</p>	<p>High</p>
<p>Relaxed (-.20) Supportive (-.14) Conscientiousness (-.14)</p> <p>Low</p>	<p>Rule Following (-.22) Controlling (-.18) Outspoken (-.17) Conscientious (-.16)</p> <p>Low</p>	<p>Low</p>	<p>Mischievous (-.19) Sceptical (-.17)</p> <p>Low</p>

Visionary executives manage ambiguity and uncertainty, drawing on strengths in forward planning to look ahead and generate ideas about future possibilities. Motivated by a changing environment, Visionaries dislike the constraints of an imposed structure, valuing their independence and look to operate to their own distinctive agenda.

The potential risks: going off on a personal tangent, pursuing ideas of individual interest rather than engaging fully with others to translate promising concepts into a practical programme of action; a naiveté that assumes good business ideas about the future will speak for themselves rather than lobby vigorously with key stakeholders to build support and backing; becoming sidelined from the “rough and tumble” of corporate debate rather than compete assertively for “mental shelf space” with their colleagues.

Explorer



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Influencing (.33) Achievement (.23) Conceptual (.21) Decisive (.18)</p>	<p>High</p> <p>Competitive (.27) Persuasive (.26) Innovative (.18)</p>	<p>High</p> <p>Commercial Outlook (.27) Status (.19)</p>	<p>High</p> <p>Colourful (.16) Bold (.15) Mischievous (.15)</p>
<p>Relaxed (-.27) Analytical (-.14)</p> <p>Low</p>	<p>Caring (-.20) Detail Conscious (-.19) Rule Following (-.18) Trusting (-.17) Worrying (-.17)</p> <p>Low</p>	<p>Personal Principles (-.18)</p> <p>Low</p>	<p>Cautious (-.20) Diligent (-.18)</p> <p>Low</p>

The personality and motivational pattern for **Explorer** leaders highlights competitive individuals, looking to impress their colleagues with the boldness of their business thinking. Commercially minded, Explorers are likely to be confident in presenting high profile plans to command organisational attention and persuade others to their ideas.

The psychological risks: over-selling the arguments for growth with a confidence about future possibilities that is based more on personal ambition rather than business imperative; drawing on persuasive influence to build enthusiasm for plans rather than work through the detail of different proposals and options; embarking on an ambitious course of action without taking the time to build emotional commitment from others.

Builder



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Communicative (.33) Socially Confident (.32) Consultative (.21)</p>	<p>High</p> <p>Persuasive (.28) Innovative (.13)</p>	<p>High</p> <p>Commercial Outlook (.22)</p>	<p>High</p> <p>Imaginative (.13)</p>
<p>Analytical (-.45) Conceptual (-.27) Methodical (-.23)</p> <p>Low</p>	<p>Emotionally Controlled (-.15) Modest (-.14)</p> <p>Low</p>	<p>Recognition (-.18)</p> <p>Low</p>	<p>Cautious (-.14)</p> <p>Low</p>

Builders are expressive individuals, communicating their ideas with passion and commitment. The motivational pattern is one of drawing on a commercial outlook to present a credible business position. And it is this combination of innovation, commercial mindedness and communication impact that makes Builders a credible leadership group.

The psychological risks for Builders: an enthusiasm for the customer that may not stand back to weigh up the full range of organisational risks; presenting convincing proposals that may be somewhat one-dimensional rather than grounded in a robust analysis of the options.

Lobbyist



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Socially Confident (.32) Communicative (.24) Relaxed (.20)</p>	<p>High</p> <p>Outgoing (.16) Democratic (.14)</p>	<p>High</p> <p>Status (.18) Power (.18)</p>	<p>High</p> <p>Colourful (.27)</p>
<p>Conceptual (-.27)</p> <p>Low</p>	<p>Data Rational (-.36)</p> <p>Low</p>	<p>Fear of Failure (-.15)</p> <p>Low</p>	<p>Sceptical (-.16) Reserved (-.14)</p> <p>Low</p>

The profile for **Lobbyists** is of a group that draws on interpersonal skills to address the business agenda by building and maintaining positive relationships across different stakeholder groups. Lobbyists look to put their best leadership foot forward, with less fear of failure. Motivated by status and power Lobbyists at best are compelling and forceful communicators, providing a credible and authoritative leadership presence to articulate the corporate position.

The psychological risks: a reliance on relationship management rather than undertaking a critical analysis of the business fundamentals; looking to present a “positive spin” on events rather than anticipate emerging operational problems; a focus on the “leadership me” which looks to be the centre of corporate attention.

Integrator



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Supportive (.32) Consultative (.31)</p>	<p>High</p> <p>Caring (.35) Democratic (.30) Behavioural (.22)</p>	<p>High</p> <p>Affiliation (.39) Personal Principles (.24) Personal Growth (.22)</p>	<p>High</p> <p>Dutiful (.17)</p>
<p>Analytical (-.22) Conceptual (-.18)</p> <p>Low</p>	<p>Data Rational (-.23) Innovative (-.21) Competitive (-.21) Independent (-.19)</p> <p>Low</p>	<p>Status (-.26) Material Reward (.25) Commercial Outlook (-.15)</p> <p>Low</p>	<p>Bold (-.14)</p> <p>Low</p>

The personality and motivational profile indicates that **Integrators** are well meaning and well intentioned leaders. For Integrators, “people are our most important asset” isn’t a cliché; it is their operating principle. Integrators have a positive outlook about others and their contribution, looking to involve and engage them in their thinking. Integrators are motivated to do the right thing and play by the rules, sensitive to differences, democratic in consultation and keen to support the development of others.

The psychological risks: a reliance on others’ good intentions to do the right thing rather than confront problems head on and establish a forthright agenda for change and improvement; an under play of financial analysis and commercial thinking in clarifying the business logic of their plans; taking a back-seat in strategic debate rather than establish an independent stance to push ideas forward and challenge the prevailing mindset.

Regulator



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Analytical (.50) Methodical (.38) Conscientious (.38)</p>	<p>High</p> <p>Rule Following (.43) Detail Conscious (.41) Conventional (.35) Data Rational (.33)</p>	<p>High</p> <p>Material Reward (.17)</p>	<p>High</p> <p>Diligent (.36) Reserved (.17) Cautious (.16)</p>
<p>Socially Confident (-.43) Influencing (-.28) Decisive (-.24)</p> <p>Low</p>	<p>Innovative (-.27) Affiliative (-.20) Persuasive (-.18) Socially Confident (-.16)</p> <p>Low</p>	<p>Flexibility (-.31) Autonomy (-.19)</p> <p>Low</p>	<p>Colourful (-.32) Imaginative (-.19)</p> <p>Low</p>

Regulators are organised leaders, attending to the detail of operating systems to ensure efficiency. The personality and motivational pattern highlights a leadership group which enjoys the familiarity of existing processes and procedures, attending to the detail of task analysis and implementation. Motivated by material reward, Regulators are conventional in their outlook, preferring to operate within established structures and systems.

The risks for Regulators: a lack of innovative flair in identifying opportunities outside of the immediate business focus; a caution that prefers incremental improvements in efficiency and stifles debate about radically different possibilities; failing to give sufficient attention to the interpersonal dimension in engaging others as part of collective effort.

Trouble Shooter



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Analytical (.19) Decisive (.15)</p>	<p>High</p> <p>Data Rational (.17) Outspoken (.16) Controlling (.14)</p>	<p>High</p>	<p>High</p> <p>Sceptical (.19) Diligent (.16)</p>
<p>Consultative (-.27) Communicative (-.23)</p> <p>Low</p>	<p>Innovative (-.25) Forward Thinking (-.20) Conceptual (-.17) Optimistic (-.15)</p> <p>Low</p>	<p>Personal Principles (-.15)</p> <p>Low</p>	<p>Imaginative (-.18)</p> <p>Low</p>

The profile of **Trouble Shooters** indicates a group of executives who relish the practical world of the facts and are suspicious of fanciful ideals. Assertive and outspoken in stating their views about the difficult issues, Trouble Shooters follow through to keep a focus on outcomes. Trouble Shooters aren't naive; they see the world "as is" and are shrewd in identifying interpersonal realities, unimpressed by theoretical discussions of "what might be".

The risks of Trouble Shooters: a short-term focus on pragmatics that may lack a longer-term vision of sustainable success; a tendency to look for the worst-case scenario rather than formulate imaginative ideas about what is possible; a commitment to tackle problems quickly that may take expedient short cuts.

Architect



Talent Q Dimensions	Occupational Personality Questionnaire	Motivation Questionnaire	Hogan Development Survey
<p>High</p> <p>Analytical (.31) Methodical (.17)</p>	<p>High</p> <p>Conceptual (.18)</p>	<p>High</p> <p>Flexibility (.15)</p>	<p>High</p>
<p>Communicative (-.37) Influencing (-.27) Achievement (-.24) Socially Confident (-.22)</p> <p>Low</p>	<p>Persuasive (-.24) Socially Confident (-.13)</p> <p>Low</p>	<p>Commercial Outlook (-.18) Power (-.17)</p> <p>Low</p>	<p>Low</p>

Architects put ideas into context to develop an overall conceptual framework that makes sense of complexity. Architects enjoy flexibility to manage the ambiguity of changing environments, and are demotivated by the disciplines and constraints of structure.

The risks for Architects: a lack of forceful push in persuading others to their ideas; operating with the assumption that powerful concepts rather than compelling arguments will set the agenda; proposing ideas for organisational change that lack a grounding in commercial realities; staying on the side-lines rather than seizing the strategic initiative to push forward their ideas forcefully.



Business

Challenges: notes

1. Andrew Munro, Brendan Andrews, (1994) "Competences: Dialogue without a Plot? Providing Context through Business Diagnostics", Executive Development, Vol. 7, <https://doi.org/10.1108/09533239410071869>

2. Recent reviews of succession management practice indicate that little has changed. The quest for exceptional general managers who can excel in any context (sector or organisational life cycle) remains elusive.

3. Strategic leadership models include: Gerstein M & Reisman, H, "Strategic Selection: Matching Executives to Business Conditions", Sloan Management Review, 24, 118 – 207, 1983

Miles, R E & Snow, C "Organisational Strategy, Structure and Process", McGraw Hill, New York, 1978; Herbert T Deresky H "Should General Managers Match their Business Strategies?", Organisational Dynamics, vol 15, Winter 1987; R Quinn "Beyond Rational Management", 1991

4. Richard Rumelt's "Good Strategy Bad Strategy" stands out as the best analysis of the strategic decision making process.

5. Michael Raynor and "The Strategy Paradox"; https://dupress.deloitte.com/content/dam/dup-us-en/articles/the-strategy-paradox/US_deloitteireview_The_Strategy_Paradox_aug07.pdf

6. Contact us to access our "Facilitator Guidelines: Business Challenges", a range of exercises to support strategic debate and planning.

7. "10 Years On; Organisational Survival and Success";

<http://www.amazureconsulting.com/wp-content/uploads/2017/07/TenYearsOnSuccessionManagementOrganisationalSuccess.pdf>

8. Michael Raynor makes the point that "a 10% probability of succeeding in a quest for sustained growth is, if anything, a generous estimate. Mere survival for a company over a 10 year period, is actually a pretty high bar."

9. Low capability proved to be a better predictor of failure than high capability of success.

10. The debate about the relative pros and cons of ipsative measurement in assessment, has now run on for several debates between different academics, test publishers and practitioners. Example debates can be accessed at:

<https://www.prevuehr.com/resources/insights/ipsative-vs-normative/>

<https://oprablog.wordpress.com/tag/ipsative-testing/>

Forced choice measures do have their virtues in identifying relativities within an individual and highlighting the balance that shapes, in the case of Business Challenges, an executive's operating style.

But the ipsative format is not without its vices. As the psychometrician Steve Blinkhorn points out, problems will be encountered in interpreting statistical analysis if the distinctive issues for ipsative measures are ignored.