


## Leadership X Factor



The selection process associated with senior leadership roles should be different to other talent selection processes. Most senior leaders are generally appointed to lead in the pursuit of strategic objectives. And they're also expected to contribute to the performance of a leadership team in delivering on organisational and divisional goals. Finding just the right fit requires identifying the 'X Factor'.

If you're interested in exponentially increasing your progress against your company strategy, it makes sense to look for executives who can add strategic value outside their dual leadership roles.

So what are these skills, competencies and bodies of knowledge that make up the Leadership X Factor? Just as each organisation has different needs and priorities, each organisation will have a different blend of characteristics in its X Factor list. We provide a reference formula for working out your X Factor requirements in this article. When you add X Factor to your executive selection brief, the distinction between 'great' and 'great-for-our-organisation' candidates becomes crystal clear.

Organisational success is hugely dependent on the recruitment and contribution of exceptional leadership talent. When recruiting strategically, you are looking for fit with the strategy, the role and the organisation. As part of our strategic advisory service we have been involved in and led a number of senior leadership talent selection initiatives. We share some of our key insights to help improve selection process outcomes to find the best candidate to complement your organisation.

The 'complement' concept is important. The attributes of the senior leaders not only have to suit the organisation's DNA, they also need to be complementary to the skills of the other leaders in the organisation required to deliver on the strategic plans. There is no point in selecting leaders with skills that are exactly the same as, or very similar to, other leaders in the organisation.

How do you recruit a new leader that can bring X Factor attributes to your organisation? As CEO or Board member, you have likely taken a mental inventory of your organisation and understand exactly where your organisation should best build its skills. If you can map your organisation's strategic intent against its current capability, it gives you a list of much-needed additional competencies to look for in a new or current executive. You have started to focus on the X Factor.

### **Recruit for strategic fit with the X Factor**

One way of looking at strategy is that it is the meta-process by which the organisation's inputs are turned into outputs, or planned outcomes. Implementation of the strategic plan, which these inputs pass through, is a

change process designed to deliver agreed strategic outcomes. The interaction between inputs, the strategic plan and resultant outcomes can be diagrammatically shown as a planning process flow.

Referring to your organisational strategy, list your inputs. Classify each as 'tangible' or 'intangible'. Within a services environment, the major tangible and intangible inputs that should be considered in the planning process flow should include, as a minimum:

### Tangible

- Human capital or staff
- Financial performance or trends
- Operating processes, systems, channels and precedents

### Intangible

- Knowledge held internally
- Organisational culture
- Internal and external relationships
- Brand resonance

Human capital is the first tangible input for a reason. Within a services environment it is the most important input in achieving strategic success. Yes, the adage 'you are only as good as the people that support you' is true. Successful organisations have learned this fact and constantly review the appropriateness of their management and leadership human capital. Leading organisations are ruthless in selecting talent and accept that once they have the right talent, it needs to be nurtured and provided with an environment to succeed.

A good starting point is to draw up a matrix with your tangible and intangible input categories listed on one side. Decide on a rating methodology (or you can refer to us to assist in this exercise) and assign a rating to each input category relating to your organisation's intended strategic outcomes. Then, apply an importance weighting to each input category. Rate your current ability to deliver on each input category.

By ranking strategic requirements in this way, we can readily see the qualities needed in a new executive to deliver on your organisation's strategic goals. In short this is your X Factor list. This approach may also assist in considering succession potential through the talent selection process.

Of course, this approach can be used to assess the development needs of a current executive as well. It can also be used to galvanise the views of the organisation's governing body, such as the Board, in determining strategic priorities and immediate focus.

Executives now pondering their own Leadership X Factor might consider what they already bring to the table, over and above their role, in accelerating the organisation's progress toward strategic goals. How much difference are you making in each strategic area? You might also think about how you can develop your skills to close the organisation's strategic gaps. If you already have the X Factor skills, competencies or knowledge, but these aren't being used to full effect, consider how to increase your effectiveness or influence. Executive

coaching may yield valuable insights. And remember that just as each person has different attributes, each organisation has a different Leadership X Factor list.

## Recruit for role fit

As with all leadership roles, executives are required to lead, deliver on agreed plans and motivate. They must be committed to succeeding. The requirements for the role in question will be largely based on the position description, which should specify the major responsibilities and objectives for effective performance in the leadership of a specific Business Unit, Division or Practice Group, and selected whole-of-organisation strategic initiatives.

When assessing candidates, look beyond evidence that they have achieved similar outcomes to those you are trying to achieve. Consider that no two organisations have identical resources to begin with and therefore, different start points, with different hurdles along the way.

For example, it is a very different challenge to implement a change management program in a global and diversified retail organisation that is fully resourced than a change management program in a national insurer with minimal resourcing. The leader of each initiative will surely be aware of the change management process, but each will encounter very different challenges in getting their results. Recruit according to challenge to be met, not just the required result. Being clear about the challenges faced (including the required results) also helps you and the candidate determine if they can do the job given all its limitations and maintain their motivation to succeed each day.

## X Factor

If you consider that your next CEO or executive should have the potential to speed your organisation along the path to strategic success, then it makes perfect sense to refer back to the organisational strategy. The X Factor is an assessment of that person's strategic value-add. If applied with rigour, uncovering the X Factor in recruitment will help you select the best candidate given the strategic direction, the role and the organisation.



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