

The Leadership Cockpit – Can A Personality Test Actually Provide Practical Business Results?



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There's a number of leadership assessments out there. Most of them are based on personality or what are called competencies. They can be useful and give you real insights into personal, social and professional aspects of corporate functioning.

But all of these assessments have the same problem. That is that **they don't give you direct information on the business outcomes that will result from your behavior**. That's a huge problem for those in business whether they are junior or senior.

Generally these business people are less interested in how they function socially or mentally. They want to know what their **business performance and results** will be and **how they can improve them**. Neither personality nor competency assessments do that.

Here are some of the questions that the average Joe wants to get answered when he does a leadership assessment:

- Precisely what sort of business performance and results can I expect given my usual behaviors?
- How can I improve on that performance?
- If I am a leader, no matter what level, what sort of organization will I create from the perspective of actual business results?
- Where am I weak from a business perspective and where am I strong?
- In what area of business performance will I do well or fail?
- What are my likely business and financial results compared to my close competitors?

There are even more precise questions I want answered if I am doing a leadership assessment. Such as:

Which of the following will I tend to perform best in and which worst? Are there any that my behavior tends to really shy away from and will cause me to fail? Are there others that will prevent me from achieving my career goals?

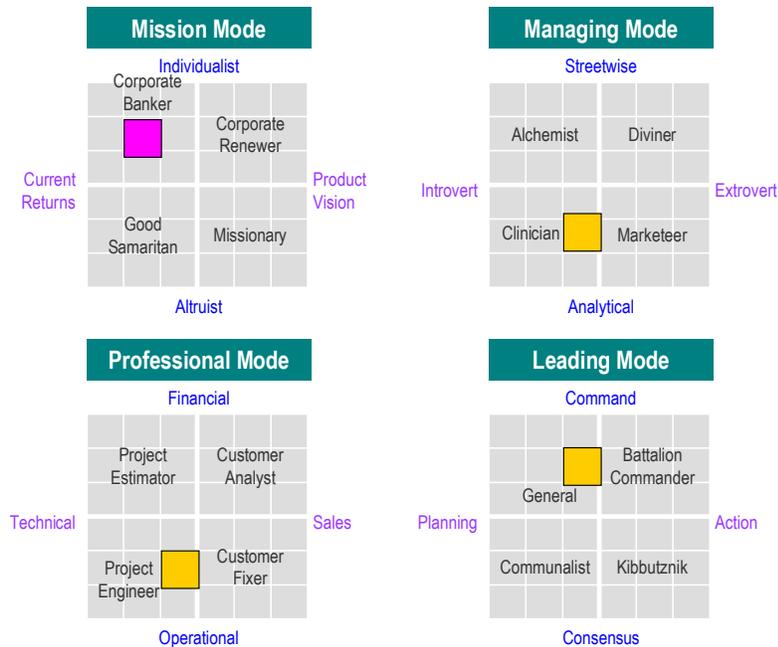
- Sales
- Marketing
- Operations
- Quality
- Development
- Finance
- Engineering

These questions actually tend to be more important for most managers and executives than how they will perform as a leader. **Most managers are exquisitely aware that, as they get to be more senior, they will be**

judged on their business results. Of course that doesn't mean that they won't be judged as leaders, just that if they are a good leader but get poor results, they are probably not going to be in that leadership position for very long.

Recent advances in the disciplines of behavioral economics and finance enable us to construct tests based on the concept of **business personality**. Such an assessment looks at the main **cognitive biases** of managers and constructs business inferences based around these which directly lead to conclusions on the precise type of **business performance** we can expect from the person who completes that assessment. We have used this approach to construct the **Executive Outcome Assessment™**.

The results from this assessment can be summarized into a visual display like the one below. This display is the **Leadership Cockpit®**, a leadership assessment focused on business performance that answers all the questions we set out above.



In this particular snapshot of a person's business personality, the person is a **Corporate Banker**:

- focused on short-term returns, producing cash, is not comfortable with vision and long-range planning, will get low gross margins and be relatively poor at sales.

This is his dominant behavior. But he will be good in finance, financial processes, will avoid undue risk and produce steady cash returns, albeit rarely spectacular.

The other (yellow) boxes show his secondary behaviors which count much less in his overall decision-making but nonetheless have some impact at times and need to be taken into account **situationally**.

This snapshot also shows him a map of how to improve: that is to go across the diagonal **to become more like a Missionary or a Corporate Renewer**. Once he knows that, we can help him with suitable interventions to get him where he wants to go thus improving his business performance.

The Leadership Cockpit® is produced when a person completes the Executive Outcome Assessment, which we use in our leadership development programs. Learn more about it [here](#).

Managers have so much to do that the last thing they want to have to do is to learn the language of a professional psychologist in order to improve, especially if there is no direct link to business performance. **Managers want simple rules to help them develop as leaders.** The Leadership Cockpit® does this.

Behavior makes a difference in business performance. We need a simple way to get a handle on how our behavior impacts business, organizational and corporate outcomes. By using the concept of business personality, cognitive biases and the Leadership Cockpit®, we can achieve this.

Recommendations

- Incorporate business personality into leadership development so that assessment gives precise information on likely business performance.
- Use our Executive Outcome Assessment to do this
- Use it with teams as well as individuals to show where a team's critical business strengths and vulnerabilities are

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