



ASPEN FAMILY BUSINESS GROUP, LLC

DEEP RELATIONSHIPS. ENDURING LEGACIES.

Personality Characteristics of Good Leaders

By Aspen Family Business Group, LLC

Successful leaders tend to be *self-differentiated*. Self-differentiated refers to people who can strike a healthy balance between their own individuality and family togetherness. They stay calm, aren't quick to react emotionally to conflicts or crises, and are good at adapting to new circumstances. They step forward at critical times to set a direction for themselves and their families based on the principles that guide their lives. Self-differentiated leaders encourage independence and foster togetherness at the same time. They are skilled at helping their families and businesses through transitions, and can skillfully defuse battles of wills among family members. These are important skills in family businesses!

In this article, you will find some of the most important character traits of successful leaders, along with some tips on how to foster them. Many successful leaders lack one or two of these ideal characteristics. But leaders who try to operate with several big gaps between their personalities and this model are likely to find it tough going.

Below are traits we can observe in our children and those we can foster:

Commitment to the business. Bring children up with a sense of the business as a natural extension of the family. Young people can tag along with Mom or Dad to the office on Saturdays and take summer internships at the business. They can take part in conversations around the dinner table about what's happening in the business, and why the business is important, not only for the family but for non-family employees and the community.

Exceptional persistence. Encourage kids to focus on, stick with and finish things. Teach them delayed gratification versus instant gratification. Delayed gratification is a major, necessary precursor of the leadership characteristic of persistence and can be taught and shaped in childhood. One study found that four year olds' ability to put off gratification predicted greater academic success, higher SAT scores and fewer relationship problems—more strongly than did IQ.¹

¹ Yuichi Shoda, Walter Mischel and Philip K. Peake, "Predicting Adolescent Cognitive and Self-regulatory Competencies from Preschool Delay Gratification." *Developmental Psychology*, 26, 6 (1990), pp. 978-86

Humility. According to research, it's the humble leader, rather than the self-assured charismatic leader, who achieves the most. This is the leader who does a good job and doesn't brag about it. Successful leaders are confident enough to include everyone in their success.

Coachability. This is the ability to receive and act on feedback from others. Good leaders improve their skills by changing their behavior based on the coaching they get from peers, customers, managers, family members or others. A global study of thousands of hiring managers found *lack* of coachability to be the number-one cause of hiring failures. In businesses, family or nonfamily, "The typical interview process fixates on ensuring that new hires are technically competent," explains Mark Murphy, CEO of Leadership IQ. "But coachability, emotional intelligence, motivation and temperament are much more predictive of a new hires' success or failure. Do technical skills really matter if the employee isn't open to improving, alienates their coworkers, lacks drive and has the wrong personality for the job?"²

Emotional Intelligence. This is the ability to perceive, understand and manage your own emotions and those of others. Recently, when Stanford's Graduate Business Advisory Council members were asked to name the most important capability for leaders to develop, they answered self-knowledge and self-mastery. Emotionally mature people stay calm and avoid big mood swings and explosions; they are also able to calm themselves on those occasions when they do get upset.

Ambition and drive. Ambition tends to be hardwired and to show up early. Ambition might be misdirected, as in a child who appears to be willful but is really expressing tenacity and persistence. A child who will work hard to earn the money to buy a bicycle but won't clean his room has drive and initiative that can be realigned as he matures. However, it is hard to instill drive if it isn't there. For family members who will only do what they are told and won't take initiative, non-leadership roles in the business may be the best fit. In addition, as one of our clients put it, "Fat Cats Don't Hunt!" Parents who want to give their kids everything they didn't have growing up often discourage initiative and drive.

Influence and persuasion. Leadership is more than being able to work and play with others—it's also the ability to align, coordinate and direct the activity of others. You can see this in the child who can talk the other kids into stopping the game they're playing and play another game.

²<http://www.leadershipiq.com/thought-leadership/research/why-new-hires-fail> (Accessed February 21, 2010.)

Conscientiousness. This trait may be evident in a child who is willing to play by the rules and who displays a strong goal orientation. You can teach children to play by the rules, by doling out rewards and consequences for how well they do so. Sometimes kids can be successful—yet violate rules. For example, when the parent tells a child to clean up his room so that everyone can go to the movies, and his solution is to bully his sister into cleaning the room, he shouldn't get to go to the movies. You can reward kids for taking the right first steps, then add another step, and another. Eventually, don't reward them for the first steps but only for later ones, and finally only for achieving the entire goal. For example, consider the challenge of getting your six-year-old son to help keep the house straight. First, you might ask him to pick up his toys and put them away. You give him a treat. Next day, ask him to pick up his toys and his two year old sister's toys—she's too young to do this herself. If he only picks up his toys—no treat. Next, you ask him to pick up his and his sister's toys, put them away, and make his bed—grandmother is coming over for a visit. It takes all three completed actions to get a treat.

Curiosity and vision. These qualities can be encouraged around the family dinner table. Engage children in conversation: I think this. What do you think? Why? What other options might there be?

Encourage a playfulness of mind. For example, at dinner one of your children asks you a question. You don't answer it, but say, "What do you think? Why do you think that? What other thoughts did you have? This is the equivalent of teaching your children to fish (encouraging them to think for themselves) instead of giving them a fish (handing them your answers).

Good critical thinking skills. In our work doing assessments for selection, promotion and development, we've increasingly realized that if someone does not have good critical thinking skills, they can't be a leader. There is no such thing as a successful dumb leader.

You can identify the traits we have discussed through psychological assessment and develop the traits that are present to some degree at a person's core. Such assessment is the basis for targeted training and can be the foundation for business success. The key here is to understand each person as an individual, rather than the person we think they should be.

Of course, some people are just not interested in business and commerce, and that kind of interest can't be developed. For those family members, there may be other ways to get involved in the family business. For example, parents can encourage a child who is interested in saving the world to work in the family foundation of a business large enough to have one. As parents, we want our children to be happy. We must recognize that not all children are meant to be in the family business and encourage those who aren't to follow their passion. Hopefully,

these happy offspring will stay connected to the family and may contribute to other family activities.

Identifying the key characteristics of success is very important. But it is equally important is to identify the characteristics of failure.