



# Leadership Secrets of High Growth Companies: **What Really Matters**

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Value creation stems from only two sources - growth and return on invested capital- according to classic corporate finance theory. Today, as the economy shifts away from mature and traditional companies which can gain from the latter, the pressure increases for growth. Delivering on sustainable growth remains elusive and challenging across the economy.

According to research by [Innosight](#), 50 percent of the S&P 500 will be replaced over the next 10 years. The lifespan of companies has significantly decreased since 1965 when the average tenure on the S&P 500 was 33 years. By 1990, it was 20 years, and it is forecast to shrink to 14 years by 2026.

The Kauffman Foundation and Inc. Magazine conducted [a follow-up study](#) of companies five to eight years after they had appeared on the magazine's list of the 5,000 fastest-growing companies. What they found was startling: about two-thirds of the companies that made the list had shrunk in size, gone out of business, or been disadvantageously sold.

What all this tells us is: growth matters. In research [McKinsey](#) conducted with 3,000 software and online services companies – a bellwether for the demands to operate in the new economy – they uncovered three main findings. First, growth yields greater returns. Second, growth predicts long-term success.

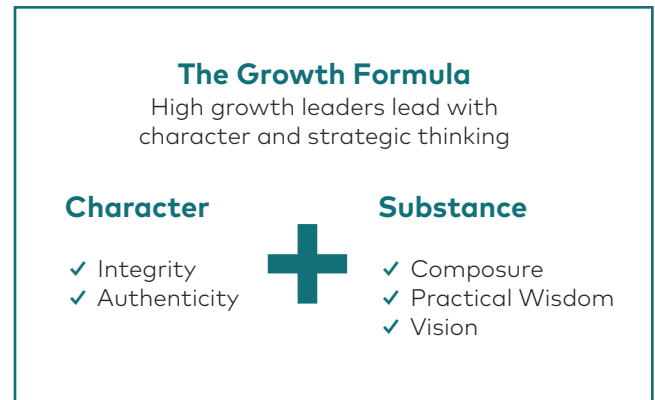
Third, growth matters more than margin or cost structure. And growing faster has twice as much impact on share price as improving margins.

What does this mean for leaders? The phrase 'grow or die' has never been truer. Every company must find their path to drive a growth strategy and execute on it. Even in a growth economy, where a rising tide can help most companies, the challenge is to grow faster than competitors and generate enough revenue beyond returns and dividends, to fuel further growth. How do you drive sustainable growth quarter after quarter? And, when you fall behind, how do you re-establish your company on a sustainable growth curve?

### **What's the Winning Formula?**

It stands to reason that a major factor in the winning formula is leadership. Take the case of Kevin, who is currently the COO and number two leader in a multi-national technology company. His company has enjoyed 12 out of 14 consecutive quarters of above market growth beginning prior to the 2017 economic resurgence. All the business units and geographies are reporting up to Kevin, and most have a remarkable track record. Their results stand out in a volatile and competitive industry. What has made him so successful? What does Kevin do differently that makes a difference? This is too important a question to leave to chance. We have found there are differentiating leadership behaviours prevalent in high growth companies to a very high degree of statistical validity. It would not be exaggerating to say there's a winning formula.

The term 'growth companies' conjures up the image of highly focused, driven leaders, unwavering in their commitment to the organisation, holding others accountable and making no exception when results fall short. It would be a mistake to say those **driving qualities** don't matter to growth. What we discovered though, is that these qualities **are not the differentiators**. In a phrase, those harder-driving execution qualities that we assume will get the job done are table stakes. **The growth formula is better defined by the human side of leadership – qualities of a leader's credibility and character.**



The qualities we found in our research to be game-changers are rarely called out in competency models or leadership assessments. Therefore, organisations are not likely to mine data that tells them whether their leaders have what it takes to drive growth. They are less able to have meaningful conversations with promising leaders about developing the right stuff, or to design leadership development programs that fully addresses the growth question.

### Why Many Leaders Struggle to Drive Growth

Growth requires change, leaders must make choices, and often, all of this creates a measure of chaos. To navigate this uncertainty, leaders with a mandate for growth tend to call on others to push forward. They expect more, demand more, and sometimes resort to a tough leadership style that punishes people when results fall short. In the extreme, hard driving leaders who do not demonstrate other qualities of **Character** we'll talk about here can foster an environment that prompts unethical behaviour. There are too many news accounts of overly exuberant, competitive executives who've turned their back on ethics to achieve short-term gains. Rationalising unchecked hard-driving behaviour is putting the end ahead of the means, and will get a company in trouble.

Yet, unethical behaviour isn't the only consequence. Organisations that don't understand the human leadership qualities that it turns out are linked with growth are doomed to underperform, even when they have talented people, good products and the best intentions. The risk is they may unwittingly hire and promote leaders with only the harder-driving behaviours, and be surprised when financial results don't materialise. Results-focus is an admirable attribute in a leader – however that alone will not enable the leader to deliver on the **growth promise**.

### WHAT IS THE EXPI™?

The ExPI (Executive Presence Index) is a multi-rater survey that measures perceptions of a leader's ability to build trust (Character), establish credibility (Substance), and drive execution through others (Style). The Bates Model of Executive Presence is based on empirical studies and research in many disciplines, including leadership and management, communication theory, social action theory, psychology, and philosophy and ethics. It is the first and only science-based model of executive presence, and is used by companies globally.

We found through careful, statistical analysis that leaders in high-growth companies have differentiating ways of approaching leadership, that cause others to trust them, lean on them, and rely on them to establish calm in the face of uncertainty. These leaders exhibit qualities that inspire people's best efforts, focus their energies, and rally them to go above and beyond. It's no exaggeration to say these leadership qualities are an ace-in-the-hole that set a company on a smart path to growth.

### Profile of a Growth Leader

Let's look at the profile of Kevin, the COO of the multi-national technology company we met earlier. Kevin completed an assessment, the Bates ExPI™, which measures qualities of presence we know from research enable leaders to engage, align, inspire and move others to act. The assessment is based on the Bates Executive Presence Model, organised in three dimensions, Character, Substance and Style, with five facets, or qualities, in each dimension. (See Figure 1)

| Character                         | Substance                                | Style                                  |
|-----------------------------------|--|--|
| Authenticity<br>Real, transparent | Practical Wisdom<br>Insightful, relevant | Demeanor<br>Engaging, tactful          |
| Integrity<br>Ethical, reliable    | Confidence<br>Decisive, open to dissent  | Intentionality<br>Tactical, focused    |
| Concern<br>Caring, Development    | Composure<br>Steady in a crisis          | Inclusiveness<br>Involving, empowering |
| Restraint<br>Deliberate, calm     | Resonance<br>Attuned to others           | Interactivity<br>Accessible, attentive |
| Humility<br>Open, self-aware      | Vision<br>Strategic, inspiring           | Assertiveness<br>Vocal, constructive   |

Figure 1: The Bates Model of Executive Presence

Kevin is highly rated by peers, direct reports and other groups in qualities we have learned are associated with growth, including **Integrity, Authenticity** and **Practical Wisdom**. These, among the 15 facets of executive presence, as well as Composure and Vision, are those more frequently associated with leaders of companies growing at rates of 5% or more above GDP annually.

Kevin is among thousands of leaders who have completed the Bates ExPI. In the aggregate, we have analysed almost 14,000 responses. We found in this study that one of the Character qualities most closely associated with high growth is Integrity.

### Why Integrity?

Every leader knows Integrity matters, and most would say it is core to their identity. Like all the qualities in the ExPI model, we measure others' views of the leader's Integrity with six

| Kevin's Scores on Integrity   |      |
|---|------|
| There is a consistent match between what he/ she says and what he/ she does   | 4.67 |
| Honesty and promise-keeping are huge for him/ her                             | 4.62 |
| Guided by a strong internal moral code  | 4.76 |
| Can count on him/ her to do the right thing, even if it costs him/ her dearly | 4.50 |
| Walks the talk on values of honesty, promise-keeping, and fairness            | 4.75 |
| Carefully considers the eithical consequences of his/ her actions             | 4.86 |

different items, or questions. These items measure behaviours, distilled as short statements. We ask participants to rate leaders on each statement, with a Likert scale ranging from 1-5, from strongly disagree to strongly agree.

We find that across the board, leaders typically score higher in Integrity, but often, the results within the six items that comprise Integrity are uneven. Leaders typically come up stronger in some items than in others.

In the case of leaders in growth companies, five of the six Integrity items are clear differentiators. Kevin's raters (peers, direct reports, board members and customers) rated him well above the mean in Integrity. And, he received the highest score possible (5.0) from his CEO, peers, and near the top score possible from all other groups who evaluated him on the question

*In the case of leaders in growth companies, five of the six Integrity items are clear differentiators.*

of 'honesty and promise-keeping are huge for him/her'. Figure 2 shows Kevin's scores on the 6 items by all groups of his raters. It is interesting to note that Kevin's scores on these statistically significant behaviours are even higher than the average high growth leaders.

The people who 'rated' Kevin also provided comments in an open-ended section of the report, and it is here where we get an even better view of how others see his Integrity.

Typical comments were: Kevin "is very ethical, of high integrity and can be completely trusted", that he "displays a high level of consistency between what he says, he believes and what he does", that "he will fight to maintain his values and is willing to put himself at risk for what is right", and that his "truthfulness is the foundation of his integrity".

No leader in a global company is solely responsible for growth, but we know through years of consulting in Kevin's organisation that his leadership qualities are admired and often emulated by others in key roles. His leadership attributes are acknowledged as a key factor in the organisation's success. His scores illustrate how data analysis reveals difference makers for leaders in higher growth companies.

### What it Means when Integrity is High

Integrity is defined in our model as 'acting with fidelity to one's values and beliefs, living up to high standards of morality, veracity, and promise keeping'. The ExPI assessment measures two types of Integrity – moral and behavioural. Moral Integrity is upholding values and standards, playing by the rules, and doing the right thing, even when it may cost you dearly.

Behavioural Integrity is doing what you say and keeping your promises.

Leaders are sometimes surprised when people around them give them less than stellar scores in Integrity. It's important to know that the ExPI assessment is designed to give the leader a view of how others see us. It measures how they see our behaviours, not our intentions or capabilities. Sometimes, we act in ways that are not necessarily aligned with our intentions. For instance, when we are juggling competing interests and priorities, we are not always aware of what our choices and actions will say about us and the impact that has on others.

A simple example of this is the busy leader who becomes known for frequently canceling staff and one-on-one meetings. The leader believes others understand his or her intention is to attend to something more urgent or important. However, those on the other end of the cancellation notice see it as a broken promise. They are counting on scheduled time with the leader so they can do their jobs, get input, resolve problems, and meet their own commitments.

**So, how does Integrity connect back to high growth? Integrity, like other Character qualities, facilitates and affirms trust.** When we're trying to grow a company, results are not assured, and we look to the leader to guide us. If we believe not only that the leader is on the right course, but also doing the right thing, we trust that leader. We form stronger bonds with the leader, and work harder when the going gets tough. We commit with heart and mind, in part because we believe the leader will not sacrifice principles for profit.



Leaders are human and make mistakes. Integrity is the lens through which others view a leader's missteps. When they trust the leader, they are more likely to give him or her the benefit of the doubt. They won't abandon the goal.

Our finding that Integrity is a key element in growth companies is important because it shows this aspect of leadership isn't simply a 'nice to have' element of a positive workplace culture, or even insurance against ethical breaches. Integrity and growth travel together.

Further, Character qualities overall are the biggest differentiator in growth companies. Sixteen out of 29 behaviors that differentiate for growth, or 55%, are in the Character dimension.

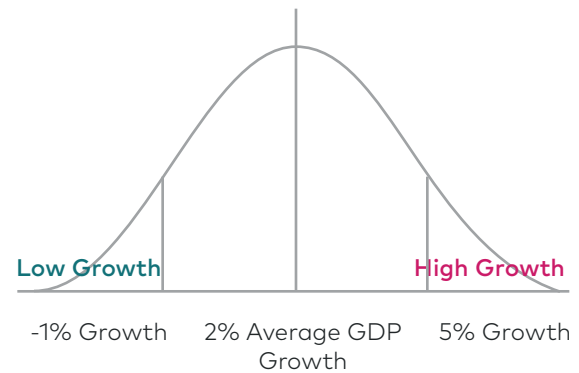
### What Else Matters in Companies with Higher Than Average Growth?

Our analysis found other facets of executive presence are stronger in leaders in high growth companies. We narrowed down the field by looking at specific behaviours within the difference-making facets. Each behaviour is measured by an item in the assessment survey.

Out of 90 behaviors, 29 had statistical significance – high growth leaders were higher rated by the peers, direct reports, manager and directors of leaders in growth companies. Sixteen were in the realm of Character, nine in Substance, and four in style.

## Data Analysis & Methodology

### Defining Growth Companies



From our ExPI database, we culled out two populations of leaders: those in companies that are growing at 5% or more, and those experiencing negative growth at -1%. We chose these because GDP has generally been in the 2% range during the period of the study. We eliminated data from leaders in companies in the middle ground who were neither in high or low growth companies. This created a clear distinction between the groups. We evaluated their companies' growth based on publicly available enterprise revenue data from Morningstar.

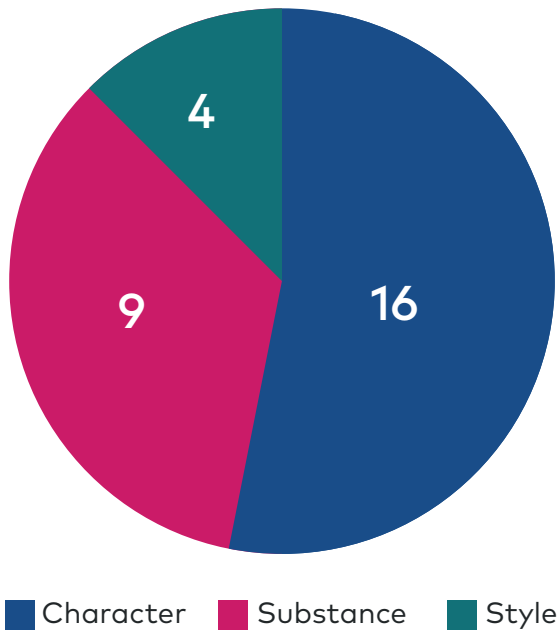
We tested the likelihood that it would make no difference in terms of behaviour if the leaders were in a high growth vs. a low growth company. The results were compelling. In most cases, when we looked at the differentiating scores between the two groups, there was only a 1% likelihood (or even lower) that there was no difference. This provides a high degree of statistical confidence that the behaviors we note as distinct between the two groups are in fact differentiating.

### Where High Growth Leaders Really Excel

When we look more closely at these, there is a subset of 9 'super' behaviours in the Character and Substance realm that differentiate leaders. Simply put, leaders in high growth companies particularly outperform all other leaders. (see Figure 3). The qualities in this 'super' category underscore the importance of trustworthiness, solid judgment, enterprise view, and calm in the face of difficulty.

### What Differentiates the High Growth Leaders?

#### 29 Significant Behaviours



### Why we developed the Bates ExPI

Our research is based on a new model of Executive Presence, which we developed in 2014 and validated through an independent panel of respected management psychologists and experts in leadership, and proved later to have exceptionally high reliability through Cronbach's Alpha. Our intent was to address an area of leadership, executive presence, that has long been a mysterious X-factor in conversations about succession and leader development. We thought it was insufficient to tell leaders they needed to develop presence without a clearly defined set of data and accurate feedback.



We developed a science based definition and model that would provide accurate data and insights by measuring behaviours, and asking others to rate the leader, since executive presence is in the eye of the beholder. It's all about how effective that leader is, in each situation. We define Executive Presence as the qualities that engage, align, inspire and move people to act. The model and accompanying assessment, the Bates Executive Presence Index (ExPI™) is now established and used in 16 countries and by dozens of global companies.



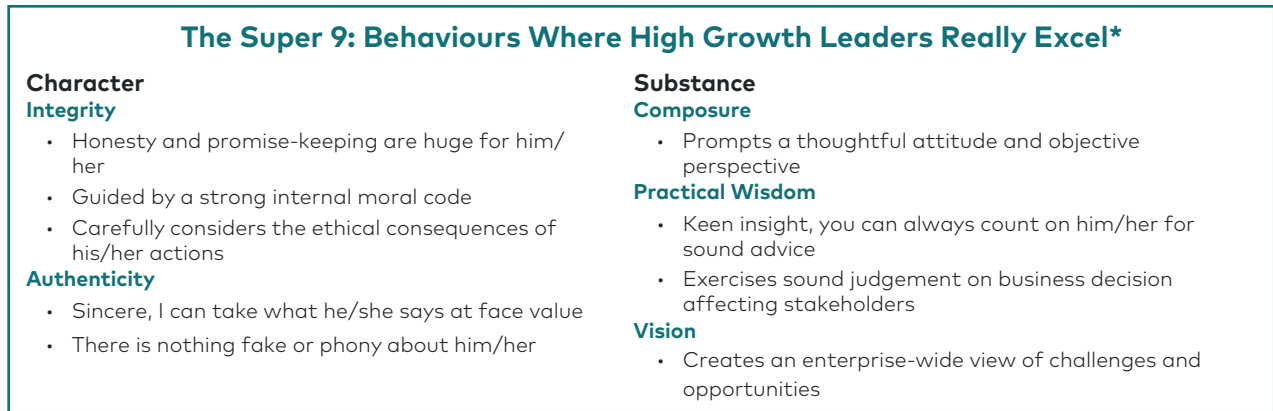


Figure 3

Figure 4 showcases the 'high-power 4' – the subset of the super 9 where not only do high growth leaders excel, but low growth leaders perform significantly below average, making them a point of true leverage. When leaders wish to understand how to improve their own presence and deliver on high growth, a good guide is to review their scores against these super growth-supporting strengths. And, organisations looking to accelerate business growth can look at the aggregate profile of leaders in their organisations, and compare the highs and lows to our data, to identify gaps in these key behaviours associated with high growth.



Figure 4

### A Second Differentiating Character Factor: Authenticity

After Integrity, the next facet in the super category is Authenticity, defined by our research as the quality of being real, transparent, genuine and sincere in one's relations and interactions with others. Kevin, the COO of the multi-national technology company experiencing high growth for more than a year and a half, rated highly in Authenticity as well. He received an overall 4.53 from all raters with several groups giving him the highest possible score of 5.

Specifically, Kevin had exceptionally high scores in the two behaviors of Authenticity we measure that turn out to be most differentiating in leaders of higher growth companies. 'Sincere, I can take what he/ she says at face value' was among his highest items in the Authenticity facet, as were his scores on 'there is nothing fake or phony about him/her'.

These sentiments were reinforced in survey comments such as this one: "Conversations and interactions (with Kevin) always feel very real and genuine. I appreciate that he will always give a truthful, straightforward answer. I also appreciate that he shares learnings from his own experiences – I personally have learned a lot from him in formal and informal conversations".

### How Substance Distinguishes High Growth Leaders

By now it's clear that Character matters to differentiating leaders of high growth companies, but what about the next dimension of executive presence, which is Substance? Substance qualities are those we learn on the long journey of leadership. They are the hard-won qualities that come with maturity, and give us credibility with others. Many of them are connected to social and emotional intelligence. Substance can be viewed as the acquired ways of being and performing as a leader; not mere cleverness, but established approaches to situations. The most important of these in leading a growth organisation is Composure.

### Composure: Essential to High Growth Leaders

In today's business environment, Composure is a sought-after, yet elusive quality in leadership. We can perhaps attribute this to the speed of change and the level of uncertainty we face daily in a fast-paced, global business environment. Composure qualities tend to be rated among the lowest in all our data – it's an area that leaders have long struggled to develop.



It stands to reason Composure is needed in times of growth. Growth often begets uncertainty, uncertainty brings out the emotion in people, and leaders who can bring calm, rational thinking to highly charged situations and ratchet down the emotion are going to be more effective in the dynamic state of a company's growth.

Growth can be fun, but along with the fun comes unforeseen, unanticipated challenges. These may come at us as happy problems, but that doesn't mean we are prepared. Surprises can bring out the worst in people – erratic, unpredictable behaviour – even when revenue is getting booked and the numbers are climbing.

Against a backdrop of perpetual change, leaders in high growth companies are distinct in their ability not just to navigate change, but also traverse the emotional ups and downs, and keep other people on course. We define Composure as 'being steady in a crisis, able to calm and focus others, and to bring objectivity and perspective to critical decisions'. Composure is not only important for the leader's ability to function – it is essential to how people around him/her function, as well.

### Case Study: The Challenges of a Low Growth Company

Lower scores in Composure may negatively impact growth. We learned this not only through the data but by examining groups of leaders, including a group in a multi-national defense and commercial aeronautics supply company. Figure 5 below depicts the aggregate ratings of a group of senior leaders from across the company. As you see in the data, the group as a cohort was rated highly in Integrity – a positive difference-maker in growth. Twenty-one out of 23 participants had Integrity among their top five strengths, represented by the green bar. That was the good news.

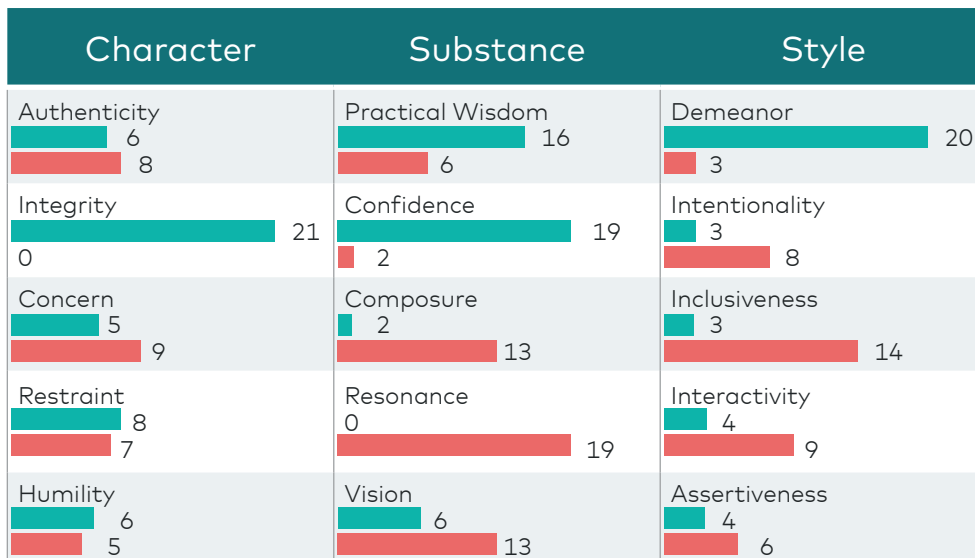


Figure 5

Unfortunately, Composure was significantly low for this group. Thirteen leaders (represented by the red bar) had Composure in their bottom five lowest rated qualities, and most others in the cohort (all but 2) were flat, neither high nor low. On the first day of a development program, this was a startling revelation and became a call to action.

The leaders, presented with this profile, immediately identified the low scores in Composure as an impediment to their ability to deliver growth. While they were not surprised to hear how people viewed them, they were dismayed to come face-to-face with the impact they were having on others. All led major businesses and functions and reported to the senior executive team.

This group of leaders was motivated not only because they wanted to do better as leaders, but also because they took their responsibility to the company seriously. As one leader put it, "we're the future of this company". The experience of viewing these findings cemented a collective resolve to solve the growth problem. They described it as eye-opening, and motivating. The company had experienced at least 5 years of flat growth at the time the ExPI Assessment was completed.

Among this cohort, Eric was identified as a top-performer. He had been promoted through the ranks to run several business units and later, sales and marketing. Eric was considered a ready-now candidate for senior executive leadership. While his scores in Integrity were high, like those of his peer group, his score on Composure was well below the mean score in our data, at 3.83. This more typifies composure scores of leaders in lower growth companies, and in fact is below the average of low growth leaders as well as overall. Complicating the situation, Eric had given himself high scores in Composure. He had a blind spot, believing his emotions were more in check than those around him felt they were.

### WHAT PEOPLE SAY ABOUT A LEADER WITH PRACTICAL WISDOM

Kevin's peers, direct reports and boss were most effusive in describing how his Practical Wisdom enhances his leadership, "He has a brilliant analytical mind and a huge capacity to get work done". "Kevin understands complexity and integration and is able to express solutions in simple, but profound words." "Kevin can cut through the morass of data and myriad of opinions, and get down to what is important. He then acts on it. I don't think people appreciate how rare of a talent this is."

Responses on one Composure item in our survey, 'prompts a thoughtful attitude and objective perspective', is especially significant. As we discussed above, our analysis shows Composure is both higher rated in high growth company leaders, and significantly lower rated in low growth leaders. Eric rated lower overall at 3.85, with one manager rating him a 3. And once again, this was an unhappy blind spot for Eric who gave himself the highest score possible, 5. He was surprised, and dismayed, to read comments from raters such as: "can drive emotion into the discussion", and "his questions can intimidate people."

By contrast, even though Kevin's Composure was not his highest rated quality, the leader of this growth company's ratings in that item were still well above the mean, especially when it came to 'prompting a thoughtful attitude and objective perspective'. Said one rater, "Kevin brings a calm, rational presence to the organisation." It's interesting to note that the company had employed both an organic and acquisition strategy through that period, so the company was navigating an extraordinary amount of change and employee stress.

It's reasonable to conclude that leaders in high growth companies are more successful because they keep people calm and focused. Their demeanor doesn't just prevent them from 'losing it', but allows others to be more in control, discuss issues, and make smarter decisions. Leaders high in Composure are also more likely to hear bad news early and correct the course. When they can be counted on not to overreact, people aren't afraid to raise issues. In turn, this means bad things don't get worse, and good things get better.

### The Role of Practical Wisdom

As a 25-year veteran of the organisation, Kevin has led most businesses and several geographies. While broad business experience is often mentioned in leadership competency models, it stands to reason that not all leaders benefit equally from those years in many leadership seats. Some more than others develop applied wisdom, a way of quickly analysing and helping others get to the heart of a matter. Kevin is regarded this way – he has a way of looking at problems with perspective and maturity. This is measured in the facet of Practical Wisdom, which is most distinguished by the ability to guide others to focus on the right things.

Our analysis revealed leaders of growth companies tend more than others to offer keen insight, sound advice, and judgment on business decisions affecting stakeholders. This is most often demonstrated by a leader's strength in asking great questions and distilling what is relevant.

A way to think about Practical Wisdom is not as 'book-smart' but rather, crystalised intelligence and applied experience. It is hard-won, and therefore earns the leader credibility. It is most powerful when the leader prompts others to focus on the critical.

### Vision – Why It Also Matters to Growth

Leaders in high growth companies score highly in an aspect of Vision, also in the Substance realm. Vision is the leader's demonstrated ability 'to generate an inspiring, enterprise-wide picture of what could be; recognizing emerging trends, and engaging all in the strategy'.

Here again, if you look over the group data from the low growth company back in Figure 5, you see that a lack of Vision may be holding them back from growth. Overall, more than 50% of the 23 leaders had Vision in their bottom five qualities overall (the red bar), and only 6 had it in their top five (the green bar).

Eric, who would later be promoted to the senior executive team, received scores just below the mean, and again, it was a blind spot, as he rated himself a 5 on several of the items in Vision. It is not unusual for leaders to believe they have communicated a powerful, inspiring vision, only to learn through the assessment that this vision is not so clear or exciting to others.

Kevin, the COO of the higher growth company, rated well above the mean at 4.55, though his own self-rating was lower – a happy blind spot, as he set a high standard for himself. Among the six items, the most differentiating for leading growth in Vision is 'creating an enterprise-wide view of challenges and opportunities'. Kevin, who was quietly working with his coach on the development of an exciting, game-changing 10-year vision, received a 4.77 on the item, and, from his CEO, he received a 5.

*Low growth leaders lag in social and emotional qualities and aspects of inspirational leadership*

### ...and the Laggards Fall Way Behind

As the stories of Eric and Kevin illustrate, it isn't just that high growth leaders exhibit certain strengths in the ExPI data: low growth leaders perform quite poorly in these very critical areas for growth. In the Character realm, the greatest spread between high growth and low growth companies is in 'sincere, able to take him at face value' (Authenticity) and 'guided by a strong internal code' (Integrity).

In Substance, the greatest differences are 'prompts a thoughtful attitude and objective perspective' (Composure) and 'exercises sound judgment on decisions affecting stakeholders' (Composure). In low growth companies, we saw especially low scores – statistically below average – in 17 of the 29 significant items, with 15 of those in Character and Substance. (See Figure 6.) Many of the items where leaders in low growth companies need to develop are in the social and emotional realm; needing to be aware of their emotions, thinking before they act, understanding how others feel about issues, and being a source of stability when others are flustered. They also lagged in some aspects of inspirational leadership, such as encouraging others to experiment and try new things, and helping people find common cause to accomplish challenging goals.

### What Role Does Leadership Style Play in Growth?

Let's turn to Style, the third dimension of presence. Style is a way of doing things – the active, iterative ways we communicate and get others to get things done. We often refer to the Style facets as the facets of 'execution'. It would be reasonable to assume at first blush that execution would be essential to growth, but as it turns out, most of the items in this realm are not differentiating. Why? After all, no organisation will be successful at anything without leaders who can execute!

The surprising finding in our research is that you can't grow without the Style elements, but these alone will not ensure growth. In other words, **qualities of execution are table stakes**, and not a differentiator for leaders in high growth companies. In fact, a company can be executing flawlessly (the slogan of many organisations) and not growing. Leaders can bring people together, create clarity, and be clear about expected results, and still fail to do the things that are essential to growth, such as creating an exciting picture of growth (Vision),

## Behaviours Where High Growth and Low Growth Leaders Really Excel/Lag\*

### Character

- Sincere, I can take what he/she says at face value
- There is nothing fake or phony about him/her
- It is not difficult to recognise how he/she feels about an issue
- Recognises the potential in others
- Honesty and promise-keeping are huge for him/her
- Takes time to listen and leaves others feeling heard
- Encourages others to experiment, trust themselves, try new things
- Recognises his/her strengths and abilities, but does not exaggerate or flaunt them
- Guided by a strong internal moral code
- Can count on him/her to do the right thing, even if it costs him/her dearly
- Aware of emotions, his/her own and others, but is not dominated by them
- Carefully considers the ethical consequences of his/her actions
- Can trust him/her to think before acting

### Substance

- Prompts a thoughtful attitude and objective perspective
- Frequently a source of stability when others are flustered
- Keen insight: You can always count on him/her for sound advice
- Calm, thoughtful style helps make sensitive issues discussable
- Exercises sound judgment on business decisions affecting stakeholders
- Creates an enterprise-wide view of challenges and opportunities
- Helps us find common cause to accomplish challenging goals

### Style

- Whether the setting is formal or informal he/se always seems to look the role
- Recognises when conflict becomes destructive and/or chronic and intervenes swiftly

### Color Key:

- High Growth are statistically higher than average AND Low Growth are statistically lower than average
- High Growth are statistically higher than average
- Low Growth are statistically significantly lower than average

Figure 6

or speeding problem-solving on growth initiatives (Practical Wisdom).

It's worth noting that a few elements of Style do matter. Two items tend to be lower in low growth companies, making them significant. One of those items, 'whether the setting is formal or informal, always looks the role' is in the facet of Demeanor. Think of Demeanor as how you show up, with an energy and vitality that is contagious.

We can theorise that leaders in lower growth companies may not show up looking as 'ready for the game' when the pressure is on to deliver on growth. It may also be they are unaware of the impact and importance of demeanour – the lackluster non-verbal message conveyed about their readiness to lead.

The other item in Style that was statistically significant in low growth companies was 'recognises when conflict becomes destructive or chronic and intervenes swiftly' (Assertiveness). Assertiveness is a quality of leadership that is often misunderstood. We define it as 'speaking up, valuing constructive conflict, and raising issues directly without shutting others down'. There's a balance to Assertiveness in the Bates Model of Executive Presence – understanding how to encourage hearty, constructive debate, while not shutting people down or allowing disagreement to become disagreeable.

Our growth leader Kevin's scores on that item were above the mean at 4.41, with

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**Qualities of execution are table stakes**, and not a differentiator for leaders in high growth companies.

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all but his boss scoring him even higher. By contrast, low growth leader Eric's scores were slightly below the mean at 4.00, with peers rating him even lower at 3.88. About Eric, people wrote "stifles openness in teams or groups he interacts with", "makes directives vs. engaging in dialogue that can lead to a collaborative decision", and "this tendency occasionally causes people to disengage, even when they have key information to share or key questions to ask".

### Why These Insights Matter Now

Growth matters more than ever. The future of many, some may say even most, prominent, long-successful public companies is not assured. Even vibrant new companies are at risk of growing and then flaming out. Turmoil – economic, organisational, geopolitical – is our new reality. Given these new conditions, executives must learn a new way to guide organisations to sustained and notable growth, or risk irrelevance or even extinction.

The winning formula we offer for leading growth is in some ways intuitive. Who wouldn't acknowledge that Character matters to leadership? Yet what is incontrovertible through this data is that it matters to growth, although this style of leadership is not how many organisations approach the growth challenge.

We would advocate for making the path concrete, by bringing research, analytics and metrics to the conversation on the leadership qualities that are associated with growth in a differentiated way. Corporate leaders and boards are racing to construct models for growth. The case is inarguable for including an innovative, fresh approach to evaluating and developing leaders. The hard-driving, results-oriented leader is highly valued, and those qualities matter, but as we've shown, they are table stakes.

Against a backdrop of perpetual change, leaders in high growth companies are trusted, reliable, calm and wise. They create an environment that enables others to traverse the emotional ups and downs of growth, engage, and give their all to the enterprise. This takes the Character of the leader out of the realm of 'nice-to-have' and puts it squarely into the must-have category for growth companies. What steps will you, and your organisation take, to map the leadership path to growth.

### ExPI: A Global Assessment





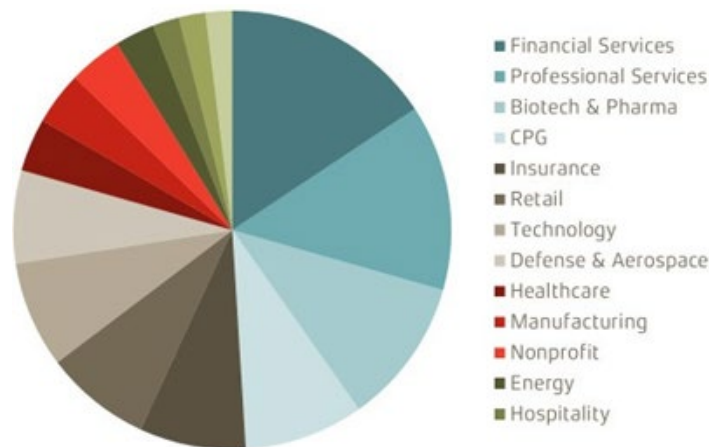
### A Word about the Bates ExPI: A Global Assessment and Our Research

The Bates ExPI at this writing has been adopted by companies in every industry and is used by coaches and consultants in 16 countries. The model is based on research in the English language, in the fields of leadership and management, communication theory, social action theory, psychology, philosophy and ethics. We strived to make it relevant to multi-national companies by casting our net widely when it came to global research.

Since launch in 2014, we are growing our database of proprietary assessment results year after year. Employing rigorous methods of analysis, we now can identify an array of trends including growth. Our objective is to connect these qualities of executive presence directly to driving business outcomes. We can say with confidence because of our robust data and solid research methods that the results are clear and approach being predictive of growth.

We do not limit the use of the ExPI to public companies. We included only public companies in this study because we had to use publicly available data to compare to GDP growth. We looked at three consecutive years – 2014, 2015 and 2016. Some companies in the survey were in high growth in one year, and low growth, or absent, the next if they did not meet the criteria.

### Applicable to Leaders in All Industries



For more information about the research findings, and their implications, contact us at [bts.com](http://bts.com).

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