PROFILING FOR LEADERSHIP ANALYSIS

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Profiling key decision-makers is a powerful CI tool that, when used effectively, can produce intelligence not otherwise attainable. In his 1994 book, Walter Barndt points out the crucial importance of understanding your competitors' leadership: not just what they can do, but what they will do (Barndt 1994).

Across the entire CI landscape, the elements of human behavior are at the core of every business dynamic. This makes the prediction of individual decisions and actions essential. Experts in the CI field frequently note the unique benefits that profiling can provide for a wide range of applications.

In conversation, Jan Herring cites Motorola's use of leadership profiling to select a strategic partner from several candidates: "Observers at the time were surprised when Motorola chose to partner with a major competitor; few could see the logic driving the decision. But Motorola had looked deeply within each company. Later, the partnership's notable success was attributed in large part to the thorough analysis of the key personalities leading each company. Motorola had drawn on that profiling research to select the company with the right fit."

Jay Kurtz points to the need in business wargaming to understand the role of leadership personalities: "In more than 150 wargames for a broad range of companies dealing with many different types of situations, those that included comprehensive profiles of the different competitors' executive teams have been uncannily accurate in anticipating what they will do in real life."

On other business fronts, the high failure rate for mergers and acquisitions (M&A) is well known. More interesting (and less well-understood) are those successes forged through in-depth knowledge of the leadership personalities and organizational cultures of M&A candidates. Effective profiling provided the knowledge that drove the right selection.

TABLE 1:

SUBJECT: **(Name)**

Kit # _____

Major Hypothesis: _____

Secondary Hypothesis: _____

Known Info: _____

Data Source: _____

Key Intell Needed: _____

Identified Sources: _____

ENSURING THE VALUE PROPOSITION

Despite profiling's wide acceptance and growing use, CI practitioners have little agreement on its key concepts, approaches, or measures of success. In the absence of standards, *profiling* has described all manner of beasts. Some profiles offer little more than aggregated data collected by random means. Overly cautious or non-existent interpretation merely restates the obvious and adds no value. Other profiles consist of ungrounded psychological speculation that reads like little more than a fanciful hallucination.

Valid personality assessment makes a unique contribution to the CI arsenal, but the field is not served by psychobabble purporting to be analysis, even when presented in *business dress*. It becomes more difficult to make profiling's case when methods and outcomes are so varied.

The true value proposition of profiling is in its ability to support the prediction of future behaviors. This turns on in-depth analysis of solid research findings. Since all analysis must be directed toward actionable intelligence, this article has two key aims:

- To propose a standard operational definition and process for CI profiling
- To illuminate the central role of analysis in this methodology.

I'll concentrate on individual profiling, touching only briefly on organizational profiling. Specific techniques for field research (e.g. primary elicitation) are topics for another discussion. (See Nolan and Weber for more information.)

KEY INTELLIGENCE TOPICS DRIVE THE PROJECT

Profiling any subject — individual or organization — should begin with a clear articulation of the Key Intelligence Topics (KITs) that it supports. If specific business concerns and action decisions aren't driving the profiling project, then it is probably unnecessary or untimely.

KITs establish focus and purpose for the profiling endeavor. The researcher should have a firm grip on what the client needs to know, and *why*. What decisions or other actions will the findings affect? Profiling is always a labor-intensive proposition, so focusing it efficiently is paramount. The project's KITs, articulated by the profile's end user, also determine the best method and approach for each project planning and execution phase.

Let's consider two profile subjects: the leader of an acquisition candidate and your chief competitor's new CEO. The two projects' parameters, specific areas of interest, sources, and most effective methodological tools will vary significantly.

CI PROFILING OPERATIONALLY DEFINED

Profiling has described a wide range of research models and deliverable products, ranging from impressionistic personality sketches to detailed professional histories. For CI applications, a rigorous operational definition is the first step toward establishing standards of practice and quality. (See Sidebar 1.)

The operational definition points up an important distinguishing feature of profiling. In the intelligence cycle,

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SIDEBAR 1: PROFILING OPERATIONAL DEFINITIONS

1. **Individual subject profiling combines two key elements:**

- a comprehensive, professionally focused biographical history of the subject, analyzed for indicators of project's focus (expressed as the project's KITs)
- a psychological personality assessment creating insights developed from recognized evaluation instruments adapted to remote profiling applications

Analyze the resulting profile in the context of the competitive issues, market factors, and other elements affecting the subject's organization.

2. **Organizational profiling integrates the analysis of several key elements to produce a multi-axial perspective:**

- structure, encompassing the architecture and operational dynamics of the organization, past and present, in light of its *raison d'etre*
- culture, utilizing those accepted theories, constructs and typologies most applicable to the focus of interest or KITs

Analyze the emerging portrait of the organization in the context of the larger competitive market.

collecting and reporting usually precede analysis. But profiling requires analysis at each step of the process. Each stage's results shape the planning and execution of the next, from determining the subject through selection of sources and assessment tools to final interpretation of the findings.

THE PROFILING PROCESS

Identifying the Subject(s)

Who is the key actor? Decision-maker? Center of influence in the scenario at hand? Is there more than one? Subject identification requires an initial analysis of the target company's organizational leadership, since business has few truly solo acts.

When the goal is anticipating the future moves of a competitor company, we limit our assessment to the CEO or other leader only for organizations with the most autocratic leadership. More often, the scope must extend to the executive management team, if only to capture an overview. As more corporations separate the roles of president and chairman, the leadership profiler must pay close attention to

corporate directors, as well as to executive managers. An accurate analysis of leadership dynamics at the board level is crucial to the success of any executive profiling effort.

Once the subjects are identified, research begins with a thorough review of open or secondary source material. Analysis of secondary source data should develop four topics areas. (See Sidebar 2.)

Secondary Source Research: The Broad-Stroke Portrait

Information from secondary sources compiled into a single summary document yields the first sketch of the subject. Creating a graphic presentation of the profile's key elements helps manage the process of *building* the picture. The initial hypotheses should be represented as well as data, so that the researcher can see if the information is making the case or suggesting alternatives. (See Figure 1.) Guided by the project KITs, the researcher can quickly discern the visible data and that information requiring greater pursuit.

Media coverage of high-profile subjects often provides a detailed picture and insight into the subject as well. Tasked with profiling Donald Trump, for instance, the CI researcher would not have to delve deeply to capture the fundamental personality characteristics of this attention-seeking mogul. To demonstrate this point, readers familiar with the MBTI should now flash-score Trump's preference type.

Critically view a richness of data. Media perceptions of subjects who have achieved celebrity status tend to take on a life of their own. Subjects in this league also spend considerable effort controlling information and image. Statements by the subject always warrant special attention. The researcher profiling a well-known figure can most profitably use the wealth of secondary source material by framing the conventional view and any dissenting perspectives on the subject as additional hypotheses to be confirmed or rejected through primary source research.

Primary Source Research: The In-Depth Profile

The researcher should have a good external view of the subject before looking into his internal personality dynamics. Gaps in the current picture developed from secondary sources become the focus of primary research. While each profiling project develops a unique set of questions, Sidebar 3 offers a general guide.

Ideally, a comprehensive current picture of the subject emerges. Combine this external portrait with historical data and examine the internal or psychological elements of personality to produce an in-depth profile.

For purposes of discussion, we're considering the current external portrait, the history and the personality assessment of the subject separately. In practice, the profiler does not have the luxury of reviewing these elements sequentially, but must be prepared to receive and analyze the data as it becomes available, usually during real-time interaction with

SIDEBAR 3: KIT-DRIVEN KEY CONSIDERATIONS

SWOT:

In his current role, what are the subject's major strengths and weaknesses?

Where is he gifted with talent?

Where has he had to develop additional skills?

Are there gaps in his knowledge or capabilities that bear on the current issue?

Does his self-evaluation differ greatly from the assessments of peers and expert observers, and in what ways?

What are the threats he faces?

The opportunities?

Philosophy:

What are the key observable elements in his business philosophy and approach?

His management style?

His preparation for the current endeavor?

Which aspects of his leadership or management role does he emphasize?

Does he ignore, neglect or avoid any?

Where does he delegate and where does he hold the reins?

Why?

In what aspects of his role does he most like to operate hands-on?

How much is his attention directed toward managing?

How much toward leading?

Strategy:

Is she more comfortable as a strategists or a tactician?

Where is she more effective?

How does she evaluate both strategy and tactics?

Is she flexible or rigid?

How are her priorities expressed operationally?

How does this relate to the KITS at hand?

Team:

Who does she place on her team and how does she make those selections?

How does she use the team?

How does she approach evaluation of her team?

What characterizes her communications – style and effectiveness?

Risk:

How does he approach risk in the business application currently under examination?

Elsewhere in the business?

Elsewhere in his experience, e.g. avocations?

Innovation:

What is her attitude toward innovation?

Does it fit with the demands of the industry and the market?

Competition:

How does she approach competition philosophically and operationally?

Is she congruent in philosophy and operation?

Decision-making:

How does he approach decision-making?

Who does he involve?

How much information does he seek and how many alternative courses of actions does he typically plan?

From whom does he seek information?

Opinion?

Perspective?

Advice?

Does he cultivate input?

How open is he to negative input or feedback?

Motivation:

What are his key motivators, e.g. achievement, discovery, recognition, reward, contribution, adventure, security, etc.?

As evidenced by. . ?

What does the evidence suggest about his view of the current circumstance and its issues?

What does he say he wants to achieve?

Avoid?

Master?

Escape?

Does his observable approach reflect this – are actions and statements consistent?

Dynamics:

What are the larger issue and dynamics — company culture, market, larger social, economic, political — influencing his performance and perception?

How does he influence those dynamics?

Is it a priority of his to do so?

How does this relate to his motivational drivers?

sources. A working document or matrix should represent the major hypotheses and key information sought.

HOW MUCH HISTORY IS NECESSARY?

At minimum, the subject's recent business and professional history must be thoroughly examined in the context of his current circumstances and the project's guiding KITs.

Psychologists prefer to look at personality developmentally, to chart the individual's history, to track the evolution of personal characteristics, and to link those characteristics to their causal sources. In applying personality profiling to CI, that approach must be abandoned in favor of starting with the present and working backward. In the CI approach, the client is interested in the present and the future

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SIDEBAR 4: BASIC PRINCIPLES OF BEHAVIOR

The single best predictor of future actions is past behavior.

The closer the fit between current circumstances, (as perceived by the subject) and previous scenarios, the more likely it is that the historical behavior will be repeated.

People tend to repeat success and avoid failures.

The subject's own perceptions of success and failure must be taken into account, for they form the bases of his future decisions. A corollary: people respond to reward. Think Skinner's dogs. Then think Maslow's hierarchy of needs.

People tend to want to remain in their 'comfort zones.'

In periods of stress and uncertainty (even if sought and welcomed), individuals revert to habitual behaviors and the most entrenched habits of mind dominate. For greater insight, do not limit the concept of comfort zone to the smallest arenas of an individual's operations, but extend it to the largest paradigms in which he functions.

More often than not, people do what they say they will do.

With caveats in place that address the strategy of misrepresentation and the normal processes of change in direction, it remains true that for most people, most of the time, talking precedes actions, especially when complex decisions are undertaken. Pay attention to what the subject says he's going to do . . . that's probably what he's going to do.

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and often has to be strongly encouraged to see the relevance of the past. More current than historical information is available, and there are more contemporary sources.

Some analysts take the view that all relevant data is present in the subject's current status. Here, historical profiles are unnecessary, and do not warrant the additional effort. Other researchers analyze the business and professional record but regard the broader life history as largely irrelevant. The problems with remaining in the near present and in narrowing the inquiry's scope are akin to looking only at a symptom and not at the cause of the phenomenon.

A CI profiler must apply a larger perspective to assess the significance of various elements of the subject's current presentation as they relate to the prediction of future behaviors. Ultimately, the distinction between analysis and merely reporting detailed observations turns on the examining dynamics over time, and that requires a historical perspective. All relevant experience, chief successes and failures, goals, ambitions and disappointments, mentors and key influences are elements in building the historical record.

EXAMPLE: ANALYZING LARRY ELLISON

Larry Ellison, the flamboyant founder of Oracle, is the frequent subject of business writing. His style and personality are very well known, at least superficially.

As a highly successful entrepreneur, Ellison has distinguished himself in at least two major ways. He is that rare phenomenon – a high tech autodidact. He is also regarded as the most combative business leader in his industry. From his record, you can now predict that his business dealings will be marked by conflict and confrontation. In his case, primary research would be directed toward confirming the public view.

An analysis of Ellison that stops with those observations, and attributes his characteristic style simply to hubris and arrogance will miss a deeper point. His well-documented early struggle against a belittling father, "You'll never amount to anything," spawned a reflexive impulse to prove everyone else wrong, especially experts and authority figures. Armed with an understanding of this individual's underlying dynamics, a negotiator or competitor can determine whether a strategy of reinforcement or redirection is most likely to further his objectives in dealing with Ellison.

DEVELOPING HISTORY: EDUCATION

In examining the subject's adult history, these questions should guide the profiler:

- What was the nature and quality of the subject's educational experience? Her successes? Any failures?
- Who were the subject's chief influences, mentors, heroes and role models?

SIDEBAR 5: REMOTE PROFILING TOOLS

Meyer Briggs Type Indicator (MBTI) is the most broadly applicable, widely recognized, valid, reliable and accessible tool. The functional preference variables it measures are:

- extroversion/introversion (self-energizing preference)
- sensory/intuitive (information processing preference)
- thinking/feeling (decision-basing preference)
- judging/perceiving (self-organizing operational preference)

These offer a wealth of insight into the basic operational habits of the subject. It is particularly useful in designing best approaches and compatibility strategies. An extensive body of research over nearly forty years has provided a valid basis for extrapolating from the MBTI profile other personality characteristics, especially in combination with other valid instruments.

FIRO-B (Schutz) test measures the extent to which individuals attempt to satisfy three basic social needs:

- inclusion (participation, recognition, belonging)
- control (power, authority, influence)
- affection (openness, warmth, closeness)

It reports how the individual initiates his own behavior and wants others to initiate behavior toward him. Together, the MBTI and FIRO-B give a good indication of how individuals take leadership and how they position themselves in day-to-day operations in that role.

DiSC, is widely used in HR assessment. It measures four dimensions of behavioral response (dominance, influence, steadiness, conscientiousness), and provides a good encapsulation of personality drivers, motivations and styles.

16PF (Catell) is one of the earliest self-reporting projective tests. It measures and predicts consistent behavioral responses. Sixteen Primary Factors (PF), clustered into five Global Factors (extraversion, anxiety, tough-mindedness, independence, and self-control), provide a unique perspective on leadership behavior over time. The 16PF is adaptable to cross-cultural assessment.

People Map characterizes motivating factors among six leadership styles. It identifies strengths and weaknesses in each, and quality of life needs. A very handy instrument for flash studies; it is not profound but broadly applicable.

EDS Executive Decision Style (Hunsaker, et. al.) applicable through observation, identifies key decision-making processes by how much information is sought and how many alternative solutions are generated. It is the single best tool for understanding the decision-making process.

Team management Index (TMI) measures stylistic preferences and matches them against eight major management tasks. It evaluates management role preferences and learning styles, and has good utility in the evaluation of the strengths and weaknesses of executive teams.

WMI (Weber Motivational Index) identifies and ranks fourteen motivational drivers. The validation studies remain incomplete, but it can profitably be used as a conceptual frame of reference.

Berkman measures key stylistic characteristics, key needs and identities by type, stress behaviors that are displayed when needs are not met.

Statement Analysis (Mossad and Professor Porter's methodology) includes techniques that analyze written text and spoken statements for determination of deception, motivation, attribution and authorship.

- What were the prevailing worldviews in each of the subject's educational and early work settings? What did he absorb? What did he reject?

Although fundamental personality elements are set in place in childhood, our basic career goals, political orientations, social values, styles, and realistic ambitions are formed in early adult life. The researcher should look at any major psycho-socio-cultural differences between basic values then and now, and explain the individual's process of change.

In profiling business subjects, their graduate business programs should be examined. Most corporate leaders' first management and business philosophies develop during their MBA experiences, and the major schools offer distinctive orientations.

Contrast the highly analytic, almost clinical approach to management advanced by the University of Chicago's graduate program with the multi-disciplinary theoretical ambitions of

Harvard's MBA program, or the distinguishing ethos of the Stanford approach. The traces of these early influences can often be seen many years into an individual's career.

Mentors and models in the training period are particularly influential. Changes in orientation as the subject advanced in her career require the closest scrutiny.

EARLY BUSINESS/PROFESSIONAL EXPERIENCE

Managers' early positions of progressive responsibility either reinforce or redirect their orientations as theory meets the test of practice. In particular, ambitions get honed and focused and the first explorations of self-evaluation are seen. Savvy careerists often pursue positions with companies that are recognized as leading incubators of model management practices and seek apprenticeships with major business leaders.

For instance, three generations of American business executives now reflect Kraft Food's standards of management excellence in consumer products. Several key elements in their management competencies, priorities and philosophy, as well as a characteristic style, can be assumed for these notably successful Kraft-trained executives. Any exceptions to the Kraft management profile exhibited by a subject with that pedigree would be of greatest significance.

Those questions used to assess the subject in his current role should be applied to his entire career experience. Identify key career trends and tendencies he exhibits and look hard at any deviations. For most individuals, key elements of style, philosophy, strengths and weaknesses and other important aspects of professional tradecraft are widely dispersed in their early careers, and begin to converge at mid-career.

A mature manager typically displays characteristic behaviors that form the basis for our predicting her future actions. Several fundamental principles are at work and can be applied even before the researcher analyzes the subject's specific personality traits. (See Sidebar 4.)

THE FORMATIVE YEARS

In the collection and analysis of early historical data the objective is to develop insight into the basic personality, capabilities and stance toward the world that the subject brings into adult life:

- Who were central figures of influences on the subject in childhood?
- What were the family's financial, political and social circumstances?
- What were the key values, worldviews, and belief systems the subject inherited or absorbed?
- What distinguished the early life stages of the subject?

In reviewing the developmental years, we're looking to place the subject under the bell-curve of normal development

. . . or not. In all cases, we want to be able to situate him within his larger *gestalt*. Unless there is evidence of a major break, begin with the hypothesis that the general values and worldview of the subject's parents, family, and childhood setting will be carried into young adult life.

Biographical elements the profiler should review include religious upbringing, the family's political views and, in particular, the parent's work activities and the family's financial successes or failures. We want to identify those experiences that are pre-disposing, paying attention to any dramatic events. Any life-altering events in childhood or adolescence should be noted as significant. For example, the untimely death of his older brother, Joe, instantly re-aligned the trajectory of John Kennedy's life. The handshake President Kennedy extended to the youthful Bill Clinton at the White House years later galvanized that young man's political ambitions.

PERSONALITY ASSESSMENT

Generally, the personality assessment element of a profile is a tool that adds dimension, explains observable behaviors, fills the gaps in knowledge provided by the subject's external portrait and confirms (or revises) the picture that has emerged. There are several excellent instruments that can provide invaluable insight.

Caution is in order: the difficulty in applying the insights of personality assessment tools to remote profiling increases with the complexity of the variables under examination. At the same time, sensitivity by sources to the topics grows in proportion to the significance and complexity of the personality attributes sought by the profiler. CI researchers, who are not usually trained psychologists, must approach the cost-risk-benefit calculation prudently.

TOOLS FOR REMOTE PROFILING

Applying valid and reliable psychological personality assessment instruments to remote profiling involves extracting the insights of those instruments via selected questions and embedding them in the interview and elicitation processes. Reliability depends on very large numbers of responses and the findings thus achieved can only be viewed impressionistically.

It is here that the art of profiling overtakes the science. In general, the self-reporting instruments are more easily adapted to remote profiling, because the personality elements they measure are already framed in use-friendly terms that can be inserted into conversation. (See Sidebar 5 for a review of remote profiling tools.)

Select the most useful instruments and carefully match the information sought to the most promising sources as well. Frequently the same primary sources will need to be tapped for both avenues of inquiry – the external portrait and the

remote psychological assessment. Multiple contacts are often unwise, if not impossible, and the researcher must be particularly careful not to squander a source possessing unusual insight into the subject by focusing on peripheral data. Prior analysis of each component of the remote process is crucial to success.

One of the most valuable avenues to explore with knowledgeable and willing sources is the area of non-rational elements in the subject's conduct of business or profession, especially regarding key decisions. Individual idiosyncrasies and highly subjective personal proclivities play a much larger role than is typically recognized or acknowledged.

Although creativity and imagination are valuable assets in this work, the findings have to be based on as much empirical evidence as possible. As John Nolan, an early leader in CI remote profiling, is fond of saying, "In God we trust, all others must have data."

ASSESSING LEADERSHIP

Leadership continues to be a central preoccupation in business and management writing (HBR 2004). Each year has seen the development of several new taxonomies of leadership styles. While these have not been validated, they are very useful as conceptual frames of reference.

Currently, Liam Fahey and Larry Bossidy have added some of the most interesting perspectives to the investigation of effective leadership, the former in broad operational terms that assign priority to *vision* and the latter in specific areas of executional superiority (Fahey 1998, Bossidy 2002). The researcher's task is to select those leadership concepts that are most relevant to the KITs driving the profiling effort. Some of the most effective practical profiling work combines the most important issues from all relevant models into a customized leadership scoring sheet driven by the specific profile KITs (O'Guin 2003).

The profiling process report should detail the data, the results of analysis, and the concluding findings. In particular, it should clearly delineate any speculation that, while promising, remains unconfirmed through empirical evidence. Researchers will ground themselves and retain the confidence of end users if they report in a format that follows conclusions with, "as evidenced by. . . ."

CORPORATE PROFILING AND CULTURE

Several excellent theories of organizational culture provide insight into the personality profiles of organizations, i.e. their characteristic and enduring stances in the world and the internal dynamics that drive them. Even when profiling targets an individual subject, the researcher ignores culture at her peril, for no individual affiliated with an organization operates in a vacuum. Organizations are supra-organisms influencing the actions of all actors within them. Those actors, in turn,

contribute to the organization's cultural norms. The specific elements of that interplay must be clearly discerned.

Profiling of senior management teams that supports M&A research is one instance in which individual profiles are inadequate without analysis of the organizational culture. Many analysts are re-thinking their approach to the evaluation of corporate *stars*. Recent interest has focused on individual brilliance. But when removed from the organization that supported their actions in often unrecognized ways, the stellar performances of several high-profile executives have not measured up.

PROFILING – A UNIQUE CI TOOL

Applications of this methodology are broad, and growing as CI practitioners gain proficiency with concepts and tools that apply rigor to the research process. The benefits of ad hoc and ongoing monitoring profiles can be unexpectedly rich. In a conversation with Bill DeGenaro, he sites an instance in which profiles of the senior management team conducted in support of an acquisition provided valuable support to the structuring of compensation packages for key retained executives, as well.

Clearly conceived, carefully executed and with sufficient resource support, profiling key decisions-makers continues to add unique insight to the CI process.

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