

RESEARCH FINDINGS

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BEYONDERS

*Transcending
Average
Leadership*



LANNOO
CAMPUS

Vlerick Leuven Gent
Management School

The Autonomous Management School of
Ghent University and Katholieke Universiteit Leuven

TriFinance
BEYOND ADVISORY



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Dear leaders in finance,

The current volatile financial market creates numerous challenges that range from further globalization, sustainability and a war for talent. It is superfluous to state that the role of the CFO today is broader and more complex than ever before. It in fact entails far more than simply being a financial expert, a business partner or a team leader. Becoming a CVO (Chief Value Officer) in today's environment requires going 'beyond' those traditional roles.

To help you becoming a so-called Beyonder, TriFinance supported the researchers from Vlerick Leuven Ghent Management school to undertake a thorough investigation of the Beyonder concept, developing a seven element model of Beyonder.

We see it as our pleasure to share with you the results of this intriguing journey. One thing has become very clear: being a beyonder is an important lever in the current and future financial environment. This frame of reference will help you, your team and your organisation to achieve outstanding performance.

As a CFO, you certainly create your own functional strategy, aligned with the company's global strategy. By doing so you create a passion for the companies' goal and shared values. But how do you make sure that 95% of what you are doing contributes to building the companies' legacy? For this you need a shared **sharp vision and sustainable values**. Research and our experience has proved that companies who do this, outperform their peers. Create your own deep-seated vision and maybe you will realize that the war for talent has more to do with living your own and the companies' values than with the scarcity of talent.

Great leadership in finance goes way beyond the technicalities of the finance profession. It involves taking on an inspiring cross-functional role. While most of your competitors fall prey to negative bias (fear and trying to beat others), you know that only a **positive mindset** inspired by trust will lead to real innovations - getting you miles further. It's not an easy challenge, but very rewarding in a financial landscape where change is a never ending story: from acquisition to restructuring, from crisis to sale, from implementation of an ERP / BI tool to new regulations, from financial crisis to Basel III, etc. Positive bias will enable you to exert an inspiring and influential role in your company.

Creating an open climate in your finance department, is key to team members having the courage to continuously question themselves and the organisation. Finance is not only an important business partner, but also a real challenger in the company. Have the **courage to challenge** the business model. Your CEO expects you to do so. Why do you, for example, continue with the same costly, lengthy and ineffective budget process every year whilst we all know that a budget is outdated the moment it's finished? Are you truly creative and innovative enough to create added value for the future or are you merely the protector of the past?

Although co-workers are paid to be loyal to the companies' mission, they should be allowed to from time to time challenge the approaches the company employs, then being a **minority of one**. A Beyonder knows that being loyal also means not blindly following the herd. Encourage your people to be sparring partners with leaders and co-workers. In this way you can ensure that your people contribute new ideas to the business. Today's unique ideas, will make the difference in the long term.

Not just good intentions, but also making sure that the consequences of your actions really add value throughout the company and society, is what counts. Isn't this where finance can really make the difference? Isn't this what great leadership is all about? How do I drive the right business mind within my organization? Producing qualitative figures and facts is the 'Olympic minimum'; but the ultimate challenge is the story behind the numbers. Which business model should we in future promote? Move from pure financial modeling and due diligence towards making a strategic impact. Ensure that the messages you bring to your board have the **dance of your shadow** in mind.

Passion drives people and this leads to astonishing results, also in finance! Show your passion, it will surely inspire others. This will lift your team and the finance function in your company to another level. Support your team members in following their passion by not forcing them into projects where they cannot show enthusiasm.

By growing your people you will automatically deliver upon your goals. Showing passion will remove the prejudice that finance people are boring accountants and number crunchers, instead creating an image of dynamic business partners.

Look around you. Great leaders are **daring**, but at the same time **humble** enough to stay with their feet on the ground. If you fail to keep your feet on the ground, your decision making will suffer. Create a climate of respect and show pride for the contributions of your financial department, recognizing also the contributions of all business partners.

We wish you all the best for your future moments of beyondership.

Best regards,

TriFinance

ARE YOU A BEYOND AVERAGE LEADER?

Exceptional times demand exceptional leadership: John F Kennedy, Gandhi, Martin Luther King, etc. They were all beyond average leaders because average just wasn't good enough to deal with what they were faced with. Today, CFOs deal with exceptional situations as well, characterised by uncertainty, instability and even fear. Average leadership isn't good enough anymore, they as well need to go beyond average.

The average leader sits tight and is thrown helplessly from side to side and up and down as the roller coaster races along the track. His performance is at most 'reasonable', 'not too bad'. Is this the way of thinking that got Nokia into the trouble it has experienced in recent years? From being the clear leader in the mobile phone market, complacency and the failure to innovate blinded Nokia to the coming of the smart phone era. Nokia slipped from a highly revered company to one that is staring disaster in the face, possibly even its ultimate demise.

The world is awash with average leaders; but what we desperately need is leaders who have the courage to venture beyond. This is the challenge we want to pose: the challenge of rising above mediocrity; the challenge of not running with the crowd, but of daring to make a difference that creates added value for you, your colleagues, your organisation and society at large – in the short term and in the long term.

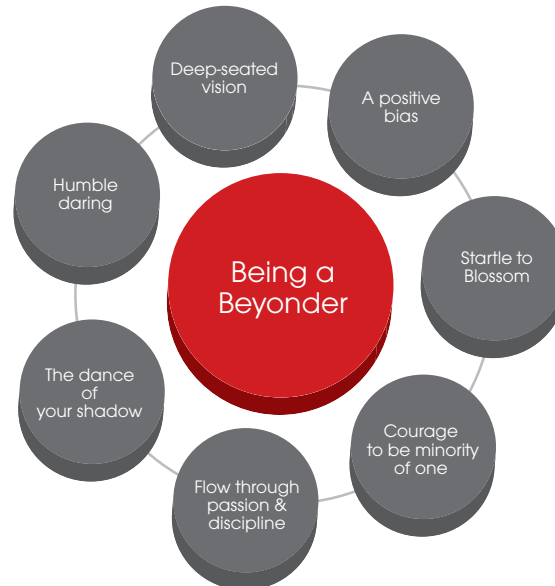
Stop being average, become a beyonder!

'Beyonders' are leaders who do not see the edge of the rut as the horizon. The creativity guru, Ellis Paul Torrance first coined the word Beyonder in his book 'The Manifesto'. He noted: 'the word "Beyonder" is not in the dictionary, but everyone seems to understand what it means. (...) I found that there was a small number (of people) who had so many notable creative achievements that they did not fit on the same scale as the others'. The 'exceptional few' Torrance designated as Beyonders.

In similar vein, we use this term to describe leaders who do much more than what could reasonably (and averagely) be expected of them; leaders willing to make the crucial choice of stepping out of the darkness and into the light. These are the leaders who are not afraid of new challenges, but appreciate these challenges, giving credence to the notion that challenges and excellent leadership are inextricably linked. They are not fazed by challenges, but in fact eagerly seize them. In their book 'The truth about leadership', Kouzes & Posner (2010) support this argument by stating that 'the historical leaders whom people admire most always faced and led others through major challenges.'

Let us now get down to answering the question what a Beyonder is? A Beyonder is a person who possesses and radiates a deep-seated vision anchored in a clear set of values. He thinks and acts in an innovative and holistic manner. What others see as obstacles, a Beyonder welcomes as an opportunity. He chooses and creates environments that inspire passion, and perseveres until his goals are reached. A Beyonder exudes creativity, and possesses a myriad of ideas for solving any problem. He sees opportunities that others have not even thought of. Even when not supported by powerful parties within his organisation, he courageously fights for what he believes is right. For a Beyonder, it is not about being the best in the world, but rather being the best for the world.

The following diagram schematically depicts the seven key characteristics of a Beyonder:



Leaders in finance tell about their Beyonder moments

In the book 'Beyonders' authors Herman Van den Broeck and David Venter from the Vlerick Leuven Gent Management School tell the story of becoming and being a Beyonder. It sets out seven building blocks on the basis of which you, your colleagues and your organisation can continue to grow and prosper in a manner that simultaneously creates added long-term value. It also provides you clear and incisive answers to the question why things sometimes go very badly wrong.

A co-study with TriFinance weighed the insights against research conducted in a number of finance departments. In the study, managerial and non-managerial staff were invited to comment on their Beyonder qualities and on the Beyonder qualities of their team leaders. The conclusions derived from these investigations are reported in the sections below the chapters. These conclusions should assist you to discerning how and when your Beyonder profile contributes meaningfully to your performance and that of others.

To add further 'spice' to the Beyonder recipe, a number of double interviews with CEOs and CFOs were also conducted to afford them the opportunity of discussing their Beyonder moments. By interviewing the CEOs and CFOs together, we aspired to emphasise the impact of shared leadership and the crucial role CFOs play in respect of this key aspect of modern management.

OUR RESEARCH BASED ON THE BEYONDER STYLE INDICATOR: WHAT IS BEYOND AVERAGE LEADERSHIP?






The recent co-study on Beyonders shows that leaders and co-workers in finance sometimes have different perceptions and expectations on what the role of the leader is. In the context of this study, 103 leaders and co-workers in finance departments completed the BSI (Beyonder Style Indicator).

Leaders scored themselves on the Beyonder characteristics, whilst co-workers scored their team leaders on the same characteristics. The cognitive styles of both groups are known, both groups having scored themselves. A person's cognitive style encompasses the manner in which he deals with task-orientated problems and opportunities. A number of typical personality traits were also measured (openness to new experiences, extraversion, agreeableness and sensitivity).

Furthermore, we also gained insights into the parameters that influence performance. Leaders and co-workers scored themselves on job satisfaction; conscientiousness; job fit; leader-co-worker rapport (the respective trust between the team leader and the co-workers). In addition team leaders scored themselves on their in-role performance (how effectively they executes their job) and on management by exception (the extent to which they only pay attention to co-workers when something goes wrong). Co-workers were also asked to evaluate their team leader on these two variables.

In addendum 1 we explain how the BSI study was set up, providing deeper insights into the characteristics of the survey population. In addendum 2 we will explain the scales that were used and indicate the validity of these scales.

A statistical analysis of this material was conducted and has yielded insights into the correlation between the above-mentioned variables. In the tables the following symbols are used to clarify the results of the statistical analysis:

	No correlation
	Positive correlation
	Most determining positive correlation
	Negative correlation
	Most determining negative correlation

BEYONDER STYLE INDICATOR

The leader's deep-seated vision...

The leader's deep-seated vision and how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	😊	😊	😞

The leader's deep-seated vision & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	★	★	😊😊	😊	★

...increases the conscientiousness with which co-workers approach their job and contributes to the underlying trust between leaders and co-workers.

Key findings!

Of all the Beyonders characteristics, a deep-seated vision is the strongest determinant of solid mutual trust (dixit leader).

By concentrating on his deep-seated vision, a leader enhances his performance.

Co-workers see their leader as more competent when he espouses a deep-seated vision.

Surprising!

Leaders, who have a deep-seated vision, do not often resort to management by exception (dixit employee).

Further analyses invite the following question:

As a leader, is your personality characterised by openness and/or a creating cognitive style? If so, you are likely to invest more in a deep-seated vision!

BEYONDER STYLE INDICATOR

The positive bias a leader radiates...

The leader's Positive Bias & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊😊	😊	★	😊😊	😊😊	😞😞

The leader's Positive Bias & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊😊	😊	★	😊	★

Key finding...

is the entry gate to excellent performance!

Surprising!

Leaders emphasise positive bias strongly, by performing their job very conscientiously. This also increases the conscientiousness of employees.

When you fly on the wings of your strengths (good job fit and good performance), you have a more positive view of the world. This is mutually empowering.

Remember!

Positive bias is the Beyonder characteristic that is the strongest determinant of the three performance indicators: job satisfaction, trust in the leader and the perception of the in-role performance of the leader (dixit co-worker).

Positive bias gives a co-worker comfort, in the sense that he is then convinced that the leader would not indulge in management by exception.

Cognitive styles and leader/co-worker rapport				
	Fact-finding	Planning	CReating	Cooperating
As evaluated by the co-worker	★	★	😊😊	😊
As evaluated by the leader	★	★	★	★

*Is your personality characterised by openness and/or a cooperating cognitive style?
If so, you are likely to be someone who is respected for his positive bias!*

BEYONDER STYLE INDICATOR

Reasons to practice startle to blossom...

The leader's Startle to Blossom attitude & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊😊	★	😊	😊	😞

The leader's Startle to Blossom attitude & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	😊	😊	😞😞

Surprising!

Don't be afraid to startle: your employees appreciate it – and their trust in you increases.

A startle to blossom attitude is associated with strong in-role performance (dixit both leader and co-worker).

Remember!

The more a leader inspires his co-workers to reflect, the less likely he is to indulge in management by exception (dixit leader and co-worker).

Startling to blossom is totally different from management by exception!

Startling to blossom contributes the most of all Beyonder characteristics to conscientiousness (dixit co-worker).

Be Aware!

Leaders characterised by agreeableness are less tempted to startle to blossom ($r = -.14^*$). Nice guys are therefore less likely to jump-start people into creative thinking!

Is a 'creating cognitive style' a prerequisite for startle to blossom? Our analysis indicates:

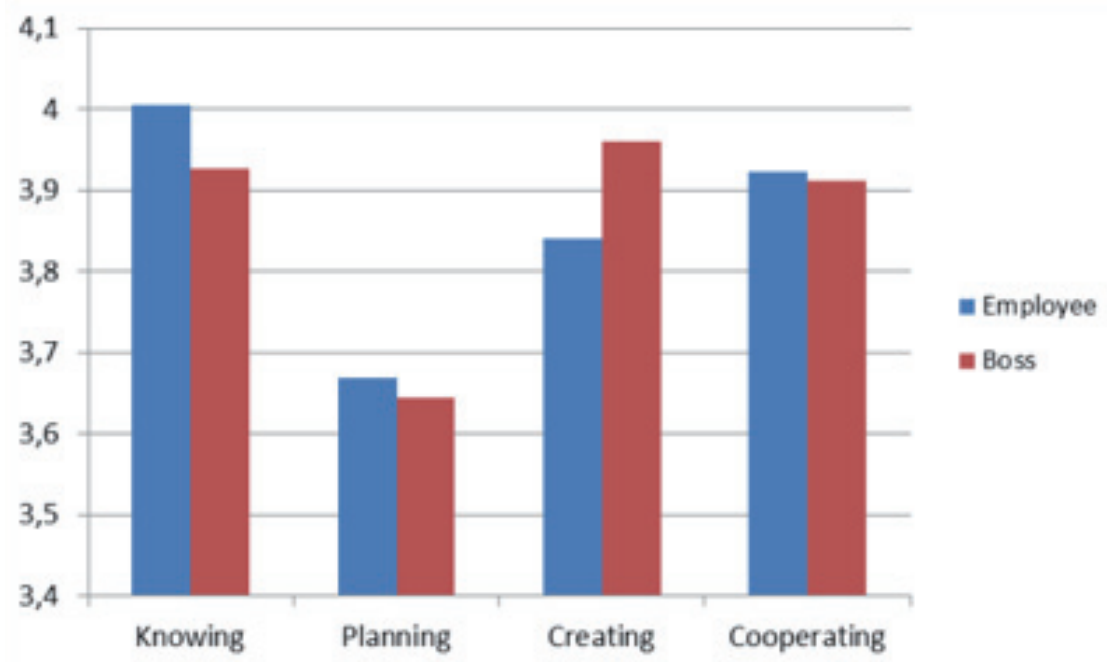
There is no direct correlation between cognitive styles and the 'global' finance function. However, some specific differences were noted.

In our respondent group, it was surprising that the fact-finding style (14%) was least present when compared to the planning (34%), creating (27%) and cooperating (27%) styles. The stereotypical image of the 'dry financial number cruncher' is therefore grossly misleading, and consequently not applicable to all finance functions.

The creating style is more representative of the leaders than co-workers within our research population.

This cognitive style becomes more important as you climb higher up the hierarchical ladder. Paradoxically, a young co-worker who scores highly on the creating style could, at the outset of his career (the moment employees are expected to be 'conventional') experience negative consequences if he is not cautiously risk-seeking (which is not obvious, given his creative style)!

Co-workers and leaders: their cognitive styles



Differences were also noted between the so-called 'internal' (e.g. taxation, insurance) and 'external' (e.g. investor relations, financial advisor) jobs within finance. Those in external jobs had higher scores for the cooperating and creating styles - not a surprise, but good to know.

Mean scores for cognitive styles: internal and external orientation				
	Fact-finding	Planning	CRreating	Cooperating
Internal orientation	3,97	3,63	3,87	3,74
external orientation	3,96	3,68	4,01	4,02

BEYONDER STYLE INDICATOR

Do you have the courage to be a minority of one?

The leader's courage to be a Minority of One & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	★	★	😊	★	☹️

The leader's courage to be a Minority of One & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	😊	😊😊	★

Key findings!

Leaders regard their willingness to be a minority of one as the most essential Beyond characteristic for their in-role performance!

Surprising!

This characteristic can sometimes have a positive impact, but at other times a negative impact on a leader's job satisfaction (dixit leader). In other words, having the courage to be a minority of one sometimes comes at a price.

A willingness to be a minority of one contributes directly to a leader's conscientiousness (dixit leader).

Remember!

A courageous, critical disposition is clearly appreciated by co-workers; it contributes to stronger trust in the leader and has an impact on job satisfaction.

Even more remarkable is the high negative correlation with management by exception.

A minority-of-one attitude is clearly not an attitude that confines co-workers to a little corner of the office! (dixit co-worker).

Further analysis indicates...

When your personality is characterised by openness and/or a creating cognitive style you are ready to fulfil the role of a minority of one ($r = .22^{**}$, $r = .53^{***}$ respectively)!

BEYONDER STYLE INDICATOR

Flow through passion and discipline...

The leader's Flow through Passion and Discipline & how the co-worker experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	★	★	★

The leader's Flow through Passion and Discipline & how he/she experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	★	★	★

Flow goes together with conscientiousness! In other words, there is a direct correlation between flow and working in a conscientious manner. Not a surprise, as this is well proven in theory.

Surprise!

To be honest, we were a little disappointed with the statistical outcome. Why were there no correlations with the other performance indicators? This seemed strange, to say the least.

For this reason, we decided to re-assess Flow through Passion and Discipline against the three specific sub-variables by which we validated the scale: high performance expectancy, work enjoyment and work immersion. This time the results were telling!

IMPACT OF HIGH PERFORMANCE EXPECTANCY, WORK ENJOYMENT AND IMMERSION

The leader's high performance expectancy & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	★	😊	★

The leader's high performance expectancy & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	😊	★	★	😊	★

High performance expectancy has a positive impact in respect of the conscientiousness and the in-role performance of both leaders and co-workers. This result is in line with the results for Startle to Blossom! (dixit co-worker and leader).

The leader's work enjoyment & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	★	😊	😊	😊	☹️

The leader's work enjoyment & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	★	😊	★	😊	☹️

Surprise!

The work enjoyment of the leader enhances the job satisfaction of the co-worker. The co-workers' job-fit also runs parallel with the work enjoyment of the leader.

What is not surprising is that the work enjoyment of leaders runs parallel to their job satisfaction and their job fit! Their work enjoyment also undoubtedly contributing to their in-role performance as leaders and probably vice versa.

Key findings!

While the co-worker perception of the work enjoyment of their leader has a positive impact upon leader-co-worker rapport, it does not have the same impact in the eyes of the leader.

Remember also that work enjoyment is an antidote for management by exception!

The leader's work immersion & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
★	★	★	☹️	★	★

The leader's work immersion & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	★	★	★	★	★

Be aware!!

While your work immersion contributes to your job satisfaction as a leader, it can damage your rapport with your co-workers! Make sure your passion does not become obsessive, and therefore you become absent.

DISCIPLINE REQUIRES CONSCIENTIOUSNESS, BUT HOW IS CONSCIENTIOUSNESS RELATED TO YOUR COGNITIVE STYLE?

How conscientious am I?	Fact-finding	Planning	CRreating	Cooperating
Co-worker	😊😊	😊😊	★	😊😊
Leader	😊	😊	★	★

Precision is exceptionally relevant at the level of execution. Co-workers who score themselves highly on fact-finding, planning and cooperating also score themselves highly on conscientiousness. There is no significant correlation with creating! This is not surprising: the marriage between creativity and conscientiousness is sometimes difficult.

A leader with a fact-finding or planning style is also focused on being conscientious, but no such relationship was found in the case of cooperative and creating leaders. Chances are that leaders with a cooperating or a creating style will find it easier than those with a fact-finding and planning style to empower their co-workers.

HOW DO PEOPLE WITH A CERTAIN COGNITIVE STYLE EVALUATE THE LEADER'S IN-ROLE PERFORMANCE?

The leader's in-role performance	Fact-finding	Planning	CRreating	Cooperating
Evaluated by the co-worker	😊	★	😊	😊😊
Evaluated by the leader himself	😊	😊😊	★	★

Key findings!

Leaders with a very strong planning style score themselves highly on in-role performance, as do fact-finding leaders (although to a slightly lesser degree). Their task focus is obvious. In the case of creators and co-operators, there is no meaningful correlation with in-role performance.

A co-worker with a fact-finding, creating or cooperating style easily approves of a leader's in-role performance. A co-worker with a planning style is less impressed.

BEYONDER STYLE INDICATOR

A leader who takes the Dance of his shadow seriously...

The leader's Dance of his Shadow & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	😊	★	😊	😊	☹️

The leader's Dance of his Shadow & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	★	★	★	★	☹️

increases his job satisfaction and conscientiousness, and strengthens the bond of mutual respect between him and his co-workers (dixit co-worker).

Key findings!

Hopefully leaders do not systematically underestimate the dance of their shadow. In this survey, their estimate of its effect clearly differed from the perception of their co-workers.

Leaders see a correlation between the dance of their shadow and job satisfaction. At the same time, it also helps them to avoid management by exception.

Remember!

If positive bias is the entry gate to higher performance, the dance of your shadow is the indispensable foundation on which it is built! A leader must therefore realise that the commitment of his co-workers is strongly related to the degree to which he takes account of the dance of his shadow.

Be aware!

It is nice to know that your co-workers will judge you as more competent and believe that you are less likely to resort to management by exception, if you take the dance of your shadow seriously.

BEYONDER STYLE INDICATOR

No reason to be afraid of Humble Daring!

The leader's Humble Daring attitude & how the co-workers experience it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊	😊	😊😊	😊😊	😊	😞

The leader's Humble Daring attitude & how he/she experiences it:					
Job satisfaction	Conscientiousness	Job fit	Leader/co-worker rapport	In-role performance	Management by exception
😊😊	★	😊😊	😞	😊	★

If positive bias is the entry gate to high performance and the dance of your shadow is the foundation, then humble daring is the castle you build.

Key findings!

Humble daring on the part of the leader results in co-workers having more confidence in their leader. Leaders, however, fear that having a humble daring attitude will negatively influence their relationship with their staff. The idea that you should present yourself as a 'tough' leader in the eyes of your co-workers has been discounted once and for all!

For co-workers, humble daring and management by exception do not belong together. In the case of leaders, no significant correlation was found, even though we did find that the difference between the two correlations (co-worker (-.45**) versus leader (+.24)) is enormous. This raises the question whether leaders really believe that while practising humble daring, management by exception is the most appropriate way of giving feedback?

Surprising!

Gratification does not result from visibility politics. The strong interrelationship between humble daring, job satisfaction and in-role performance is truly remarkable! (dixit both employee and leader).

A politically-inspired visibility strategy will not take you very far. Presenting yourself as a 'tough guy' is clearly not appreciated by co-workers. Of all the Beyonder qualities, humble daring makes the biggest contribution to leader-co-worker rapport.

There is even a causal relationship between humble daring and job-fit. People who feel comfortable in their job do not need to boast! (dixit employee and leader).

Humble daring increases conscientiousness (dixit employee).

TAKE NOTE! LEADERS OFTEN OVERESTIMATE THEIR BEYONDER QUALITIES IN COMPARISON TO THEIR CO-WORKERS!

The table below clarifies how different the average estimations of co-workers (evaluating their leader) and leaders (evaluating themselves) really are.

	Deepsea- ted Vision	Positive Bias	Startle to Blossom	Courage to be a Minority of One	Flow through Passion & Discipline	Dance of your Shadow	Humble Daring
Co-worker	3,7	3,85	3,68	3,43	3,56	3,56	3,7
Leader	3,96	4,1	4,08	3,65	3,71	3,9	4,15
Difference	0,26	0,25	0,4	0,22	0,15	0,34	0,45

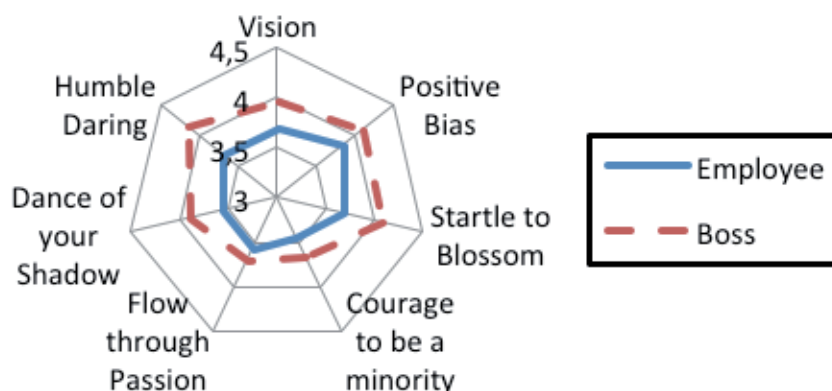
Startle to Blossom (SBL) and Humble Daring (HDA) are the sick children in the class. Leaders who 'think' that they encourage creativity and provide leadership in a humble and courageous way find that this is not always experienced as such by their co-workers. This suggests that leaders sometimes come across more arrogantly than they think.

Remember!

Leaders consistently judge their qualities more highly than their co-workers. However, it has also been shown that leaders who are able to judge themselves more correctly are also evaluated as more competent by their co-workers, with co-worker satisfaction being correspondingly higher.

Self-assessment with the necessary coaching in thorough self-knowledge is therefore exceptionally important.

The different perceptions of leaders / co-workers



BEYONDER STYLE INDICATOR

Management by Exception

The leader's attitude to Management by Exception & how the co-workers experience it:						
Deepseated Vision	Positive Bias	Startle to Blossom	Courage to be a Minority of One	Flow through Passion & Discipline	Dance of your Shadow	Humble Daring
☹	☹☹	☹	☹	★	☹	☹

The leader's attitude to Management by Exception & how he/she experiences it:						
Deepseated Vision	Positive Bias	Startle to Blossom	Courage to be a Minority of One	Flow through Passion & Discipline	Dance of your Shadow	Humble Daring
★	★	☹☹	★	★	☹	★

Key findings!

Beyonders less often resort to management by exception!

It is not a good idea to only provide leadership after mistakes are made. Stress factors and management by exception are strongly related, and lead to a decrease in the efficiency of workers. In the eyes of co-workers, the Beyonder characteristics contribute towards the avoidance of management by exception. In this respect, it is logical that positive bias is particularly important!

The leader's logic is slightly different. Viewed from the leader's perspective, the best way to avoid management by exception is to practise startle to blossom and to take account of the dance of your shadow.

Management by exception	My job satisfaction	My conscientiousness	Leader/co-worker rapport	In-role performance
Co-worker's logic	☹	★	☹☹	☹☹

Remember!

For co-workers the situation is very clear: management by exception is not compatible with job satisfaction. The more prone a leader is to management by exception, the weaker his bond of trust with his co-workers becomes. Moreover, in the eyes of co-workers, leaders who practise management by exception are seen as low performers!

Management by exception	Fact-finding	Planning	Creating	Cooperating
Co-worker's logic	★	★	★	☹
Leader's logic	☹	☹	★	★

Key findings!

The higher the cooperating style of the co-worker, the lower the likelihood of management by exception on the part of the leader. In other words, co-workers investing in co-operation with their leader are less frequently confronted with management by exception. Or are co-operators more inclined to gloss over this management style? In a 360° feedback situation, a co-operating co-worker will certainly be inclined to judge less stringently.

Leaders with a fact-finding and planning style clearly award themselves a higher score for management by exception. These analytic thinkers primarily see themselves as the gatekeepers of the processes: when something does not go according to plan, they intervene. Or are 'knowers' and 'planners' just –more critical of themselves?

ADDENDUM 1: THE BEYONDER STYLE INDICATOR (BSI)

We developed the Beyonder Style Indicator (BSI) specially for the research supporting the book. The scales are described in addendum 2. The questionnaire was administered in finance departments throughout Belgium. Parallel research was simultaneously conducted in Turkey. We primarily report the conclusions derived from the Belgian sample. In total, 103 financial staff completed the BSI (56 leaders and 47 co-workers). On the basis of the same scales the leaders undertook self-assessment, whereas co-workers assessed their leaders.

Table 1 provides a summary of the demographic characteristics of the survey population. Some of the most noticeable features of the population were: 69% men versus 31% woman; 55% were senior managers (for conclusions drawn on the basis of the total group, this category was clearly over-represented); the distribution between internal and external functions was balanced; the respondents were primarily involved in the profit sector; we found a good balance between respondents working for companies that performed better than their competitors (in terms of turnover and profit) during the past 5 years and companies that had performed the same.

Table 1: Demographic variables (N=103)					
Individuals			Organisations		
Gender	male	68.9%	1-10	4.9%	
	female	31.1%	11-50	14.6%	
Age	<30 years	7.8%	Number of employees	51-100	7.8%
	30-40 years	37.9%		101-250	18.4%
	40-50 years	39.8%		251-500	15.5%
	>50 years	14.6%		> 500	38.8%
Level	senior management	55.3%	Sector	profit	96.1%
	middle management	20.4%		non-profit	3.9%
	junior management	6.8%	Profit ^b	much higher	10.7%
	co-worker	17.5%		higher	41.7%
Orientation ^a	internal	37.8%	equal	44.7%	
	neutral	13.6%	lower	2.9%	
	external	48.6%	strong increase	9.7%	
Education level	secondary school	5.8%	Turnover ^c	increase	23.3%
	higher education	29.1%		stable	56.3%
	university	34.0%		decrease	10.7%
	university plus specialisation	31.1%	^a Function with internal orientation = focusing on the internal processes; function with external orientation = external focus towards other organisations or other departments within the same organisation. ^b In comparison to competitors, the profitability of the organisation at this moment in time? ^c The evolution in the turnover of the organisation during the past 5 years?		
Tenure in the job	0-1 year	18.0%			
	1-2 years	17.0%			
	2-5 years	27.0%			
	5-10 years	20.0%			
	>10 years	18.0%			

ADDENDUM 2: BEYONDER STYLE INDICATOR SUMMARY OF THE SCALES USED

The BSI is based on the one hand on a number of existing validated scales and on the other hand on a number of scales that we developed specifically for this project. The seven Beyonder characteristics were also linked to a number of other variables: personality traits, cognitive styles and performance indicators.

Measuring cognitive styles

Cognitive styles are individual preferences in perceiving and processing information. As such, cognitive styles regulate cognitive processing in adaptation to environmental demands. We used our own validated scale – the Cognitive Style Indicator (CoSI) – to measure cognitive styles. The CoSI is an 18-item questionnaire, assessing individual differences in how people prefer to perceive, process and structure information. The CoSI distinguishes between four cognitive styles: a fact-finding style (4 items, e.g., “I like to analyse problems”), a planning style (7 items, e.g., “I prefer clear structures to do my job”), a creating style (7 items, e.g., “I like to extend the boundaries”) and a cooperating style (8 items, e.g., “I like to help others”). The response format is a five-point Likert scale from 1 (totally disagree) to 5 (totally agree).

Fact-finding style: a preference for facts and data. People with a high score for the fact-finding style want to know exactly why things are the way they are, and tend to retain many facts and details. They like complex problems, providing they can find clear and rational solutions for them. These individuals prefer a rational and impersonal way of processing information and have strong analytical skills. They search for accuracy and like to make informed decisions on the basis of logical arguments and a thorough analysis of facts and figures.

Planning style: a preference for structure. People with a high score for the planning style like to organise and control. They prefer a well-structured work environment. They attach importance to preparation and planning, in order to reach their objectives. Planners like to make decisions in a structured way and are mostly concerned with the efficiency of the process.

Creating style: a preference for creativity. People with a creating style tend to favour experimentation. They see problems as opportunities and challenges, and they are comfortable with uncertainty and freedom. These individuals search continuously for renewal and prefer dynamic environments. They like to work in a flexible way and have a preference for a creative and unconventional way of decision making.

Cooperating style: a preference for working together. People with a cooperating style get energy from working with other people. They prefer mutual consultation in problem resolution and like to help others. They realise that every person wants a unique individual approach.

Measuring performance parameters

Conscientiousness: Organisational Citizenship Behaviour consists of four constructs: altruism, civic virtue, sportsmanship and conscientiousness. We selected conscientiousness as output parameter in this study. The scale we used was first developed by Organ (1990). An example of an item in the questionnaire is: “I take on tasks that are not really mine, but which can improve the image of the organisation”.

Leader-Co-worker Rapport: We based our items on the questionnaire compiled by Graen. With these items we wanted to inquire about the participants’ perception of the relationship they respectively have with their leader or their co-workers. An example of an item in the co-worker questionnaire is: “I have enough confidence in my leader that I would defend and justify his decision, if he were not present to do so”.

Measuring Job Satisfaction: In order to measure job satisfaction, we based our items on the questionnaire compiled by Cammann. Using just three items, we sought to establish how satisfied both leaders and co-workers are with their job. This can also tell us more about other matters, such as whether or not a fit between cognitive style and function leads to greater job satisfaction. An example of an item in the questionnaire is: “In general, I am satisfied with my job”.

Measuring Person-Job Fit: We wanted to determine to what degree the participants felt that their skills are well-matched to their jobs. For this purpose we included three items in our study, drawn from an existing question list compiled by Cable & Judge. This gives us a picture of the extent to which people think that they are suited to their job. An example of an item in the questionnaire is: "My skills and training are appropriate for my job".

Measuring In-Role Performance: We asked co-workers to assess the quality and quantity of the work performed by their leaders and asked the leaders to judge themselves on these same criteria. This scale was developed by Podsakoff and looks specifically at tasks that fall within the description of the leader's function. An example of an item in the co-worker questionnaire is: "My leader fully carries out all the responsibilities of his job".

Measuring Management by Exception: Four items taken from the MLQ scale (Multifactor Leadership Questionnaire) were used to measure management by exception. The MLQ-scale, first defined by Burns (1978), is the most frequently used measure of transformational and transactional leadership. The scale contains six factors: charisma, intellectual stimulation, individualised consideration, contingent reward, passive-avoidant leadership and management by exception. A sample item from the management-by-exception scale is: "My leader merely focuses on my mistakes".

Measuring personality

We investigated personality on the basis of a questionnaire drawn up by Woods and Hampson, which is based on the so-called 'big five'. These items give us a picture of the personality of the participants. We used four dimensions:

Extraversion: Extraverted people tend to be talkative, outgoing and comfortable around others. They can, however, be noisy and attention seeking.

Agreeableness: People who score high on agreeableness are generally trusting and forgiving. They are interested in people and find it difficult to say no.

Sensitivity: People scoring high on the sensitivity scale tend to be excitable and sensitive. They can also be tense.

Openness to experience: People with a high score on openness spend time reflecting on things, have an active imagination and like to think up new ways of doing things. However, they may lack pragmatism.

Measuring the 7 Beyonder characteristics

Deep-seated vision: The questionnaire we used to measure deep-seated vision was first developed by Podsakoff (1990). A sample item is: "My leader paints an exciting picture of the future for our organisation".

Positive bias: To measure the first part of positive bias, we used the 'individual support' subscale of the TLI (Podsakoff, P. M., and others, 1990). A sample item is: "My leader behaves in a way that takes my needs into account". However, it is equally important that a Beyonder can deal comfortably with his own emotions. To measure this aspect, we added four items of our own. A sample item is: "My leader has difficulty controlling his emotions in a constructive manner".

Startle to blossom: Startle to blossom was investigated on the basis of an existing questionnaire for 'intellectual stimulation'. Intellectual stimulation refers to the behaviour of leaders that stimulate people to question their basic assumptions about themselves and the things they do. This includes the stimulation of innovation and creativity in employees, as well as a willingness to question the values of the organisation and/or its leaders. The scale consists of four items. A sample item is: "My leader has ideas that have challenged me to rethink some of my basic assumptions about my job".

Courage to be minority of one: We drew up our own items to study the 'courage to be a minority of one' dimension. We found no construct in the existing literature that covered the full scope of this dimension. An important

aspect of 'courage to be a minority of one' is that the person concerned must make an impact in a constructive manner. The scale consists of four items. A sample item is: "My leader can be characterised as someone who defends unique ideas in an inspiring way".

Flow through passion and discipline: 'Flow through passion and discipline' was investigated on the basis of three separate scales: immersion, work enjoyment and high performance expectancy.

Immersion is a dimension of flow and can be defined as being totally absorbed in an activity. Absorption refers to a mental state in which people experience utmost concentration and lose track of time. This component is seen as a central aspect of flow. We used four items to measure absorption. A sample item is: "My leader gets carried away by his work." Work enjoyment can be described as the positive perception of the job for which you are accountable. This subscale also consists of four items. A sample item is: "My leader feels happy at work". We used the high performance expectancy scale to check to what extent leaders expect excellence, quality and high performance and reflect this in their behaviour. A sample item is: "My leader shows us that he/she expects a lot from us".

The dance of your shadow: We found no construct in the existing literature that covered the full scope of this dimension. Consequently, we drew up our own list of eight items. We interpreted this scale as a uni-dimensional scale: the individual reflex of the leader versus the extent to which he commits himself to the needs of the organisation and, more widely, society at large. The key question in this concept is: how far does the contribution and impact of the leader reach? A sample item is: "Primarily, my leader is interested in his own career" versus "Primarily, my leader is interested in the well-functioning of the team".

Humble daring: Here again, we were not able to make use of existing questionnaires. We therefore drew up our own list of six items. A sample item is: "My leader doesn't have a problem with employees knowing something better than him-/herself".

Reliability BSI scales

Specialists will be interested to know that the reliability coefficients (see table 2) show that the different constructs were consistently measured. From .70 they are no longer open to scientific discussion. The large majority of the scales met this requirement.

		All participants	
Cognitive Style Indicator	Fact-finding Style	.72	
	Planning Style	.82	
	Creating Style	.81	
	Cooperating Style	.74	
Job Satisfaction		.86	
Person-Job Fit		.87	
Conscientiousness		.72	
		Co-worker	Leader
Beyonder Style Indicator	Deep-Seated Vision	.82	.82
	Positive Bias	.90	.70
	Startle to Blossom	.87	.72
	Courage to be a Minority of One	.71	.67
	Passion Through Discipline	.78	.77
	Dance of your Shadow	.87	.73
	Humble Daring	.89	.68
Management by Exception		.75	.62
Leader-Co-worker Rapport		.87	.57
In-Role Performance		.82	.68

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- xii. Woods, S.A. & Hampson, E. (2005). Measuring the Big Five with single items using a bipolar response scale. *European Journal of Personality*, 19, 373-390.
- xiii. The TLI-scale - the Transformational Leadership Behaviour Inventory - was developed as a measure of transformational leadership behaviour (Podsakoff, P.M., Mackenzie, S.B., Moorman, R.H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviors. *Leadership Quarterly*, 1(2), 107-142). Transformational leadership is a multidimensional concept. The authors defined six key dimensions: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individualised support and intellectual stimulation. We incorporated the subscale 'identifying and articulating a vision' into the Beyond Style Indicator (BSI).
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- xvi. To measure absorption and work enjoyment, we used the WOLF or work-related flow inventory (Bakker, A.B. (2008). The work-related flow inventory: construction and initial validation of the WOLF. *Journal of Vocational Behavior*, 72, 400-414.). To measure high performance expectancy we used the Transformational Leadership Behaviour Inventory (TLI) (Podsakoff, P.M., Mackenzie, S.B., Moorman, R.H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviors. *Leadership Quarterly*, 1(2), 107-142).



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