

Aspiring to Leadership: Technical Knowledge vs. People Skills

by Dr. Jim Murray

In their ongoing pursuit of professional development, whether updating or upgrading, accountants show a decided preference for courses that focus on the technical aspects of their business. This is understandable, especially when the knowledge acquisition involves changes to the tax codes or even more substantial requirements, such as the adoption of the new International Financial Reporting Standards.

That said, those who aspire to positions of leadership within their industry might do well to reflect on their proficiency in getting others to do their bidding when a “mastery of numbers” is not sufficient for the task. I am thinking of the CFO who has the COO or CEO position in her career cross-hairs.

A twenty-year study of leadership effectiveness conducted by Stanford University’s School of Business concluded that about 15% of one’s success in leading organizations comes from technical skills and knowledge, while 85% comes from the ability to connect with people and engender trust and mutual understanding. The problem however lies not in this remarkable data, which surely must be somewhat compelling for those who think they already have what it takes.

The real issue lies in delusional thinking about our people-handling competence. Reality likely belies your self-assessment. Over 96% of executives today believe they have “above average” people skills. This is a statistical improbability. It is what psychologists call motivated reasoning, which means that once we decide something is true (for whatever reason) we make up reasons for believing it to be true. Most of us believe we are smarter, fairer, more considerate, more dependable and more creative than average. But we cannot all be “above average.”

This is not behavioural; it is neurological – it is hard-wired into the brains of normal, healthy people like you. Studies confirm that 75% of North American CEOs believe they are “better” than other leaders in their industry, 90% of physicians, pilots and investment bankers (specialists who cannot afford to second-guess their decisions) rate themselves in the top 10% of their field, and 94% of university professors say they are above average teachers. Simply put, successful people are incredibly delusional about their skills and, as Andy Grove (retired Chair Emeritus of Intel) once advised “*Success breeds complacency and complacency breeds failure.*”

To illustrate the critical importance of process skills as the imperative for leadership success, it is surely a truism in organizations today that people are far more willing to will act on their own ideas before they are likely to act on yours, despite the conviction behind your directions. The art of leadership is getting people to believe your ideas are really theirs, and then to agree with and support them. Not only are people empowered, they are more strongly committed to ownership and follow-through. And, without that, change is impossible – there can be no accountability, productivity or competitive advantage.

According to Howard Gardner, Professor of Cognition at Harvard’s Graduate School of Education, those with disciplined minds (like accountants) possess a distinctive mode of reasoning borne of a specific scholarly education and further honed by one’s profession. They have mastered the skills of planning, executing and critiquing. But their thinking style is one of a compulsive rationalizer, which results in premature judgment and criticism that kills new ideas in their infancy. Hardly the way to turn on people to new ways of doing things in a rapidly changing business environment. Gardner suggests an individual with this analytical predisposition “acquires his professional designation and then coasts on his laurels for the next 30 or even 50 years.”

The disciplined mind is highly susceptible to conformation bias – the psychological need to always be right, which ignores voices that oppose one’s ideas, beliefs and values. While we tend to believe our thinking is not biased, it is simply not the case. Some 61% of medical students say they are not influenced by drug company gifts yet only 16% believe their colleagues are equally uninfluenced. This is another statistical contradiction. Learning about our thinking “blind spots” and developing new skills for reducing or eliminating them is what leadership development is all about. That is if you truly aspire to leadership in your field.

The job of the 21st century leader will be to *develop human capabilities*, not to oversee the numbers or plan a sound strategic direction. It will be to increase the organization’s capacity to be focused, agile and resilient. Therefore it will be to create, harness and leverage intellectual capital (i.e., people skills) rather than to deploy other assets. This kind of leader doesn’t need to know everything there is to know. (Although many “analytics” presume that to be their life’s mission, it is a practical impossibility.) On the contrary, these leaders will want to be surrounded by people who know a whole lot more than they do but who will trust them implicitly to weigh their competing claims and advice.

In study after study about the purpose of leadership in this millennium, getting results – making money – doesn’t even figure in the top requirements. What does figure is *getting the process right*, making sure the right people are talking to one another about the right things and have the right tools to do what they decide needs doing. When that happens, good results inevitably follow.

Today’s leader focuses attention squarely on the things that produce results. And that requires superb people skills. Technical prowess will not enable you to build an organizational culture of respect, accountability and innovation and nothing of any great consequence can ever be achieved without leadership that inspires people to truly *make a difference*.

As but one example, the most important managerial skill needed to encourage a culture of innovation is the ability to genuinely listen to people. Since God gave us two ears, most of us assume we do this quite naturally. Think again. Research confirms that the listening proficiency level of over 95% of people tested for same falls between 17 and 29%. Perhaps you are in the small minority of exceptional listeners but, even so, you still don’t get it all. That’s because listening, like thinking, is a skill. It can be learned and therefore improved. Unless, like others, you assume you are “above average” and don’t require such training – a choice that may be ego gratifying but also career limiting.

Ongoing professional development is not just for your own wellbeing but for those who follow you as well. As you reach the highest levels of organizational responsibility, never forget to encourage others to take their learning seriously. Kurt Mortenson’s research on “top performers” tells us they invest at least 5% of their annual income in the development of their process skills, namely the ability to influence others, and they allocate a minimum of 5-10 hours per week on their learning. His documented results indicate a threefold increase in annual salary.

More than ever before, we need more people who are willing to lead. That means people who have the skills to motivate others to get the job done. There are positions of higher executive responsibility awaiting, provided you are willing to invest in learning those skills.

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