

NICE

GUYYS

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select develop lead engage

# NZ vs THE WORLD:

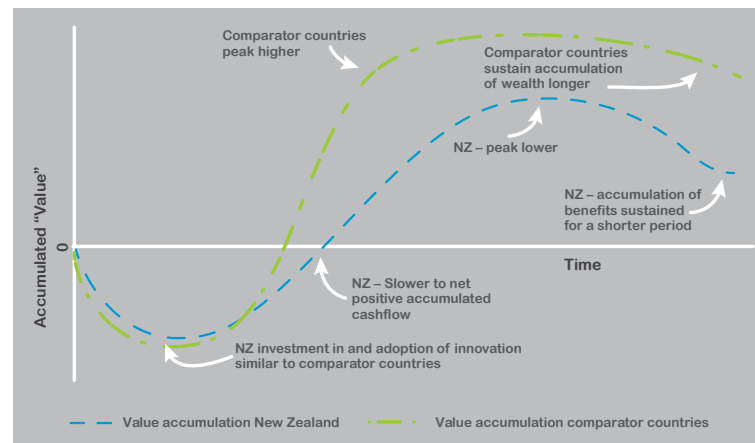
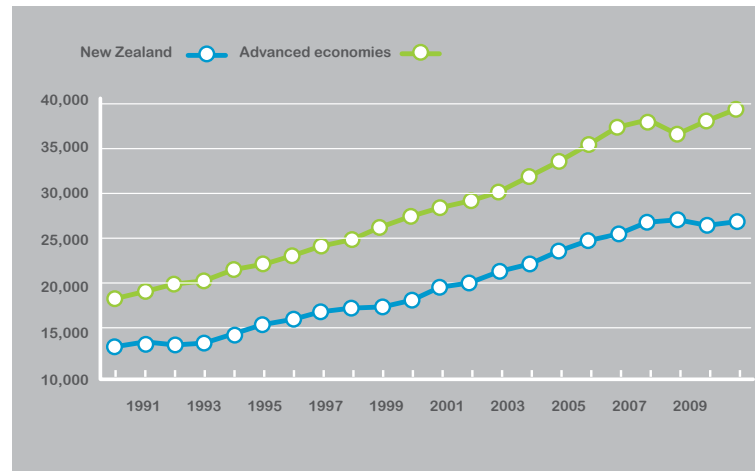
## NZ Executive Personality Contributes to Underperformance

By David Winsborough

The income gap between NZ and Australia has been of particular concern to NZ governments – not least because it's a bad look to have tens of thousands of your constituents vote with their feet. The data are extremely clear – where there was once a \$10,000 gap in GDP per capita at the end of the 1980s it is now over \$15,000.

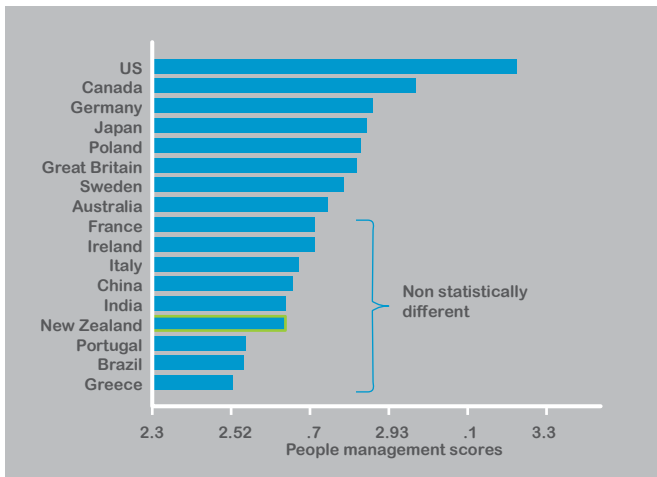
Explanations abound – the Australians are lucky because of their resources, they have a bigger population, they are closer to Asia etc. And there is undoubted truth in those reasons. But we capture less wealth from our innovations and efforts than do other countries.

**3Bs** Others note that NZ business owners are seduced by our lifestyle and the 3Bs – having made enough money to get a bach, boat and BMW we retreat into a happy torpor and strive no more.

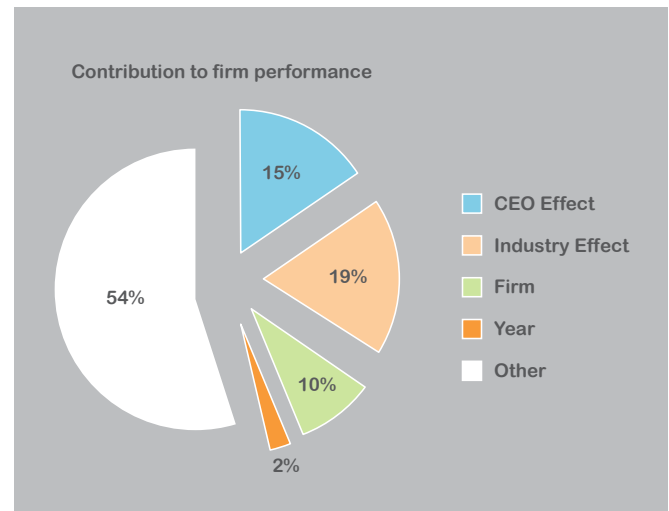


Owners and business leaders matter precisely because followers cede them decision rights and ensure that they have greater decision latitude than anyone else. This means that what people at the top are like way deep inside, their values and personalities, will have sustained impact.

And the evidence suggests Kiwi business owners aren't that good at running businesses at all, For example, our people management is on a par with India, Portugal and Greece.



CEOs account for between 15% and 30% of the variance in firm performance. Bad CEOs bring firms like HP, Enron, Merrill Lynch or the Royal Bank of Scotland to their knees – and inflict misery and heartache on the hundreds of thousands of employees. Good CEOs can inspire hope and create sustained performance lifts – witness Rob Frye at Air NZ.



Winsborough compared the personalities of over 150 NZ CEOs and executives with a global comparator group to see if there is any truth in the view that NZ leaders are different. Certainly NZ struggles to grow businesses of global scale. Do the personalities of our business owners and leaders contribute to our collective underperformance?

With our colleague Dr Jarret Shalhoop we compared our data with over 10,000 leaders from Australia, the USA, South Africa and China.

# 5 DISTINCTIVE DIFFERENCES

Using one of the world's best-researched personality instruments we looked at where Kiwis sat compared to others.

**laid back**

Kiwi leaders are self-satisfied, don't take on feedback, are laid back and not easily ruffled.

Leaders from other countries are edgier, more self-critical and concerned about what other think.

**wired**

**compete**

NZ leaders are task focussed, show initiative and want to win as individuals.

Leaders from other countries are driven and competitive, but prepared to follow as well.

**cooperate**

**nice**

Kiwi leaders are softer in relationships, concerned for the feelings of others and less assertive.

Leaders from other countries are tougher (esp the Chinese) and prepared to be direct.

**tough**

**unworldly**

Kiwis are non-commercial and less concerned for the bottom line. We create soft cultures.

Leaders from other countries place more emphasis on bottom-lines & accountability.

**commercial**

**serious**

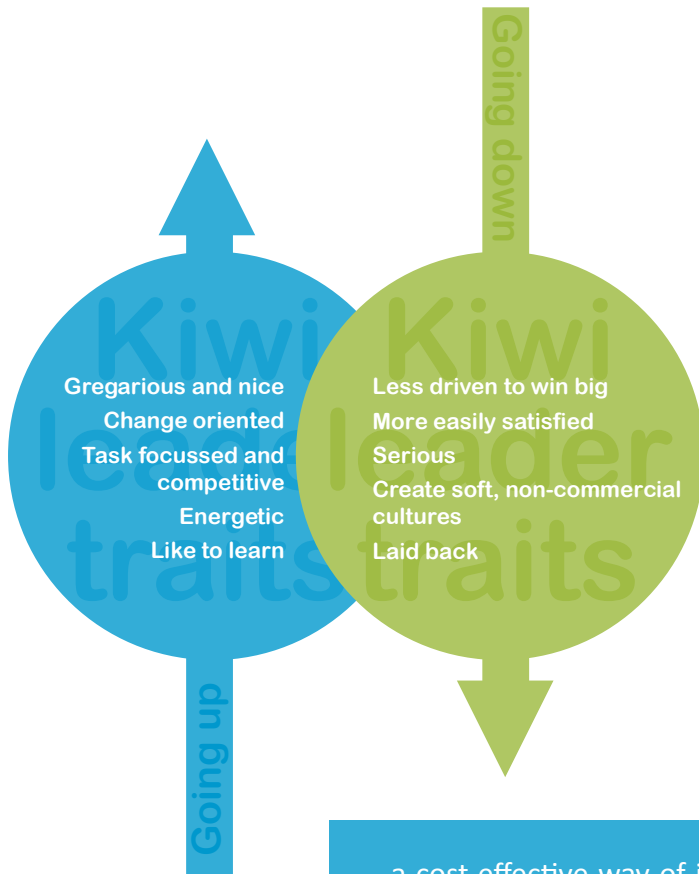
Kiwis are less inclined to have fun. We are all work and no play in our firms.

Leaders from other countries blur the line between work and play and have more fun.

**fun**

# KIWI LEADER TRAITS

When we examine the leadership prototype that exists in NZ – that is, by looking at who holds the roles with the greatest discretion and power, we can see distinct and meaningful differences in style and motivation that lead directly to national underperformance



These data offer tangible support for the notion that Kiwis are indeed less likely to become serial entrepreneurs and instead be happy that sufficient wealth means they have won their personal race and stop striving.

At our best we show initiative, a healthy disregard for power and a preparedness to learn.

Equally we see evidence that at a values-level NZ leaders are less commercial, don't mix work and fun and are disinclined to notice feedback or be coached.

...a cost-effective way of improving the productivity of New Zealand firms is to promote a transformation in the calibre of the management and leadership of its organisations. This is the key to a more innovative, dynamic and sustainable economy

... Management Practices and Productivity Global Benchmarking Project 2010

# CALL TO ACTION

We think that the lack of scale agencies in NZ represents a pure experience gap – which firms like Fletcher Building are surmounting by only promoting and hiring leaders who have global experience in large companies.

Similarly we think greater discipline and rigour in management systems and processes will help our firms compete globally. Business schools, polytechs and other training institutions should transfer learning into the productive sector much better than they are currently doing – in the same way Dairy NZ is doing for our world class milk production systems.

We also think there is a bias in leadership selection – Kiwis promote gregarious, positive, energetic leaders who are disinclined to stand out and be fairly egalitarian; and this may impact our Boards as well. We should be prepared to look below the surface and hire edgier, less comfortable leaders who are keen to make their mark on the world. Boards could flat out be more demanding.

And not least, we look forward to the day that business winners are lauded in the

way that sports people are. Our myth makers in journalism and the media could do much to change our attitudes to being successful at scale.

For information on how you can **Select**, **Develop**, **Lead** and **Engage** the people in your Organisation, contact Winsborough: [info@winsborough.co.nz](mailto:info@winsborough.co.nz)

