



# Leadership Success Factors

## Examining Leadership Qualities by Personal Entropy

By Hannah Lee

### Abstract

*Using data from 100 Barrett Values Centre's Leadership Values Assessments, a 360-degree leadership development tool, we set out to investigate the perceived differences among leaders based on their personal entropy. Personal entropy is the amount of fear-driven energy that a leader expresses in his or her day-to-day interactions. We found significant differences among the leaders, with one exception. All personal entropy bands shared the value of commitment. We also found that the values displayed by leaders in the lowest personal entropy band are more relationship oriented and similar to the characteristics commonly attributed to successful leaders.*

### The Data

To carry out this research, we examined the results of 100 Leadership Values Assessments (LVA) conducted during 2008-2010 in 19 countries. An LVA is a values based 360-degree leadership development tool which examines and compares a leader's perception of his or her operating style with the perception of their superiors, peers and subordinates (assessors). The 100 LVA results were divided into personal entropy bands (0-6%, 7-10%, 11-15%, 16-20%, and 21% and over). Diagram 1, at the end of this article, shows the top values we found for each of the personal entropy bands.

The countries represented in this study include: Australia, Belgium, Brazil, Canada, Czech Republic, France, Germany, India, The Netherlands, Norway, Peru, Poland, South Africa, Sweden, Trinidad & Tobago, Turkey, UK, USA, and Venezuela.

## Understanding Personal Entropy

Personal entropy is the amount of fear-driven energy that a person expresses in his or her day-to-day interactions. Personal entropy is expressed through potentially limiting values found at Levels 1, 2 and 3 in the Seven Levels of Consciousness model.<sup>1</sup>

Examples of such values include, among others, blame, bureaucracy, hierarchy, and power.

All fears stem from believing that we don't have enough money, safety and/or territory to satisfy our need for survival; we don't have enough love, friendship and/or connections to satisfy our need for meaningful relationships; or we do not have enough respect, authority and/or power to satisfy our need for self-esteem.

The personal entropy of leaders creates cultural entropy in organisations. Cultural entropy is the amount of energy in an organisation that is consumed in unproductive work. It is a measure of the conflict, friction and frustration that exists within an organisation.

## The Intrinsic Characteristic

Among the top values chosen by the leaders' assessors, only one value was consistent to all personal entropy bands: *commitment*. We can therefore draw the conclusion that the majority of leaders from our sample are perceived by their assessors to show dedication in their endeavours.

Climbing the ranks into a leadership position generally calls for a lot of hard work and effort from a person. "Leading occurs where there is a sufficient passion, intention, or willingness to accomplish the futures to which we are committed. Where we generate passion, we generate action, and action is at the heart of leading."<sup>2</sup> Meeting leadership objectives requires a huge amount of dedication regardless of the motivation behind it, whether it is to the cause, to the company, even to one's own ambition.

## Defining Differences

When we examined the top values in the different entropy bands, distinct differences emerged. Coupling these findings with books and articles which discuss leadership in its idealised form, we found a strong correlation between the values of leaders with

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<sup>1</sup> <http://www.valuescentre.com/leaders/sllconsciousness.htm>

<sup>2</sup> Ford, Jeffery D, PhD, "The Core Elements of Leadership: Commitment, Courage, and Conversation," BNET, January 2003

low personal entropy and the qualities and characteristics attributed to highly effective leaders.

### Relationship centred

Leaders recognised with the healthiest personal entropy (0-6%) show a strong focus on relationships and on building a sense of internal community, as seen by a higher concentration of “relationship” type values (R), as well as greater number of values at Level 2 (the Relationship level) and Level 5 (the Internal Cohesion level).

There are a number of values that appear in the lowest entropy band that are not present in any of the other personal entropy bands. In the top values chosen by their assessors, low personal entropy leaders are seen as *trustworthy* (Level 5) and *listeners* (Level 2), and they demonstrate *fairness* (Level 5). In essence, these leaders earn the confidence of others because they take the time to hear the contributions of their co-workers and promote a just environment. Low personal entropy leaders also are the only group where *teamwork* emerges among the top leadership values, illustrating their ability to collaborate with others.

These days, an apparent crisis of leadership has eroded trust among many employees. Recent controversies involving poor leadership decisions which have literally been the demise of organisations have made it difficult for employees to feel as if they are in ‘safe hands’. A recent survey conducted by Martiz in April of 2010 found that only 7% of employees strongly agree they can trust senior leaders to look out for their best interest.<sup>3</sup>

Based on our research, this is clearly not the case with low entropy leaders. Being trustworthy allows these leaders to be more effective in their work because: “when you trust people, you have confidence in them – in their integrity and in their abilities.”<sup>4</sup> Thus, they more easily attract followers.

Listening indicates a level of respect being given to the person speaking. It shows that the leader is open to others’ ideas, and willing to take their opinions into account. “Leadership has less to do with walking in front and leading the way than it does with listening to the needs of people and meeting them.”<sup>5</sup> Evidently, leaders with healthy entropy are the only group showing clearly that they are able to do this.

Fairness can be seen as a way leaders treat their people. It shows that people are treated equally regardless of status, education, gender, race, or other potentially discriminating factors. Fairness also conveys a sense that issues and problems will be

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<sup>3</sup> Maritz, “Managing in an Era of Mistrust: Maritz Poll Reveals Employees Lack Trust in their Workplace” Press Release, April 14, 2010

<sup>4</sup> Steven M.R. Covey, *The Speed of Trust* (New York: Free Press, 2006) 5.

<sup>5</sup> Covey, 210

addressed in a just manner, with all factors considered before a decision is made. Professor C.K. Prahalad from the University of Michigan notes that responsible leaders should “be concerned about due process. People seek fairness—not favours. They want to be heard. They often don’t even mind if decisions don’t go their way as long as the process is fair and transparent.”<sup>6</sup> The benefit of promoting fairness is that it can spark loyalty and hard work among employees.

Low entropy leaders demonstrate an ability to bring people together to meet a common goal with their value of teamwork. They understand that they are not able to do everything themselves. Not only can working as a team share the burden of responsibility for different initiatives, it can also promote greater effectiveness when it comes to delivering on goals and objectives. “Leaders in every endeavour know the power of the team concept for achieving results. Effective leaders value teamwork as a virtue, and they demonstrate this by their own efforts as team builders and champions of the group.”<sup>7</sup>

### Outcomes focused

There is no clear emphasis on meeting objectives until we get to personal entropy bands of 7% and above. In fact, all of the groups 7% entropy and above share the top values of *ambitious*, *goals orientation* and *results orientation*. As a result, there is a much stronger focus at Level 3 among these groups compared to the lowest entropy group.

However, this does not necessarily mean that leaders in the lowest personal entropy band are not driven to achieve their aims. They display values such as accountability, customer satisfaction and reliability.

In *Good to Great*, Jim Collins notes that effective leaders “channel their ego needs away from themselves and into the larger goal of building a great company. It is not that [these] leaders have no ego or self-interest. Indeed they are incredibly ambitious—but their ambition is first and foremost for the institution, not themselves.”<sup>8</sup>

As seen above in the discussion about teamwork, it may be that the true difference between low personal entropy leaders and the rest is their ability to bring people together to reach common goals, with the emphasis remaining on the people, rather than the objectives.

Furthermore, as personal entropy increases into the highest bands (16-20% and 21% and higher), the potentially limiting value of *demanding* emerges among these leaders.

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<sup>6</sup> C.K. Prahalad, “The Responsible Manager,” *Harvard Business Review* January 2010

<sup>7</sup> Manning, George and Ken Curtis, *The Art of Leadership* (New York: McGraw-Hill Irwin, 2009) 211

<sup>8</sup> Jim Collins, *Good to Great* (New York: HarperCollins, 2001) 21

Demanding, contrary to teamwork, indicates a sole focus on the outcome, without regard for the well-being of others.

## Conclusion

In the spring of 2010, Harvard Business Review conducted a blog series to discuss the future of leadership. As part of the series, they invited various experts in the realm of business to share their thoughts on what changes are anticipated in leaders around the world. One of the themes that emerged in the experts' comments was the demise of a top-down leadership approach. "[Harvard Business School] professor Bill George, for instance, said that the hierarchical model "simply doesn't work anymore.""<sup>9</sup>

Interestingly enough, many of the values found in low personal entropy leaders reiterate a move away from the top heavy organisational structure traditionally attributed to companies. The values of fairness, listening and teamwork seem to illustrate a desire for a more inclusive environment, where people's opinions and efforts are encouraged. Perhaps then, the recognition of low personal entropy leaders' value of trustworthy is an outcome of their participative style, indicating that they have earned the trust of their cohorts by demonstrating the behaviours associated with other relationship-based values.

On the opposite end of the spectrum, leaders with the highest personal entropy (21% and above) seem to be desperately holding on to the hierarchical model of management. The potentially limiting values of *controlling*, *authoritarian* and *power* are found among the top values of this group.

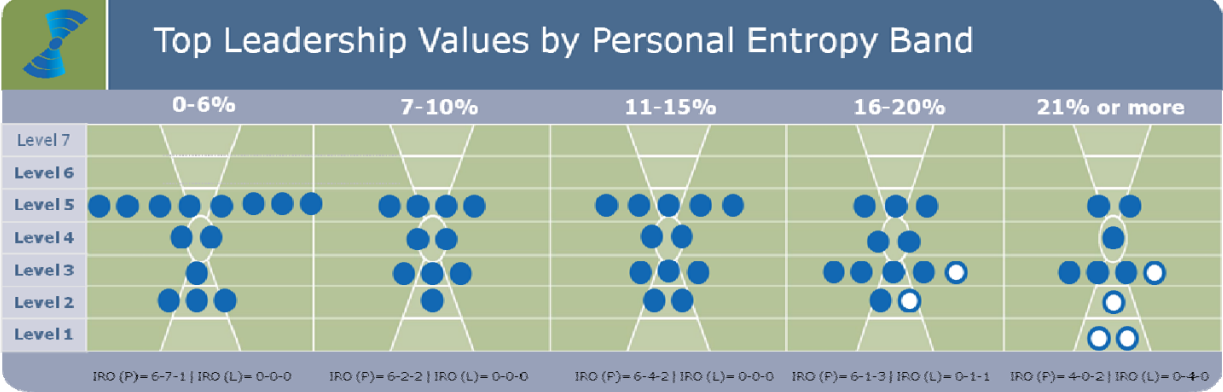
"Great leaders let go of the day-to-day, problem-solving activities of the company. Rather, they choose to maximize strategic and relationship-building efforts. These contribute to the forward momentum of the company rather than causing a 'bottleneck' at the leader's desk. No one person should do it all—and if they are self-aware, most people will realize that they really aren't capable nor knowledgeable enough to do it all."<sup>10</sup>

While we cannot say for certain that low personal entropy inherently means greater effectiveness as a leader, this research seems to illustrate that the characteristics displayed by the lowest personal entropy leaders are many of the same characteristics commonly attributed to successful, modern-day leaders.

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<sup>9</sup> Ellen Peebles, "What Lies Ahead for Leadership?", [Harvard Business Review](#) June 8, 2010

<sup>10</sup> Marshall Goldsmith, "The Mark of a Great Leader," [Harvard Business Review](#) February 19, 2010



<b>commitment</b>	5 I	positive attitude	5 I	<b>commitment</b>	5 I	<b>commitment</b>	5 I	<b>commitment</b>	5 I
positive attitude	5 I	<b>commitment</b>	5 I	accessible	2 R	<b>results orientation</b>	3 O	<b>controlling</b>	1 R
accessible	2 R	enthusiasm	5 I	<b>ambitious</b>	3 I	<b>ambitious</b>	3 I	<b>ambitious</b>	3 I
<b>teamwork</b>	4 R	<b>goals orientation</b>	4 O	<b>goals orientation</b>	4 O	accountability	4 R	<b>results orientation</b>	3 O
<b>trustworthy</b>	5 R	<b>ambitious</b>	3 I	<b>results orientation</b>	3 O	<b>goals orientation</b>	4 O	<b>demanding</b>	2 R
integrity	5 I	humour/fun	5 I	enthusiasm	5 I	experience	3 I	experience	3 I
accountability	4 R	accessible	2 R	honesty	5 I	<b>long hours</b>	3 O	<b>goals orientation</b>	4 O
customer satisfaction	2 O	accountability	4 R	humour/fun	5 I	achievement	3 I	<b>authoritarian</b>	1 R
enthusiasm	5 I	achievement	3 I	open communication	2 R	customer satisfaction	2 O	humour/fun	5 I
<b>fairness</b>	5 R	<b>results orientation</b>	3 O	positive attitude	5 I	<b>demanding</b>	2 R	<b>power</b>	3 R
honesty	5 I			accountability	4 R	integrity	5 I		
humour/fun	5 I			reliable	3 R	positive attitude	5 I		
<b>listener</b>	2 R								
reliable	3 R								

Diagram 1: The above diagram displays the top values, in order of number of votes, chosen by assessors for each of the personal entropy bands. The value in **orange** signifies the one value shared by all entropy bands. The values in **blue** highlight the relationship values found only among those leaders with low personal entropy. The values in **green** highlight those values shared by all entropy bands except the lowest. The values in **red** are potentially limiting values.

The number next to each value refers to the value's corresponding Level on the 7 Level of Consciousness model. The letter refers to the Balance Index, whether the value is an Individual, Relationship or Organisational type value.

For more information, please email [hannah@valuescentre.com](mailto:hannah@valuescentre.com).