

Adversity Quotient Origin: A Boon for Potential Leaders of Corporate World

* Dr. J Venkatesh

** G. Shivaranjani

* Associate Professor, Department of Management Studies, Anna University Regional Office Coimbatore, Navaoor, Coimbatore - 641 046

** Full Time Research Scholar, Department of Management Studies, Anna University Regional Office Coimbatore, Navaoor, Coimbatore - 641 046

Abstract

Even today it is debatable if leaders are born or made, no one can deny the fact that leaders can also be created or rise to the occasion where their capabilities can be trained just as how managers are trained, leaders can be trained to listen to their people, to empower teams, establish rapport and communicate vision to their teams. Leaders need good role models to follow they have to be nurtured and must to be allowed to lead and to fail, as many organizations are risk averse they punish failures which stifles innovation thereby stifles leadership. This paper suggests few early signs to identify potential leaders of organizations. This paper also aims to introduce the concepts of AQ and its profiling to identify and select eligible potential leaders for developing and nurturing them towards career progression. Organizations can build and get their choice of potential leaders through Adversity Quotient Profiling.

Keywords: Adversity Quotient Profiling, Leaders, Organizations, Adversity Quotient, Career

Introduction

Every organization needs to establish an intensive leadership development program and has to begin by identifying potential leaders within the organization. Organizations have to be keen and start with those employees who express their positive interest with a burning desire to be a leader, so such employees have to be carefully watched to see who in the organization naturally leads as they exist and identify them, encourage them, determine their training needs, and get them trained. Training is the least expensive way to improve any organization as a whole. The Effective leader inspires and leads through strategic thinking, by building trust, render constant support by empowering their followers, by always setting an example, value their beliefs and ethics, using their job knowledge, build teams, and indulge in valuable decision-making process. They pull it together by listening, envisioning, and communicating supported by their personality and confidence. The leader's primary role is to imagine an outcome and empower his team to achieve that desired vision. Strategic thinking enables the leader to articulate the vision and handle issues like team building, managing conflict and decision making by enabling the team to do their job. AQ helps individuals to understand the characteristics to being a leader and the effective exercise of leadership as one's natural self-expression. Effective leadership does not come from mere knowledge about what successful leaders do until they themselves experience, practice, exercise and counter real life problems arising in the organization. Leadership is the manner by which a person exerts influence over their subordinates and inspires, motivates and directs their activities to achieve group or organizational goals. It is how people can be brought to work effectively and happily for common ends. Leadership Behaviour refers to the manner in which Corporate Leaders attempt to bring out the goals of the institutions. It is the manners by which corporate leaders manifest their managerial approach. Leadership Style is the conduct and approach of providing directions by implementing plans and thereby motivating people. According to Blake and Mouton, it refers to the particular style employed by those who are in positions in managing the institution. Leadership styles vary according to organizational structure,

people, environment, and task. Leaders are loyal to their subordinates by having an open mind, by being self aware with inquisitiveness.

1. Autocratic Leadership Style: The leader solely indulges in the decision-making and dominates their subordinates. This approach generally results in passive resistance from subordinates and requires continuous pressure, monitoring and direction from the leader in order to get things done from their subordinates. Generally, this approach is not a good way to get the best performance from a team. However, this style is appropriate in case of emergency.

2. Democratic Leadership Style: The leader involves the subordinates in decision making by consulting his subordinates while still maintaining control, which encourages them ownership for the decisions. A good democratic leader always encourages participation and wisely delegates bearing in mind the crucial responsibility of being a leader and also values group discussions and input from subordinates, by maximizing the member's strong points in order to obtain the best performance from the entire institutions. The democratic leader motivates its team members by empowering them with less supervision hence they are looked upon as unsure as often subordinates may feel that everything is a matter for group discussion and decision by them.

3. Free Rein Leadership Style: The leader usually has no direct control over its team members and it allows them to sort out their roles and deal their work assignments on their own based on individual knowledge and expertise area thereby allowing the team to work with slight direction and motivation from the leader. Free reign style is usually appropriate when the team is highly motivated, skilled and has a history of producing excellent work with past track record.

Review of Literature

The world, every nation and every family and group of people need and look for leaders. Leaders help the group achieve what they perceive as their aims and objectives. For a long time it was believed that leaders were born and that there were some who were meant to be leaders and others meant to be led by them. This line of thinking does not hold truck any more. We now believe not only, that leadership is a skill, which can be honed and developed, but also that people who apparently are not Leader material can be helped to develop this trait and become efficient and effective leaders. Courses in business management and leadership are all based on this premise. The question of how leadership skills and capabilities can be developed has been approached in two ways. On the one hand, developers and researchers look to addressing the overall personality of the individual with the belief that this will bring out the leadership potential of the individuals. The second is to understand what makes for good leadership in terms of the skills and capabilities and to work on each one so that once each of these skills are developed it would lead to an individual who is fit and ready to be a good leader. Several researchers and writers provide lists of skills and competencies required by leaders. One example is the list by The Public Services Commission of Canada (2008) on their website, which gives the following eleven competencies required by good leaders

- Positioning
- Organizational development
- Managing transitions
- Strategic orientation
- Developing a vision
- Planning the future
- Mastering change
- Promoting a healthy workplace

Mumford et al (2000) in their paper Development of Leadership Skills, Experience and Timing acknowledge four skills essential for leaders. They suggest that the extent to which each of these are required at different levels of leadership varies:

1. Knowledge,
2. Problem-solving skills,
3. Systems skills,
4. Social skills

These skills are generic in nature and imply the presence of certain competencies.

Palmer's research in the area of leadership stresses the importance of emotional intelligence as an important component of leadership (Palmer et al, 2000). Studies, which focus on "crisis leadership", are of special interest, especially in today's business climate. Wooten and James, in their study "Linking Crisis management and Leadership Studies: The Role of Human Resource Development" have identified competencies that are of significance in times of crisis. This is of special importance for those interested in the development of "Crisis management" capabilities. The competency focused approach to analyzing crisis management focuses on actual behaviour during each phase of a crisis and yields useful information for training programmes. The researchers list the five phases of business crises as (a) signal detection, (b) preparation and prevention, (c) damage containment, (d) recovery, and (e) learning. The competencies relevant at each stage are described. Relevant here is the listing of promoting organizational resilience in the recovery phase of managing a crisis. The ability to see an organization through a crisis, and help it to be even better than it was before the crisis, is the most desirable form of business recovery. The ability to lead an organization to such a level requires very high resilience in the leader.

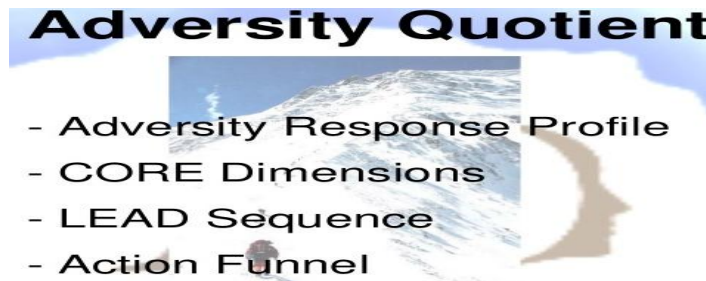
Every organization goes through cycles of crisis, which may vary, from the routine daily crises to the severe. They all need to recover from these crises and so the need for high levels of resilience in leaders at all levels. The paper also lists out the various types of training programmes for leadership in times of crises, which would be useful in certain types of industries. Dutton and others (2003) in their paper leading in times of trauma deal with a leader's role in times of personal and organizational trauma. The role played by compassionate leaders is one of providing a context for meaning and a context for action. According to them, providing for these contexts, gives the person/s suffering the trauma, an anchor to hold on to, so that the healing can take place faster, and enables them to recover from future setbacks, quickly and effectively. Other studies quoted elsewhere in this chapter have shown that those high in adversity quotient are able to handle adversity better because they are able to find meaning in what is happening to them and around them. The areas of leadership and entrepreneurship have been well explored in recent years. Yet the emerging concepts of psychological capital and leadership among entrepreneurs have not been given its due attention. Jensen and Luthans, (2006) in their article Relationship between entrepreneur's psychological capital and their authentic leadership explore the link between entrepreneur's positive psychological capital (PsyCap) and their leadership approach. Literature on entrepreneurial leadership often focuses on the dispositional approach that is there are certain dispositions or personality traits that make for good entrepreneurial leadership. Jensen and Luthans argue that, while this may be true, additional benefit can be obtained by identifying positive psychological capacities that are amenable to change, such as the optimism, resiliency, and hope components of psychological capital. There have been several researches, which connect resilience with leadership or with personal effectiveness. Bennis and Thomas (2003) in their paper Crucibles of Leadership believe that great leaders arise out of situations where, the ways in which they handle adversity, determines who makes a good leader.

Their research shows that the most reliable predictor of true leadership is the ability to learn from negative experiences. An extraordinary leader will raise, phoenix - like, out of the ashes, and go beyond even what he thought himself capable of. It is the adverse circumstance that transforms them to become even more committed than before. It is these traumatic experiences that are the crucibles where the ordinary become the great - more capable and more confident. Management development programmes at all levels lay emphasis on the development of leadership in their students. Some go so far as to offer special programmes for the development of leadership. Many institutions offer executive development programmes for the development of leadership in different areas of work. Needless to say, this arises out of the perceived importance of leadership in the life of a business or of a nation. At no time is leadership more immediate or urgent than when a business or a nation or a family is going through rough times. The current world economic scenario presents just such a situation. Thus, the increasing interest in resilience and adversity quotient as it is perceived to determine who sinks, who survives, and who thrives in rough weather.

Adversity Quotient

Adversity Quotient Profile a self rating questionnaire online designed by Dr. Paul Stoltz, 2009 to measure an individual’s style of responding to unfavourable situations and consists of four dimensions. It is a series of scientifically engineered questions developed by PEAK Learning, Inc. As an exceptionally robust measure of resilience, the AQ Profile is the only statistically valid, reliable tool in existence for measuring AQ. Organizations can effectively identify the best talent pool available in the organization as well as recruit talent by using Adversity Quotient tools and measures as shown below in figure no (1) to (5) which describe how individuals can get to know their respective individual scores on AQ and how they can improve to increase their performance in workplace.

Fig.1. Adversity Quotient Stages and its Awareness



The first level aims to take up an online Adversity Response Profile test to know individuals AQ Score, second level aims at bringing about an awareness of the CORE dimensions, third level uses the LEAD sequence as its strategy and finally the Action funnel so as focus on the action you are most compelled to take in the face of adversity.

Fig.2. Adversity Quotient Response Profile

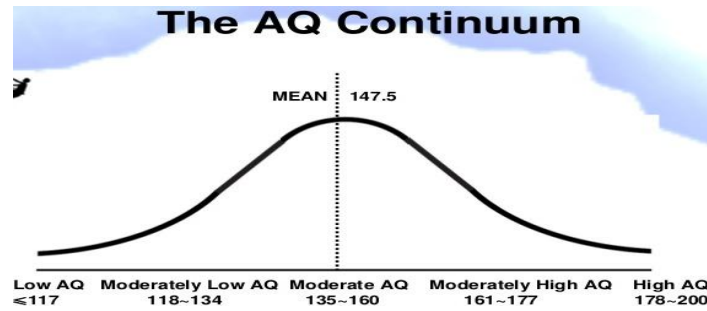
C stands for ‘Control’. It is the perception of the degree of control one has over an adverse event. Control begins with the perception that something, anything can be done.

O2 stands for ‘Origin and Ownership. It is the extent to which a person holds himself or herself accountable for improving a situation.

R stands for ‘Reach’. It is the perception of how large or far-reaching events will be.

E stands for ‘Endurance’. It is the perception of time over which good or bad events and their consequences will last or endure. The CORE totals are computed for knowing the ARP Scores.

Fig.3. Adversity Quotient Standard Bell Curve



AQ scores range from 40 to 200, with a global mean of 147.5. When measured, most groups reflect a broad range of two or more standard deviations in either direction from the mean, as well as a standard bell curve distribution of AQ scores. AQ means vary from group to group based on occupation and industry. A general finding is that those in what are stereotypically the adversity rich occupations tend to have the highest average AQs. Conversely, groups in the most stable occupations often score below the global mean, validating the notion that people tend to select occupations based on their AQ. The AQ Profile® has been tested extensively and shows no age, gender, or ethnicity bias. It is the most robust instrument in existence for measuring resilience.

Fig.4. Self Explanatory Adversity Quotient CORE Dimensions

AQ CORE Dimensions		
Dimension	What it is...	What it determines...
Control	The extent to which someone perceives they can influence whatever happens next	Resilience, health, and tenacity
Ownership	The likelihood that someone will actually do anything to improve the situation, regardless of their formal responsibilities	Accountability, responsibility, action, and engagement
Reach	The extent to which someone perceives an adversity will "reach into" and affect other aspects of the situation or beyond	Burden, stress, energy, and effort; it tends to have cumulative effect
Endurance	The length of time the individual perceives the situation / adversity will last, or endure	Hope, optimism, and willingness to persevere

Fig.5. Adversity Quotient LEAD Sequence



AQ is the foundational factor of success that can determine the ‘how’, ‘if’, and ‘to what’ degree of attitudes, abilities and performance are manifested by a person. The adversity quotient of an individual plays an ever greater role in reacting to adversities being dealt with greater uncertainty, demands, challenges, changes and complication. So it is essential that the employees learn to rewire, raise and strengthen their AQ Scores to combat attrition.

Fig.6. Adversity Quotient Action Funnel

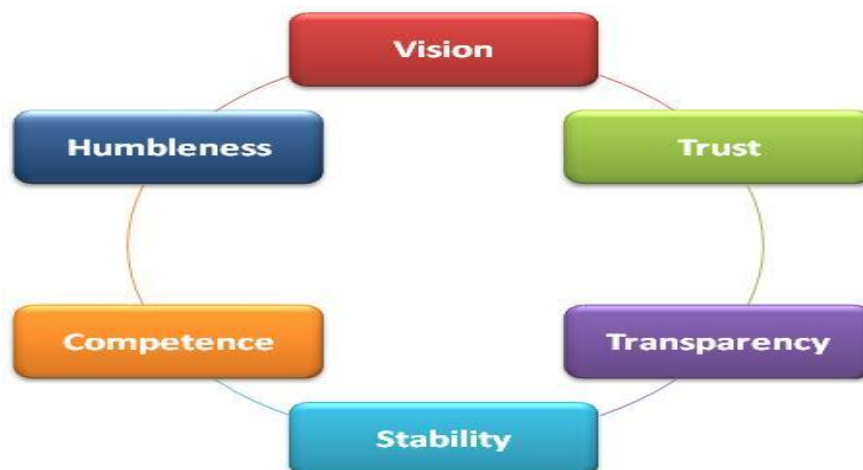


The AQ Profile has been tested across respondents from 51 countries and has demonstrated strong universality and applicability across cultures. AQ scores are presently available from a diverse sample of 500,000 employees and students in 37 different companies and educational institutions worldwide. The distribution of their AQ scores provides norms against which anyone taking the AQ Profile can compare his or her score. The AQ Profile is normative, meaning higher scores are generally superior, reflecting greater overall resilience and effectiveness.

Potential Leaders

Leaders exhibit few traits in their workplace and HR Manager can look into such traits while considering for succession planning as these are essential and valuable traits firstly having love and concern for fellow employees as one can lead people effectively if there is genuine interest in them, leaders have positive attitude and never complain they are always optimistic in nature with new horizons. Leaders have great interest in learning as usually if a person thinks he has all answers will repel other people’s opinions and suggestions. Leaders who try to follow people try to learn from them as they look for same quality output. Leader should be reliable as trust is developed over a period of time and consistency maintained by doing what you had promised to do. A leader should possess good character and interest with burning passion for people around them by being able to trace potential leadership in others, they should also possess great deal of confidence in handling situations which require crucial decision making .leaders should most importantly possess people skills where they have to communicate with people in the right manner to get things done from them with efficiency and productivity as desired.

Figure 1: Depicts the Prime Qualities of a Leader



Source:<http://blog.drshannonreece.com/2012/02/13/most-important-qualities-in-a-leader/>

1. Vision: Effective leaders define a vision and communicate their vision by building followers commitment towards it. Vision plays a key role in building a leaders strategy for the organization. This ability to express a vision and inspire others from it differentiates a leader from a manager. A vision is an essential component of an organizations success. It is defined as a clear, unique and precise view of the future connected with strategic advances for the organization. A vision reduces ambiguity and provides focus during volatile conditions. A thriving organization will have a vision that is concise, clear and indicative that the company wants to head in the future by setting the direction. It underscores the requirement of all the areas of the organization working towards the same goal by aligning the activities and behaviour of people in fulfilling a leader’s vision.

2. Humbleness: Humility is considered as a tremendous asset of a leader, which we do not frequently, notice as it is often perceived as a weakness but it is an important leadership trait. A leader who is humble creates an environment where those around them feel comfortable making mistakes and taking chances by experimenting new ideas. A humble leader never allows the power of their position to cloud their judgement. A humble leader assumes one do not know all answers and allows people to explain things and look for opportunities to learn something new from others by making others feel valued as the world around them is changing in a faster pace therefore they feel grateful to reinforce their existing knowledge. In the act of being humble, they make others feel important and value them by lifting the other person up. Effective leaders focus on humility as it more refreshing to be around such people in an organization.

3. Trust: Among all the attributes of the greatest leaders one stands above the rest is the Trust, which is like a deep forest. Leaders who inspire trust earn better output, increased loyalty, employee morale, better retention, innovation and increased revenue while mistrust fosters disbelief, disappointment, low productivity, lost sales and turnover. Effective leaders can have an innovative insight convincing vision, a skilled team , a rock solid strategy, excellent communication skills but if people don’t trust then their leader will never get the results expected. Trust affects a leader’s impact and the company’s bottom line more than any other single thing. Trust cannot be built overnight as it requires time, effort, attentiveness and character. Inspiring trust takes a long time to grow and with just a touch of carelessness, it can burn down the whole belief. But if you focus on every action one can easily foster trusted relationships be it whether with employees, customers, suppliers, or fellow leaders it will drive results at the top and the bottom line.

4. Competence: Competence is another essential quality of great leadership and highly competent people always go the extra mile. For them, good enough is never enough. Competence is the ability to do something well, measured against a standard. It is the ability acquired through experience or training and is characterized by both knowledge and skills. The potential for success in personal and professional situations is based on an understanding of your competencies, which includes strengths as well as your weaknesses. All admire people who demonstrate high levels of competence as they influence or lead you to be a competent leader i.e. they expect you to be well qualified and fit for leadership. People have confidence in those who stay fresh, relevant and capable as there is always more to learn, so make a habit of reading, learning, and listening to fresh information. The modest and learned person keeps learning new ways of doing things and stays keen on new ideas and changing trends. The key competency of a successful leader is not by acquiring a specific skill but rather the ability to learn amid chaos.

5. Transparency: Transparency needs to be embraced as a long-term strategy by top management by being truthful about an employee's performance. It is a decision to dump some control of the organization, its strategies and one's personal reputation. A leader only becomes transparent when he or she knows from personal experience that the upside of trust, commitment and frank discussion outweigh the benefits of controlling who gets to see what and how things look, whether it's true or not as there are three aspects to transparent leadership where it includes strategy, structure and interpersonal in an organization. Firstly, strategy is reserved for top management who are able to grab the minor details and complexities of long-term strategy where some directions will benefit some employee groups and harm others. Secondly, Structure includes roles, responsibilities, talent management and core processes, as it is the organizational engine that produces the results that drive revenues and profit, which is often not transparent because management is uninterested in investing time and resources to truly understand how their organization functions and only look when there is a huge problem. Thirdly, interpersonal transparency is the most demanding as we all have something to hide, to prove and to lose. Clearness demands a personal willingness to let you be at risk. Whether you own the business or are a professional manager, people can and will use personal information to harm you. Few examples include your salary, company profitability and your personal opinions of people you work with. Yet, personal transparency is what truly builds trust. People will follow a leader who operates with an attitude of what you see is what you get, even if the leader has bad news to deliver.

6. Stability: The best thing about stable leaders is they provide a stabilizing influence on others as they can be trusted and build around easily. Stable leaders model a level of reliability and steadiness that individuals, teams, and organizations are badly in need of. As a lack of stability harms culture, stifles productivity, erodes trust and makes it extremely difficult to retain top talent due to inconsistent leaders who are unpredictable and ill tempered thereby create unnecessary levels of operational tension, anxiety and conflict in the organization. Instability can also be an indication of bigger problems as unstable leaders tend to lack in several other areas as well. Effective leaders possess a stable tone, humble and firm confidence a sure hand with steady calm inspire belief in one's own competence and capability by leaving footprints in the minds of people as to what matters the most and what will and won't be tolerated by them. Most people admire stable leaders.

Early Signs of Potential Leadership

The following are few early signs of potential leaders that can be identified and figured out in organizations, which can be prominently taken in any leadership consideration.

a) Potential leaders take initiative: As they are quick to identify things that need to be done and proceed to just do these with minimal prompting and supervision. They ask for more work as they may not be stuck with lot of productive things to do. They volunteer themselves and do not wait around as they are not contented to just be fed with work and instructions.

b) Potential leaders take ownership: They happily accept the tasks given to them and take responsibility for their completion. Unlike others, they do not go around asking of how things should be done every five minutes and they simply just do it without being afraid of making mistakes.

c) Potential leaders listen to others and seek expert advice: Future leaders realize, understand that there is so much to learn everyday with the changing technology and they act like sponges to new insights and ideas. Future leaders seek role models and mentors to work out their strategies as they are always in search for knowledge.

d) Potential leaders have an independent mind: Although they may not know everything and may ask around for people's insights and reviews but ultimately they have their own mind and draw conclusions.

e) Potential leaders are passionate and opinionated: Leaders strongly express and share their views freely which may be related to work or not, this indicates that they are strong decision makers and information providers.

f) Potential leaders share their knowledge: Leaders understand that the more they share information with others it is beneficial to everyone as there will be knowledge gaining on the other hand knowledge hoarders are people who feel insecure about themselves or their position in the organizations.

g) Potential leaders recognize their limitations: They are aware that they cannot possibly know and do everything on their own and yet they do not loath to reveal their weakness rather strive to ensure that problems are addressed by people surrounding them who have strengths in those problem areas

h) Potential leaders seek help: Leaders seek help because they fall short of required skill and competency that is needed for the task assigned hence, collectively solve issues with others who can perform better and consider it as an opportunity to share knowledge.

i) Potential leaders accept mistakes: Leaders who take task ownership will invariably make mistakes but potential leaders readily admit the mistakes made, learn from them and move on by giving no excuses.

j) Potential leaders avoid putting blame on others: Potential leaders readily admit mistakes that are theirs by acknowledging thereby protecting the team. Potential leaders are quick to claim the mistake as "mine" or "ours" rather than singling an individual out and finger pointing is avoided.

k) Potential leaders assume informal leadership roles: Leaders need not be formally assigned a leadership role or title while they just naturally assume their role for its own sake, not to impress their immediate boss or peer and not because of some implied reward.

l) Potential leaders inspire performance: Any leader's passion, desire, and commitment are contagious as they drive and inspire others around them to perform by bringing out the best in everyone included in their sphere of influence.

Conclusion

We may constructively say that for an effective leadership one must possess leadership qualities, skills and resilience that can be developed and honed by being in a challenging atmosphere. The right leader is said to contribute towards the company's growth and success with high performance by creating stable employee morale and high spirited teams who possess leadership traits. There is a huge demand and need to develop leadership in all employees who are the key to every aspiring organization despite of varying critical contexts in today's world. A person's pattern of response to adverse situations is often considered as a gauge of one's resilience which can only be measured with the powerful AQ Profile tool. So, companies can identify, train and retain potential candidates who possess leadership traits by using AQ Profile and prepare them as future potential leaders to combat any organizational crisis.

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