



FMI
QUARTERLY
ISSUE THREE
2018



Self-Awareness: The Foundation for Exceptional Leadership

By Ron Magnus and Matt Kennedy

An accurate assessment of your own level of self-awareness takes effort and vulnerability, but if you commit to doing it, the positive results will follow.

The research is in and the results are surprising. Leaders today are not nearly as self-aware as they think they are, with 95% calling themselves self-aware in a world where just 10-15% of them actually are self-aware. Defined as the conscious knowledge of one's own character, feelings, motives and desires, self-awareness is an important component of good leadership. Lack of self-awareness represents a staggering gap between what our leaders believe and reality.

Here's the question: Are you (or your organizational leaders) in the 80% who think they are self-aware but are not, or the 15% who are truly self-aware? Are you truly self-aware? How do you even know? These questions are important because leaders who are not self-aware are six times more likely to derail their careers.

Do you know a senior executive who...

- Thinks he has a deep relationship with a client, but you know that the client perceives it as only surface level and temporary?
- Believes she is getting the most from her team and herself, but you know that she has poor communication or lack of accountability that is resulting in an underperforming team?
- Thinks he is easy to work for but drives off some of the best people around him?
- Assumes she is really good at something but really isn't?

Do any of these scenarios resonate with you? Here at FMI, it's common for us to debrief a 360-assessment¹ and hear a comment from an executive such as, "I thought I was rough around the edges, but this says my team hates me." There is nothing more destructive to an individual's ability to lead than poor self-awareness.

Now for some good news: **An accurate assessment of your own level of self-awareness takes effort and vulnerability, but if you commit to doing it, the positive results will follow.**

In this article, we break down the basic tenets of self-awareness in leadership, show the benefits of strong self-awareness, and help you infuse more of it into your everyday leadership approach.

A Lesson From Combat to Construction

One of the most significant leadership lessons in my life happened when my combat experience in Iraq collided with a mountain retreat in Colorado.

It was the summer of 2004, and I was an experienced Army officer stationed near Dhulu'iyah, Iraq. In the Army, leaders tend to frequently evaluate their leadership and reflect on how they can improve. In my assessment, one of the core principles I settled on was that leaders should refrain from sharing their opinions or perspectives too early. When I shared my opinion as the company commander, for example, that opinion was often taken as an order by my platoon leaders and thwarted any follow-up discussion opportunities.

I had developed a core belief that if I let my team discuss a challenge and then present solutions before I weighed in, I would not unduly influence their thinking or recommendations (both of which were usually extremely valuable). This leadership principle served me well, and I continued to see its success and practical application during my military career.

Fast-forward to 2008, and as I transitioned into the construction industry, I carried with me my belief that leaders should speak last as a firmly held leadership principle and one that empowered the teams that I was leading. That principle was shaken to the core when I was leading a project in the mountains of Colorado. There, one of the team members shared this with me:

"Whenever we have difficult challenges to resolve, you appear withdrawn and condescending like you have the answer, but you are not willing to share it or engage in the conversation. After a couple of times seeing you act this way, we just stopped trying to solve problems because we were waiting to hear what you have to say."

Ouch. I was in complete shock from this external perspective. While I thought one of my core leadership principles was empowering to my team, I actually had the opposite effect, and I never knew it. I was one of the 80% thinking I was self-aware when in fact I wasn't.

¹ "360-degree feedback is a feedback process where not just your superior but your peers and direct reports and sometimes even customers evaluate you. You receive an analysis of how you perceive yourself and how others perceive you." (Source: The Economic Times)

Are You Working With Half the Story?

We often think of self-awareness as nothing more than an internal mental exercise: “I know what my strengths and weaknesses are, so I am self-aware.” While it does take introspection to understand ourselves, those internal assessments provide an incomplete picture. True self-awareness requires both external and internal perspective. If we have only one of the two views, we just have half the story.

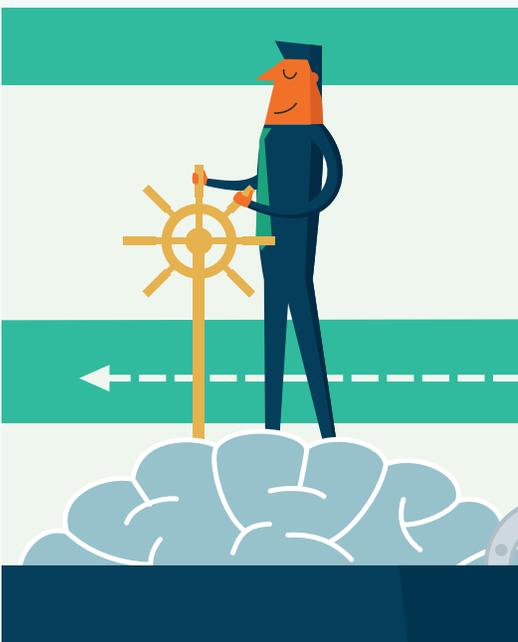
Over the last 65 years, FMI’s research and study of leadership have resulted in the development of a “Peak Leader” model. This is where we turn research into action by transitioning self-awareness to leadership behaviors. The most recent research on self-awareness connects to two of the key Peak Leader behaviors representing the internal and external self-awareness. They are:

1. **Lead Within.** Internal Self-Awareness—A set of leadership behaviors, including an understanding of the individual’s strengths and weaknesses, but also the personal mission, character and disciplines to leverage that self-awareness for a purpose.
2. **Focus on Others.** External Self-Awareness—A set of leadership behaviors, including an understanding of emotional intelligence and humility.

In our research of more than 1,200 comprehensive leader assessments in the construction industry, these two behaviors highly correlate with whether the leaders’ raters gave them high scores on these two general leadership statements:

1. This person is an effective leader.
2. I would choose this person as my leader.

What leader wouldn’t want to score higher on these two statements?



Self-Awareness Questions for You:

- Are you part of the 80% of leaders who think they are self-aware but do not demonstrate self-aware behaviors?
- How would you know if you were not self-aware?
- What are your strengths and weaknesses?
- Where are you best-positioned to do your best work?
- What is your personal mission?
- What legacy do you want to leave for your family, colleagues and community?
- Have you aligned your behaviors around your personal mission?
- Who has the ability and willingness to give you accurate and candid feedback?



Get Started Building Your Self-Awareness:

- Make a list of your personal strengths and weaknesses
- Get feedback from trusted advisors and those closest to you on your list of strengths and weaknesses
- Develop a personal mission statement
- Go through a leadership 360-multi-rater assessment
- Review or complete a personality assessment
- Attend the FMI Leadership Institute
 - Use of assessments
 - Development of feedback skills
 - Receiving feedback from other industry leaders

Developing Internal Self-Awareness

Developing internal self-awareness or “Leading Within” is primarily about working on your own leadership skills and capabilities. No one knows you like you know yourself, but building a deeper understanding of self takes time, effort and practice. The goal is to gain a deep understanding of how to lead yourself in the most effective manner possible.

Here are two steps you can take right now to start deepening your internal self-awareness:

1. **Understand your strengths and weaknesses.** Analyze what you are good at, where you are best-positioned to do your best work, and what you enjoy doing the most. Write down your strengths and weaknesses. Do you have an accurate assessment of these strengths and weaknesses? How do they affect your current role? Do you need to shore up any weaknesses? Do you need to bring additional strengths into your role? Be candid with others about your assessment of strengths and weaknesses and be open to their perspective and feedback.
2. **Assess your personal mission.** Why do you do what you do? What legacy do you want to leave for your family, at work and in your community? Align your activities and behaviors around those objectives. How do you want to be evaluated on your progress and growth? Are you behaving in a way that others would believe in your personal mission? Continually assess your progress and make the necessary changes.

Building External Self-Awareness

The leadership behavior “Focus on Others” employs others around you to resolve blind spots and build external self-awareness. Develop an environment where people feel comfortable giving you candid feedback—an exercise that’s particularly vital at the senior leadership level. As leaders move up in an organization, it becomes riskier for others within the company to give them candid feedback on how they are doing. Without an encouraging and trust-filled environment, the easy decision is just to keep quiet about anything that isn’t working with a leader’s style.

Use these steps to start building more external perspectives and encouraging others to provide feedback:

1. **Start early, now if necessary, to create an environment of feedback both up and down the hierarchy of the organization.** Recognize that you may have blind spots and listen for the clues that others might see them. In a situation where even the newest team member can challenge the most senior, tenured individual, the senior leader’s blind spots will come to light more quickly. Ask those closest to you to evaluate your progress.
2. **Take a few minutes to evaluate the people you work with and their ability and willingness to provide honest and open feedback.** A key component of your external feedback environment is the trusted leaders around you who are willing and courageous enough to “tell it like it is.” It is easy to say that we have a network of trusted confidants who will tell us like it is. Who disagreed with you recently about a decision you were 100% committed to making? Who changed your mind unexpectedly about something? Who shared feedback with you that got your attention or surprised you?

Self-Aware Leaders Get Results

A recent Korn Ferry study of 486 publicly traded companies confirmed a clear link between companies with stronger financial rates of return and leaders with higher levels of self-awareness. I would validate this with all my experiences in organizations where feedback is candid and self-awareness among the leaders is abundant. There is a palpable energy that drives these self-aware teams and organizations forward, and it manifests itself with growth and development, challenge and acceptance. You can be the first to assure that your leadership is grounded in self-awareness and growing to even greater levels of success. Focus on developing your self-awareness and watch how it challenges and raises all of the leaders around you.

Sources:

“A Better Return on Self-Awareness.” Korn Ferry Institute. August 2013.

“How to Become More Self-Aware.” Tasha Eurich. Harvard Business Review. June 2018.



Ron Magnus is managing director of FMI's Center for Strategic Leadership. He founded the Center for Strategic Leadership, which has focused on developing the strategic capability of leaders worldwide. Many of the largest engineering and construction firms in the world are clients and friends of the CSL. He may be reached via email at rmagnus@fminet.com.



Matt Kennedy is a senior consultant with FMI's Center for Strategic Leadership. Matt works with clients to build enduring organizations through establishing a foundation of strong leadership performance and depth of talent. He can be reached at mkennedy@fminet.com.



About FMI

For over 65 years, FMI has been the leading **management consulting and investment banking** firm dedicated exclusively to **engineering and construction, infrastructure and the built environment**.

FMI serves all sectors of the industry as a trusted advisor. More than six decades of context, connections and insights lead to transformational outcomes for our clients and the industry.

Sector Expertise

- A/E and Environmental
- Building Products
- Construction Materials
- General Contractors/CM
- Energy Service & Equipment
- Energy Solutions & Cleantech
- Heavy Civil
- Industrial
- Owners
- Private Equity
- Specialty Trades
- Utility T&D

FMI Client Highlights



of the ENR
Top-400
LARGEST
CONTRACTORS



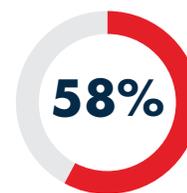
of the ENR
Top-200
SPECIALTY
CONTRACTORS



of the ENR
Top-100
DESIGN
FIRMS



of the ENR
Top-200
ENVIRONMENTAL
FIRMS



of the ENR
Top-100
CM FOR
FEE FIRMS

Industry Focus. Powerful Results.™

Denver

210 University Boulevard
Suite 800
Denver, CO 80206
303.377.4740

Edmonton

Edmonton, AB
780.850.2693

Houston

1301 McKinney Street
Suite 2000
Houston, TX 77010
713.936.5400

Phoenix

7639 East Pinnacle Peak Road
Suite 100
Scottsdale, AZ 85255
602.381.8108

Raleigh (headquarters)

5171 Glenwood Avenue
Suite 200
Raleigh, NC 27612
919.787.8400

Tampa

308 South Boulevard
Tampa, FL 33606
813.636.1364



www.fminet.com