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SEEN AT **WORK**

What live observation reveals about outstanding chief executives

An insight report, and a point of view, from the first trials of a method almost nobody uses.



Almost nobody sits beside them for a full working day and watches what they do when a decision carries weight.

We did, with a few of them. This is what the day shows.

Outstanding chief executives are studied in three ways.

- They are interviewed about how they lead.
- Their careers are written up after the fact.
- Their colleagues are asked what they remember.

01. Where this comes from, and how far it reaches

We observed a set of leaders, about a day and a half with each of them, all of them at the top of their fields and chosen to be as different as possible. Some were founders – with multiple businesses at every stage from seed to mature, observed first-hand through full operating days of more than a dozen meetings.

Others were CEOs of India's most successful companies that they have led for long periods of time.

EACH WAS READ AGAINST THE SAME INSTRUMENT:



13
capabilities



4
in clusters

Described as behaviour an observer can see, with the point at which each strength tips into a liability written beside it.

EVERY CLAIM BELOW CARRIES ITS BASIS:

Where the **leaders agree,** we say so; where **only one supplies the evidence,** we say that too.

Seven things the day shows



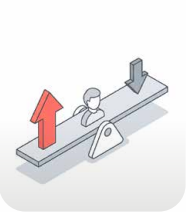
I. The individual game is settled, and it is settled high.

Our leaders rate highest on the capabilities exercised alone: self-regulation and sense-making. Composure through a punishing schedule, the speed with which a tangled problem is reduced to its core, the framing that sets up its own answer, a firm sense of what deserves attention and what can pass. These capabilities were seen repeatedly and at a high standard in almost all of them, and they are the ground on which everything else rests. By the time a leader reaches this level, the personal game has long since been won.



II. Each has two or three capabilities that are rare by any standard, and they are different.

A founder surfaced a hidden leadership problem and took it to a complete decision, structure, successor and incumbent, inside one working day, where most chief executives carry a known misfit for a year or more; and this founder moved across seven businesses at the right altitude for each, a dozen times, without visible effort.
A professional chief executive's frames became their team's own language, and they ran the most deliberately engineered management of their own attention that we have recorded: a categorised calendar with percentage targets, two hours of reading before seven, fifteen minutes of nightly review of their own conduct. These signature strengths are the reason each leader got where they are.
Ask any of them to name them and they will describe results instead.



III. Every strength arrived with its tipping point visible the same day.

A founder's speed to a good call also closed discussions before their team had finished thinking. A chief executive's frames, adopted so completely that their team thinks in their vocabulary, are declared rather than tested, and can foreclose the possibility that the real problem lies outside them. This is the single most useful property of observation: a strength and its overplay are the same behaviour seen in two situations, and a questionnaire cannot tell them apart.



IV. One rare gift is common across them: holding the finest detail and the longest view at the same time.

Most leaders switch horizons cleanly: a margin figure in the quarter, a three-year plan, a portfolio bet, in one sitting, each at its proper altitude. Our observers flagged this independently and used almost the same words. Of the thirteen capabilities, it is the one on which outstanding seems to mean the same thing in both.



V. The opportunity, for all, sits in the work that runs through other people.

Our leaders rate lower on the capabilities exercised through their teams than on those exercised alone, and the anchors trace the shortfall to the same place by opposite routes. Around some, problems arrived raw and the thinking was done by them; across a dense day no decision reached them already made for ratification. In some others, the team challenged on the numbers and then aligned; across two days no one visibly moved them on anything material. Some teams defer softly; others adopt fully. In these companies the thinking that matters most still runs through one person. Is this a new and evolving style for successful leaders: leading with personal conviction rather than team consensus?



VI. Outstanding chief executives argue with the textbook on delegation, and they have the results to argue with.

A founder delegates fully to the teams that have earned it and holds the call on newer ones. A chief executive rejects delegation as a concept, out loud, and has built one of the most admired companies in their sector on that doctrine. The method rates what it sees against the anchor, and the anchor measures how far judgement transfers. The cost of a doctrine like this is real; it lands on the institution's timeline, some years out, as succession.



VII. Dissent is the hardest thing to see and the most telling.

One founder's day produced no open disagreement at all, which can mean a candid culture with nothing to dispute that day, or one that has learnt to keep its disagreements to itself. A chief executive's two days showed dissent sorted by type: challenge on facts engaged on the merits, challenge on doctrine sorted out. What happens to the person who disagrees is the most predictive single signal a leader gives, and the one a leader is least able to report on themselves.

03. The competency view

Thirteen capabilities, and what outstanding looked like on the day.

The third column records where it tipped over, because in every case it did.

	Capability	What outstanding looks like, as observed	Where the same strength tipped over
1	**Simplifying complexity**	A stalled point cut through in the meeting itself; the business reduced to its physical base, down to the cost of a chair per office.	Cutting the problem down to the numbers, and losing what cannot be measured; several of the softest issues were people issues.
2	**Framing**	Problems named so the answer is set up; frames the team adopts as its own vocabulary.	A frame settled so fast, or declared so firmly, that the real problem stays unaired.
3	**Pattern recognition**	A low-cost hospital model carried into school design; a decade-old succession read with the same measures; analogies apt and forward-looking.	A deep library forcing a new situation into an old shape.
4	**Decision process**	A hidden people issue closed in a day; criteria explicit and public; every discussion closed with a date and a stock-take.	Reaching the call before the team has finished thinking. Where speed is a system, the risk is systemic too.
5	**Conviction & adaptability**	Held ground where the view was firm; stayed in and let a seasoned team carry its own call.	A firm view hardening against new information. In one case, no visible mind-change in two days.
6	**Decision rights**	Full authority once a team has earned it; an explicit doctrine of where the call sits.	Calls held on developing teams longer than needed; judgement that does not transfer.
7	**Tolerance for ambiguity**	Experiments left to run, a plan built on false precision declined, the trigger to revisit named.	Uncertainty converted into alignment and measurement before it has been understood.
8	**Tone and energy**	A candid, low-politics temperature, adjusted for the person; a thermostat set deliberately high.	A team that runs only on the leader's energy and cannot start on its own.

The competency view

	Capability	What outstanding looks like, as observed	Where the same strength tipped over
9	**Drawing out the team**	Stepping back for capable people; a rare ability to listen while speaking and catch the quietest voice.	Colleagues relaying positions and reading the leader's confidence in place of forming their own.
10	**Handling dissent**	Directness asked for and rewarded in principle; challenge on facts engaged with data.	Dissent on doctrine sorted out; over time a team of believers.
11	**Emotional regulation**	Composure through long days; intensity held on a clearly defined line; aware of each moment the voice was raised.	Emotion routed into numbers when the subject turned to leading people.
12	**Time-horizon switching**	Seven businesses at the right altitude each; a per-office cost to a ten-year forecast in one sitting.	Zooming in to the metrics as refuge from a harder, softer question.
13	**Attention discipline**	Nothing left unactioned; a calendar engineered into categories with targets.	Attention discipline exported as surveillance of others' calendars.

04. The encodings: what makes a capability light up

A capability shows for a moment in a meeting. What makes it reliable, and what decides whether it outlasts the leader, is the encoding beneath it: the specific, repeatable rule, habit or practice the leader has built into themselves or into the organisation.

Jim Collins drew the distinction as time telling against clock building.

The leader **who tells time brilliantly is valuable** while present.

The leader **who builds a clock leaves something behind** that keeps telling time. When we looked beneath each of the brightest capabilities for what was holding it up, this is what we found.

Capability	The encoding beneath it	Where it lives
Velocity on people decisions	Check first, then act: the concern is verified with a colleague and acted on the same day. An unspoken rule of thumb: people decisions are closed fast, product bets are held open.	**In the leader** Unwritten, applied by instinct.
Horizon switching	Their diary puts businesses at every stage into a single day, and they set their altitude by stage: light on the numbers for a young business, precise on margins for a mature one.	**In the leader** In the shape of the diary.
Tolerance for ambiguity	Whenever a question is deliberately left open, the leader says aloud what would trigger coming back to it.	**In the leader** Could be written in a line.
Delegation	Full authority once a team has shown it can carry the call; until then, the leader holds it.	**In the leader** No stated threshold, so newer teams cannot see how to cross it.
Framing	The same vocabulary repeated until it becomes doctrine and the team thinks in it.	**In the Organisation** Carried in language.

04. The encodings: what makes a capability light up

Capability	The encoding beneath it	Where it lives
Attention discipline	Their calendar is divided into named categories with percentage targets, and the same system is pushed to the leaders below; they read from five to seven each morning and circulate summaries; each evening they spend fifteen minutes reviewing their own conduct in that day's meetings.	Written, and exported three levels down. **The most complete personal encoding we have seen.**
Decision process	Promotion criteria with worked examples; every decision carries a review date, with a stock-take when it comes due; a weekly set of indicators.	**In the Organisation** As machinery.
Conviction	Their non-negotiables are stated as law, and the team can recite them.	**In the Organisation** As rules.
Pattern recognition	Two hours of reading a day, and a constant watch on how large companies fail, measured against better ones.	**In the leader alone** The habit that generates all the others, kept personal.

THE POINT OF VIEW :

Read down the third column and a pattern appears that surprised us.
In the leaders we watched, the excellence is almost entirely encoded in the leader. **The founders built every bright capability on habits that live in them: the time telling is of a very high order, and the clock is unbuilt.**

The professional chief executives were the opposite case, leaders who had encoded nearly everything into the organisation.

Yet even they kept the generative habit personal: **the reading, the paranoia, the questioning** from which all their machinery descends. The clock they built keeps their time. It cannot yet ask a new question.

04. The encodings: what makes a capability light up

THREE THINGS FOLLOW :

1. The encodings are short. Most of what holds up a rare capability can be written in a sentence: close people decisions fast but keep product bets open; say what would trigger a revisit; give full authority once a team has earned it; put a review date on every decision.

2. They are almost always unwritten, even in the leader who writes everything down, because the leader experiences them as instinct and nobody has ever asked them to look.

3. They are where the value is. A capability owned by the leader alone leaves with them, and an investor, an acquirer or a successor is pricing that silently. Writing the encodings down is the cheapest piece of enterprise value a chief executive can create, and the day of observation is where they become visible.

The competency view says how good the leader is.

The encodings say how much of that “goodness” the company keeps.

05. Why watching works, and why almost nobody does it

Every instrument in common use rests on an account.

- Interviews and questionnaires rest on the leader's account of themselves;
- A meta-analysis in The Leadership Quarterly finds that leaders' ratings of their own behaviour agree only moderately with what observers see.
- 360-degree feedback rests on colleagues' recollection, shaped by where each sits relative to the leader, and averages it into a reputation.
- Psychometrics rest on responses to a standard form.
- Coaching works with whatever the leader has already noticed.
- Each sees something real. None of them was present when the decision was made.

Observation rests on what the leader did, as it happened, with a decision carrying weight. That is why it sees the three things the other instruments miss:



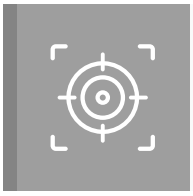
The strength and its overplay together,

since they are the same behaviour in two situations;



The effect on the people around the leader,

since the observer can watch whether a team defers, relays or thinks;



The encodings,

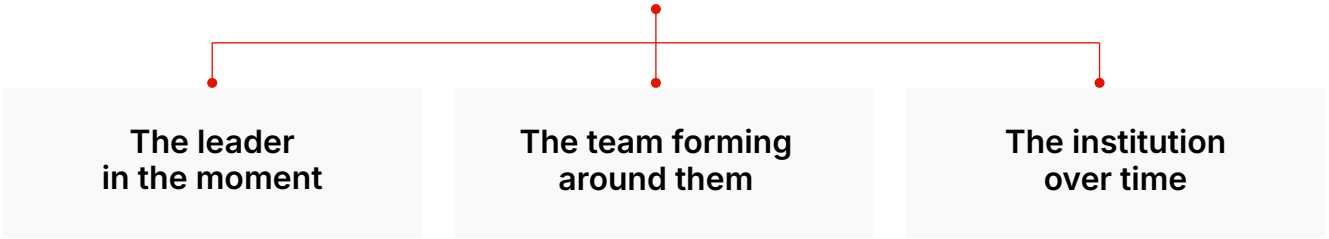
since a habit the leader applies by instinct is invisible to them and plain to anyone watching for a day.

05. Why watching works, and why almost nobody does it

Over a full day a curated version of oneself is hard to sustain, so what is seen sits close to how the leader usually operates.

The method has one rule that makes it credible: behaviour is captured first and interpreted second, and the leader sees what they did before they see what we made of it. They can argue with a judgement. They cannot argue with what they did.

THE READ IS THEN BUILT AT THREE LEVELS



IT IS TRUSTED WHERE THE THREE AGREE

The known weakness is comparison, which a single engagement cannot supply; it is answered by a bank of leaders assessed on the same terms, of which the leaders above are the first entries.

The method sits almost entirely unused. Management research has watched chief executives work before, **Mintzberg's classic study was built that way,** but as an instrument for the development of a serving leader it has had almost no practice, for the plain reason that few leaders have allowed it.

06. What a chief executive takes from a day of being watched



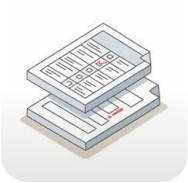
The qualities that got them here, named with evidence. Two or three capabilities rare by any standard, the behaviour behind each, and the point at which each tips over. Few leaders have heard these named, because the people around them experience the results and the leader experiences the instinct.



The read across all thirteen capabilities, set against the observer's three decades with leaders in comparable seats and, in time, against the bank.



What they are doing for their team, and where the same strengths could reach further. One habit followed outward: what they do in the moment, what their people then do, and what that settles into as the way the company works.



The encodings, written down. The handful of sentences that hold up their rarest capabilities, and which of them the company owns. In the first trial, three small mechanisms followed: a one-page decision filter, a three-line decision record, and a review whose first item is what we got wrong.



Their own account beside the observation. Where the two line up, work can begin at once. Where they differ is the most useful conversation of the year.

It asks for an ordinary diary with the observer present and silent, half an hour before the day and a short debrief after it, a written read within the week, and one working session to build from strengths.

It suits leaders at an inflection:

- a portfolio widening,
- a successor being grown,
- capital coming in, or
- a board beginning to ask what the company would be without them.

06. What a chief executive takes from a day of being watched

The outstanding leaders we studied, seen at work, split into mirror-image types.



Some lead from learning and have yet to build the machine.



Some others have built the machine and have yet to share the learning.

Each person's edge is another's signature strength, and in all of them the thing of greatest value still lives in one person.

How general that is, remains open. The way to find out is now in hand.