

# What Makes a Top Executive?

Morgan W. McCall Jr.  
Michael M. Lombardo

*Senior executive: At one time, Jim was the leading, perhaps the only, candidate for chief executive officer. And then he ran into something he'd never faced before—an unprofitable operation. He seemed to go on a downward spiral after that, becoming more remote each day, unable to work with key subordinates.*

*Interviewer: Why do you think he derailed?*

*Senior executive: Some of it was bad luck, because the business was going down when he inherited it. Some of it was surrounding himself with specialists, who inevitably wear the blinders of their particular field. And some of it was that he had never learned to delegate. He had no idea of how to lead by listening.*

The case of Jim is by no means unusual. Many executives of formidable talent rise to very high levels, yet are denied the ultimate positions. The quick explanations for what might be called their derailment are the ever-popular Peter Principle—they rose past their level of competence—or, more darkly, they possessed some fatal flaw.

The grain of truth in these explanations masks the actual complexity of the process. So we learned from a study that we recently did here at the Center for Creative Leadership, a nonprofit research and educational institution in Greensboro, North Carolina, formed to improve the practice of management.

When we compared 21 derailed executives—successful people who were expected to go even higher in the organization but who reached a plateau late in their careers, were fired, or were forced to retire early—with 20 “arrivers”—those who made it all the way to the top—we found the two groups astonishingly alike. Every one of the 41 executives possessed remarkable strengths, and everyone was flawed by one or more significant weaknesses.

Morgan W. McCall Jr. and Michael M. Lombardo are behavioral scientists and project managers at the Center for Creative Leadership in Greensboro, North Carolina. McCall, a Cornell PhD, has spent eight years studying leadership and management in complex organizations. Lombardo, with an EdD from the University of North Carolina at Greensboro, has spent a similar period studying how organizational leaders solve problems.

Insensitivity to others was cited as a reason for derailment more often than any other flaw. But it was never the only reason. Most often, it was a combination of personal qualities and external circumstances that put an end to an executive's rise. Some of the executives found themselves in a changed situation, in which strengths that had served them well earlier in their careers became liabilities that threw them off track. Others found that weaknesses they'd had all along, once outweighed by assets, became crucial defects in a new situation requiring particular skills to resolve some particular problem.

Our goal was to find out what makes an effective executive, and our original plan was to concentrate on arrivers. But we soon realized that, paradoxically, we could learn a lot about effectiveness by taking a close look at executives who had failed to live up to their apparent potential.

We and our associate, Ann Morrison, worked with several Fortune-500 corporations to identify “savvy insiders”—people who had seen many top executives come and go and who were intimately familiar with their careers. In each corporation one of us interviewed several insiders, usually a few of the top 10 executives and a few senior “human resources professionals,” people who help to decide who moves up. We asked them to tell both a success story and a story of derailment.

## Fatal Flaws

Asked to say what had sealed the fate of the men (they were all men) who fell short of ultimate success, our sources named 65 factors, which we boiled down to 10 categories:

1. Insensitive to others: abrasive, intimidating, bullying style
2. Cold, aloof, arrogant
3. Betrayal of trust
4. Overly ambitious: thinking of next job, playing politics
5. Specific performance problems with the business
6. Overmanaging: unable to delegate or build a team
7. Unable to staff effectively
8. Unable to think strategically
9. Unable to adapt to boss with different style
10. Overdependent on advocate or mentor

No executive had all the flaws cited; indeed, only two were found in the average derailed executive.

As we have noted, the most frequent cause for derailment was insensitivity to other people. "He wouldn't negotiate: there was no room for countervailing views. He could follow a bull through a china shop and still break the china," one senior executive said of a derailed colleague.

Under stress, some of the derailed managers became abrasive and intimidating. One walked into a subordinate's office, interrupting a meeting, and said, "I need to see you." When the subordinate tried to explain that he was occupied, his boss snarled, "I don't give a g-----n. I said I wanted to see you now."

Others were so brilliant that they became arrogant, intimidating others with their knowledge. Common remarks were: "He made others feel stupid" or "He wouldn't give you the time of day unless you were brilliant too."

In an incredibly complex and confusing job, being able to trust others absolutely is a necessity. Some executives committed what is perhaps management's only unforgivable sin: They betrayed a trust. This rarely had anything to do with honesty, which was a given in almost all cases. Rather, it was a one-upping of others, or a failure to follow through on promises that wrecked havoc in terms of organizational efficiency. One executive didn't implement a decision as he had promised to do, causing conflicts between the marketing and the production divisions that reverberated downward through four levels of frustrated subordinates.

Others, like Cassius, were overly ambitious. They seemed to be always thinking of their next job, they bruised people in their haste, and they spent too much time trying to please upper management. This sometimes led to staying with a single advocate or mentor too long. When the mentor fell from favor, so did they. Even if the mentor remained in power, people questioned the executive's ability to make independent judgments. Could he stand alone? One executive had worked for the same boss for the better part of 15 years, following him from one assignment to another. Then top management changed, and the boss no longer fit in with the plans of the new regime. The executive, having no reputation of his own, was viewed as a clone of his boss and was passed over as well.

A series of performance problems sometimes emerged. Managers failed to meet profit goals, got lazy, or demonstrated that they couldn't handle certain kinds of jobs (usually new ventures or jobs requiring great powers of persuasion). More important in such cases, managers showed that they couldn't change; they failed to admit their problems, covered them up, or tried to blame them on others. One executive flouted senior management by failing to work with a man specifically sent in to fix a profit problem.

After a certain point in their careers, managers must cease to do the work themselves, and must become executives who see that it is done. But some of the men we studied never made this transition, never learning to delegate or to build a team beneath them. Although overmanaging is irritating at any level, it can be fatal at the executive level. When executives meddle, they are meddling not with low-level subordi-

nates but with other executives, most of whom know much more about their particular area of expertise than their boss ever will. One external-affairs executive who knew little about government regulation tried to direct an expert with 30 years' experience. The expert balked, and the executive lost a battle that should never have begun.

Others got along with their staff, but simply picked the wrong people. Sometimes they staffed in their own image, choosing, for instance, an engineer like themselves when a person with marketing experience would have been better suited for the task at hand. Or sometimes they simply picked people who later bombed.

Inability to think strategically—to take a broad, long-term view—was masked by attention to detail and a miring in technical problems, as some executives simply couldn't go from being doers to being planners. Another common failure appeared as a conflict of style with a new boss. One manager who couldn't change from a go-getter to a thinker/planner eventually ran afoul of a slower-paced, more reflective boss. Although the successful managers sometimes had similar problems, they didn't get into wars over them, and rarely let the issues get personal. Derailed managers exhibited a host of unproductive responses—got peevish, tried to shout the boss down, or just sulked.

In summary, we concluded that executives derail for four basic reasons, all connected to the fact that situations change as one ascends the organizational hierarchy:

1. *Strengths become weaknesses.* Loyalty becomes overdependence, narrowness, or cronyism. Ambition is eventually viewed as politicking and destroys an executive's support base.

2. *Deficiencies eventually matter.* If talented enough, a person can get by with insensitivity at lower levels, but not at higher ones, where subordinates and peers are powerful and probably brilliant also. Those who are charming but not brilliant find that the job gets too big and problems too complex to get by on interpersonal skills.

3. *Success goes to their heads.* After being told how good they are for so long, some executives simply lose their humility and become cold and arrogant. Once this happens, their information sources begin to dry up and people no longer wish to work with them.

4. *Events conspire.* A few of the derailed apparently did little wrong. They were done in politically, or by economic upheavals. Essentially, they just weren't lucky.

While conducting the interviews, we heard few stories about water-walkers. In fact, the executive who came closest to fitting that category, the one "natural leader," derailed precisely because everyone assumed that he could do absolutely anything. At higher levels of management, he became lost in detail, concentrated too much on his subordinates, and seemed to lack the intellectual ability to deal with complex issues. Still, no one helped him; it was assumed that he would succeed regardless.

In short, both the arrivers and those who derailed had plenty of warts, although these generally became apparent only late in the men's careers. The events that exposed the flaws were seldom cataclysmic. More often, the flaws themselves had a cumulative impact. As one executive put it, "Careers last such a long time. Leave a trail of mistakes and you eventually find yourself encircled by your past."

In general, the flaws of both the arrivers and the derailed executives showed up when one of five things happened to them: (1) They lost a boss who had covered, or compensated for, their weaknesses. (2) They entered a job for which they were not prepared, either because it entailed much greater responsibility or because it required the executives to perform functions that were new to them. Usually, the difficulties were compounded by the fact that the executives went to work for a new boss whose style was very different from that of his newly promoted subordinate. (3) They left behind a trail of little problems or bruised people, either because they handled them poorly or moved through so quickly that they failed to handle them at all. (4) They moved up during an organizational shake-up and weren't scrutinized until the shakedown period. (5) They entered the executive suite, where getting along with others is critical.

One or more of these events happened to most of the executives, so the event itself was telling only in that its impact began to separate the two groups. How one person dealt with his flaws under stress went a long way toward explaining why some men arrived and some jumped the tracks just short of town. A bit of dialogue from one interview underscores this point:

*Senior executive:* Successful people do not like to admit that they make big mistakes, but they make whoppers nevertheless. I've never known a CEO [chief executive officer] who didn't make at least one big one and lots of little ones, but it never hurt them.

*Interviewer:* Why?

*Senior executive:* Because they know how to handle adversity.

Part of handling adversity lies in knowing what *not* to do. As we learned, lots of different management behavioral patterns were acceptable to others. The key was in knowing which ones colleagues and superiors would find intolerable.

As we said at the beginning, both groups were amazingly similar: incredibly bright, identified as promising early in their careers, outstanding in their track records, ambitious, willing to sacrifice—and imperfect. A closer look does reveal some differences, however, and at the levels of excellence characteristic of executives, even a small difference is more than sufficient to create winners and losers.

### **The Arrivers and the Derailed Compared**

In the first place, derailed executives had a series of successes, but usually in similar kinds of situations. They had turned two businesses around, or managed progressively larger jobs in the same function. By contrast, the arrivers had

more diversity in their successes—they had turned a business around *and* successfully moved from line to staff and back, or started a new business from scratch *and* completed a special assignment with distinction. They built plants in the wilderness and the Amazonian jungle, salvaged disastrous operations, and resolved all-out wars between corporate divisions without bloodshed. One even built a town.

Derailed managers were often described as moody or volatile under pressure. One could control his temper with top management he sought to impress, but was openly jealous of peers he saw as competitors. His too-frequent angry outbursts eroded the cooperation necessary for success, as peers began to wonder whether he was trying to do them in. In contrast, the arrivers were calm, confident, and predictable. People knew how they would react and could plan their own actions accordingly.

Although neither group made many mistakes, all of the arrivers handled theirs with poise and grace. Almost uniformly, they admitted the mistake, forewarned others so they wouldn't be blind-sided by it, then set about analyzing and fixing it. Also telling were two things the arrivers didn't do: They didn't blame others, and once they had handled the situation, they didn't dwell on it.

Moreover, derailed executives tended to react to failure by going on the defensive, trying to keep it under wraps while they fixed it, or, once the problem was visible, blaming it on someone else.

Although both groups were good at going after problems, arrivers were particularly single-minded. This "What's the problem?" mentality spared them three of the common flaws of the derailed: They were too busy worrying about their present job to appear overly eager for their next position; they demanded excellence from their people in problem solving; and they developed many contacts, saving themselves from the sole-mentor syndrome. In fact, almost no successful manager reported having a single mentor.

Last, the arrivers, perhaps due to the diversity of their backgrounds, had the ability to get along with all types of people. They either possessed or developed the skills required to be outspoken without offending people. They were not seen as charming-but-political or direct-but-tactless, but as direct-and-diplomatic. One arriver disagreed strongly with a business strategy favored by his boss. He presented his objections candidly and gave the reasons for his concerns as well as the alternative he preferred. But when the decision went against him, he put his energy behind making the decision work. When his boss turned out to be wrong, the arriver didn't gloat about it; he let the situation speak for itself without further embarrassing his boss.

One of the senior executives we interviewed made a simple but not simplistic distinction between the two groups. Only two things, he said, differentiated the successful from the derailed: total integrity, and understanding other people.

Integrity seems to have a special meaning to executives. The word does not refer to simple honesty, but embodies a consistency and predictability built over time that says, "I

will do exactly what I say I will do when I say I will do it. If I change my mind, I will tell you well in advance so you will not be harmed by my actions." Such a statement is partly a matter of ethics, but, even more, a question of vital practicality. This kind of integrity seems to be the core element in keeping a large, amorphous organization from collapsing in its own confusion.

Ability—or inability—to understand other people's perspectives was the most glaring difference between the arrivers and the derailed. Only 25 percent of the derailed were described as having a special ability with people; among arrivers, the figure was 75 percent.

Interestingly, two of the arrivers were cold and asinine when younger, but somehow completely changed their style. "I have no idea how he did it," one executive said. "It was as if he went to bed one night and woke up a different person." In general, a certain awareness of self and willingness to

change characterized the arrivers. That same flexibility, of course, is also what is needed to get along with all types of people.

A final word—a lesson, perhaps to be drawn from our findings. Over the years, "experts" have generated long lists of critical skills in an attempt to define the complete manager. In retrospect it seems obvious that no one, the talented executive included, can possess all of those skills. As we came to realize, executives, like the rest of us, are a patchwork of strengths *and* weaknesses. The reasons that some executives ultimately derailed and others made it all the way up the ladder confirm what we all know but have hesitated to admit: There is no one best way to succeed (or even to fail). The foolproof, step-by-step formula is not just elusive, it is, as Kierkegaard said of truth, like searching a pitch-dark room for a black cat that isn't there.

## Two Executives: A Study in Contrasts

THE TWO CASE HISTORIES THAT FOLLOW  
ARE TOLD IN THE WORDS OF CORPORATE  
EXECUTIVES WHO KNEW THEM WELL.

### ONE WHO DERAILED

#### *The Man*

"He got results, but was awfully insensitive about it. Although he could be charming when he wanted to be, he was mostly knees and elbows."

#### *Notable Strengths*

"He was a superb engineer who came straight up the operations ladder. He had the rare capability of analyzing problems to death, then reconfiguring the pieces into something new."

#### *Flaws*

"When developing something, he gave subordinates more help than they needed, but once a system was set up, he forgot to mind the store. When things went awry, he usually acted like a bully or stonewalled it, once hiring a difficult employee and turning him over to a subordinate. 'It's your problem now,' he told him."

#### *Career*

"He rocketed upward through engineering/operations jobs. Once he got high enough, his deficiencies caught up with him. He couldn't handle either the scope of his job or the complexity of new ventures."

#### *And Ended Up . . .*

"Passed over, and it's too bad. He was a talented guy and not a bad manager, either. I suppose that his overmanaging, abrasive style never allowed his colleagues to develop and never allowed him to learn from them."

### ONE WHO ARRIVED

#### *The Man*

"He was an intelligent guy with a delightful twinkle in his eye. He could laugh at himself during the toughest of situations."

#### *Notable Strengths*

"He was a superb negotiator. He could somehow come out of a labor dispute or a dispute among managers with an agreement everyone could live with. I think he did this by getting all around a problem so it didn't get blown. People knew far in advance if something might go wrong."

#### *Flaws*

"He was too easy on subordinates and peers at times. Line people wondered whether he was tough enough and sometimes, why he spent so much time worrying about people."

#### *Career*

"He was thrown into special assignments—negotiations, dealing with the press, fix-it projects. He always found a way to move things off dead center."

#### *And Ended Up . . .*

Senior Vice President