



LEADERSHIP DEVELOPMENT

Leadership Under the Microscope

The science behind developing extraordinary leaders.

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by Jack Zenger, Kurt Sandholtz, and Joe Folkman

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OUR CURRENT SITUATION

Let's face it: leadership development has been stuck for a long time. The most fundamental questions are still in dispute. For example:

- What is this thing we call leadership? In the thousands of books on the subject, we have yet to find two that use the same definition.
- Is it genetically hardwired into some people but not others? There are strong advocates of both positions about it being "born or made."
- Can it be developed?
- If so, what methods really work?

Ironically, these questions persist in the midst of a veritable mountain of printed material. Every bookstore contains dozens if not hundreds of books on the subject, many written by scholars but most ghostwritten for prominent business, military and governmental leaders. Tens of thousands of articles are available, and the number of speeches on the subject seems akin to grains of sand on the seashore.

Certainly, leadership is a complex topic. Among the variables in the leadership equation are:

- Individual traits (the leader's intellectual, psychological, emotional and physical make-up)
- Organizational context (the organization's culture, history, structure, etc.)
- Marketplace dynamics (competition, growth, opportunities, etc.)
- Staff characteristics (Are the people being led collaborative or antagonistic? Competent or novices?)
- Performance metrics (Can the leader's impact be quantified? How is it best measured?)

These and other factors combine to determine the ultimate success or failure of the leader. The variables are interdependent and difficult to isolate. But complexity doesn't justify surrender. On the contrary, the study of leadership begs for a more scientific approach. Imagine where medicine, engineering, physics, space exploration, chemistry, or aviation mechanics would be if these disciplines had relied on the opinions and personal views of leading practitioners, devoid of research and published results.

THE NEED FOR SCIENCE

Success in understanding any complex field requires researchers to apply scientific rigor and then share their findings. Consider the progress made by the medical profession as they have embraced the concept of their practice being strongly guided by rigorous scientific evidence. While a portion of medical practice is still based on a practitioner's experience, there is an ever growing part of medical practice that is guided by evidence and data.

Frankly, with only a few exceptions, such rigor has been lacking in the study of leadership. More common are the pontifications of prominent figures, both successful practitioners and academic gurus. Their war stories, while entertaining, leave us with conflicting opinions on the key issues and precious little in the way of universal, actionable recommendations.

For the past ten years; one of the authors, Dr. Folkman, has led a team that has been analyzing a substantial data base of some 1,000,000 feedback instruments (commonly called 360-degree feedback reports) correlating to approximately 100,000 managers. These questionnaires are collected within hundreds of companies. 64 percent of the data collected originates from North America; while 36 percent originates from Europe, South America, Asia, Africa and the Middle East. In many cases, we also have concrete performance metrics on these same managers; allowing us to compare their "hard" results with what some might call "soft" 360-degree feedback.

The results of this research are published in two books. The first, *The Extraordinary Leader: Turning Good Managers into Great Leaders*¹ summarizes the research findings and the methodology that was used. One of the key findings was that extraordinary leaders needed to possess a minimum number of strengths. This led to a second book, *How to Be Exceptional: Drive Leadership Success by Magnifying Your Strengths*.² The research has also been highlighted in an article in the Harvard Business Review, “*Making Yourself Indispensable*.”³ Our research has continued and additional findings are being published by the authors through Zenger Folkman. (Please visit www.zengerfolkman.com.)

FIVE CONCLUSIONS FROM OUR RESEARCH

Our data-driven approach to understanding leadership has led to a number of unexpected insights.

This paper will share five of our fundamental findings. Our hope is that this will lead to additional questions, debates, and research—all of which will further our understanding of leaders and how they develop.

1. We need to set our sights higher.

Earlier in his career, one of the authors co-founded a highly successful supervisory skills training firm. The firm’s underlying objective was to teach frontline managers the basics—and because so many supervisors lacked these fundamentals, merely getting them to the point of adequacy turned out to be a worthwhile achievement. Teaching them how to be among the best managers in their respective companies was never considered.

In hindsight, the skills provided stopped way short of the ultimate target: to produce extraordinary leaders who, in turn, produce extraordinary results for the company. Many of today’s organizations fall into a similar trap. They focus on “under-performers” with the intent to bring them up to an adequate level. Or, conversely, they invest heavily in their “high potential” managers and provide few developmental resources for everyone else.⁴ Our

research indicates that neither approach is optimal. Organizations will reap huge benefits by helping the vast pool of “good” managers learn how to become “great.”

Picture a bell curve. At the low end of the curve are the poor managers—the bottom 10 percent to 20 percent of all leaders, as assessed by a 360-degree profile. At the high end are the excellent leaders, the top 10 percent as judged by their direct reports, peers, and managers. Then there’s the vast middle range, representing 60 percent to 70 percent of the managerial population. These are solid, reliably “good” performers. Yet we were amazed to see the enormous performance differences between these good leaders and their extraordinary counterparts. On every measure we examined—net profits, customer satisfaction, employee turnover, even employee satisfaction with pay—the extraordinary leaders had results that often doubled the performance of the below average leaders.

In short, we’ve been putting our leadership development emphasis on the wrong populations. Rather than focus on the top end or the bottom end, our efforts should be directed to the large group in the middle. Building these “good” leaders’ capability to behave like “top tier” leaders can produce results that are far beyond incremental. At the 70th, 80th, and 90th percentiles of leadership effectiveness, the performance differences are almost exponential.

2. We need to stop emphasizing weaknesses.

Future leaders learn at a young age—well before kindergarten, in most cases—that the way to improve themselves is to fix their weaknesses. By the time they start their careers and receive their first supervisory assignment, the habit is deeply ingrained. We see it all the time when leaders receive a 360-degree feedback report: they ignore the data on their strong points in favor of an in-depth analysis of their shortcomings. They have developed a bone-deep belief that if they raise those lower scores, they will be better leaders.

Nothing could be further from the truth. In our research, “lack of weaknesses” was not the distinguishing feature of the best leaders. Instead, they possessed a few profound strengths. They used these strengths to great advantage in the organization—and, in turn, were known for being “world class” in two or three areas. In contrast, the “mediocre” leaders were distinguished by their lack of strengths, not their possession of a few deficiencies. They were “OK” in many leadership competencies, but nothing really made them stand out from the crowd.

In other words, the absence of low ratings (along with the absence of high ratings in any areas) describes the bottom third of managers in most organizations. As one wag observed, “It’s the bland leading the bland.” Raising these “bland” managers’

1 Zenger, John H. and Folkman, Joseph R. *The Extraordinary Leader: How Good Managers Become Great Leaders* (McGraw-Hill, 2002).

2 Zenger, John H., Joseph R. Folkman, Robert Sherwin and Barbara Steel, *How To Be Exceptional: Drive Leadership Success by Magnifying Your Strengths*, (McGraw-Hill, 2012).

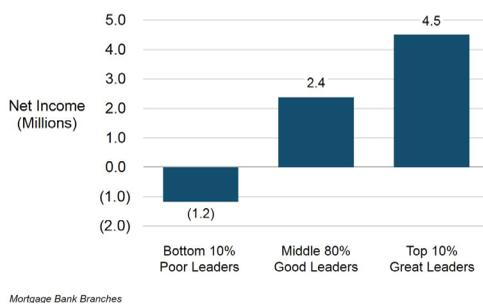
3 Zenger, John H., Joseph R. Folkman, Scott Edinger, *Making Yourself Indispensable*, Harvard Business Review, Oct. 2011.

4 We have a variety of concerns about focusing exclusively on a handful of people who are believed to be high-potential. First, organizations are often wrong in selecting those who will succeed. Second, singling out high-potential people can create an organizational elitism that causes serious rifts between people. Third, those not selected develop a belief that they are inferior. Their organizational commitment often wanes, along with their desire for self-development. Fourth, those organizations that offer leadership development to a broader audience are reaping huge benefits from that policy.

lowest scores is virtually guaranteed to do absolutely nothing for their overall leadership effectiveness. They need a totally different strategy.

A caveat is in order here. Our research identified one situation in which working on weaknesses is the right thing: when the leader has what could be termed a “fatal flaw.” All leaders have some areas where they’re not so strong. Such “rough edges” aren’t a problem if the leader has outstanding strengths that compensate. But if the shortcomings are so serious that they prevent a leader from seeing his or her strengths, they become a brick wall of sorts. The leader cannot move forward until this wall is torn down.

Leadership vs. Net Income



As we analyzed the *least effective* leaders in our data base, we found the following list of typical fatal flaws:

1. Not inspiring due to a lack of energy and enthusiasm
2. Accepting mediocre performance in place of excellent results
3. Lack of clear vision and direction
4. Loss of trust stemming from perceived bad judgment and poor decisions
5. Not a collaborative, team player
6. Not a good role model (failure to walk the talk)
7. No self-development and learning from mistakes
8. Lacking interpersonal skills
9. Resistant to new ideas, thus did not lead change or innovate
10. Focus is on self, not the development of others

When we initially think of someone who is a bad boss, we have images of rude behavior, people being berated in public, someone pounding the table or the boss who takes credit for the good work of subordinates and blames them for any mistake. Occasionally, you still hear of a manager who displays boorish, childish and uncouth behavior. However, as the list above suggests, these are not the most frequent cause for a leader possessing a fatal flaw.

Interestingly, these flaws have a common thread. They are “sins of omission,” resulting from inaction, risk aversion, and a “status quo” mentality. The message is clear: Playing it safe is perhaps the most risky thing a leader can do. Better to get out and make something happen than be perceived as a conservative, careful non-contributor.

3. We need to invest more in identifying and developing strengths.

Being an extraordinary leader doesn’t mean doing 34 things reasonably well; it means doing 3 or 4 things *extremely* well. A major discovery from our research was that great strength in a relatively small number of competencies catapults a person into the top tier of their organization.

The implications are revolutionary. Rather than spend time in bringing up low scores (as long as they’re not “fatal flaws”), leaders get far greater ROI by choosing an area of moderately high skill and ratcheting it significantly upward. When a leader develops three or four competencies to a “top 10 percent” level of proficiency (i.e., a degree of competence displayed by the best leaders in the organization), then this person will join that elite group.

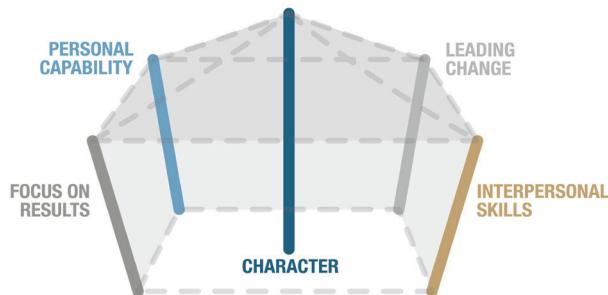
One of the authors, Joe Folkman, was making a presentation on these research findings to a Silicon Valley firm. One executive came up during the break and asked, “What is the most important thing you’ve discovered?” As Joe began to repeat our major findings, the executive stopped him and said, “No, let me tell you the most important thing you’ve found: It’s that I’ve got a chance! I’ll never be superman, but I think I can develop 3 or 4 outstanding strengths.”

These strengths cannot be just any behaviors. Punctuality, for example, was not a differentiating characteristic of the best leaders. The strengths must be in areas that make a difference. They must be traits or behaviors that others readily see, and that make a positive impact on how the organization functions. We have identified these as “differentiating competencies.” We discovered that there were 16 such differentiating behaviors. The leader would be advised to work on competencies from this list.

4. Leadership needs a broad footprint.

One of our objectives in reporting this research was to make it simple and actionable, along with being empirical. We created a metaphor for leadership that many have found helpful. Think of a traditional wall tent, with a center pole and four corner poles holding up an expanse of canvas. The amount of space inside the tent is symbolic of the effectiveness of a leader. As mentioned above, our empirical research showed 16 differentiating competencies clustered into 5 areas. The picture looks like this:

The Leadership Tent



The center pole represents the cluster of leadership traits having to do with character, honesty, and integrity. We believe this is at the core of all effective leadership. Events in the past years have provided dramatic evidence of the terrible price organizations pay when leaders lack these attributes. Great organizations have been obliterated by the behavior of a few key people. Industries have had their reputations seriously tarnished by leaders lacking character.

In one corner, the pole represents personal capabilities: technical competence, problem solving skills, innovation, and taking initiative. These are skills that should be acquired early in one's career, prior to accepting a supervisory position. They are essential to the leader and cannot be passed over.

In the second corner pole is a cluster of competencies about the leader's focus on results, including setting high goals that stretch the team, and accepting responsibility for the performance of the work group. Again, the ultimate measure of leadership comes in the form of the results the leader produces for the organization.

A third corner pole represents effective interpersonal skills. These include being a powerful and prolific communicator, motivating and inspiring others, and collaborating with other people and groups. Some organizations tolerate interpersonally-impaired leaders in the short run, but few put up with it for long.

The final corner pole represents leading change. This cluster includes being a champion for constant change, being the link to the outside world, and looking over the horizon for what is coming up.

This simple tent metaphor communicates a number of important implications. First, one tent pole, no matter how tall, doesn't make a great tent. It lifts very little canvas. Only when the poles are spaced apart, representing differing capabilities, does the tent grow in volume. The easiest way to expand the tent is by

extending the poles, not by running around trying to elevate a drooping section of canvas.

Second, there are very few perfect tents. Typically people have one tent pole that is higher than other tent poles. This reflects a person's style and their personality. While a person's tent does not need to be perfectly balanced, they cannot have a fatal flaw in any pole and be an extraordinary leader.

Third, strengths are often built by utilizing competencies in outer tent poles. Some have argued for the notion of "over-used strengths"—that is, a competency carried to an extreme becomes a weakness. We saw no evidence of overused strengths in the data. Rather, we saw numerous examples of imbalanced strengths: strengths that, by themselves, could only take the leader so far. Imagine how preposterous it would have been to tell an executive, "Would you please stop getting such great results? You're overusing that strength!" The message he needed to hear was, "How could you make your strength in getting results even stronger. Perhaps increasing trust or recognizing and rewarding others would encourage others to also push harder for results."

5. Developing strengths often requires a non-linear approach.

Ask anyone how to go about correcting a weakness, and they will give you the standard answer: study, practice, get feedback, repeat. Ask the same person, "OK, how would you build on a strength?" and you'll often be met by a blank stare. We've been conditioned to look for and fix defects. Few of us have ever seriously considered the question, "How do I get better at something I'm already pretty good at?"

For this reason, some leadership theorists argue that building strengths is a fool's errand. We would state it differently: When a person begins to excel in an area, a different approach to development is required.

In delving into the empirical data, we discovered a fascinating and previously unnoticed phenomenon. A number of supporting behaviors were statistically correlated with each of the 16 differentiating leadership competencies. Leaders who scored in the top 10% on the differentiating behavior also tended to score very high on these supporting behaviors. We have called these supporting behaviors "competency companions"—or if you are in a whimsical mood, "behavioral buddies."

An oil company executive wanted to move his relationship-building skills from good to great. In working with a coach, he stated his goal as, "I am going to be nicer!" "What does that mean?" the coach asked. "Well, you know," he answered, "just in general I'm going to be friendly, not

pushy.” Faced with this well-intentioned but vague reply, the coach discussed with him the seven competency companions associated with relationship building. “Do any of those companion skills jump out at you?” queried the coach. “What could you work on to improve your effectiveness in relationship building?” After a bit of reflection, the executive responded, “Optimism—it hits me right between the eyes. I’ve always prided myself on my ability to find the flaw in any argument, or a potential problem that no one else noticed. That’s a very helpful trait when you’re running an oil refinery. But I can see how it undermines my relationships with others. I never saw the connection in the past, but I realize that people may not like to have a discussion with someone who’s always telling them why their ideas won’t work.”

That the differentiating competencies and their companion behaviors are statistically linked is obvious from the data; less obvious is the reason for the connection. Does A cause B, or does B cause A? Or, do they simply have another common root from which they both stem? The answer to those questions will hopefully come as we conduct further research. We invite interested parties to participate in researching this interesting phenomenon that shows such great promise as a way to develop leadership. For now, we can say with total confidence, for example, that “assertiveness” is a powerful companion behavior to “honesty and integrity,” or that “networking” greatly leverages a person’s strength in “technical expertise.”⁵

Examples abound in the world of athletics. Why do world class tennis players lift weights and run long distances? Why do runners also swim and bicycle? Such cross-training has become commonplace as athletes have discovered it greatly improves their performance. The competency companions represent the cross-training manual for leaders who are intent on building on their strengths.

CONCLUSIONS

The Extraordinary Leader research provides fresh, new insights into the nature of leadership and leadership development. Like most research, it pushes out the perimeter of the circle of knowledge. Just beyond the circle, however, is the vast expanse of unanswered questions.

Our hope is that many more students of leadership will approach this extremely important topic with scientific rigor. We hope more professionals will collect data with reasonable precision from a variety of organizations.

Only in this way will we be able to answer the bigger questions raised at the beginning of this paper. We are convinced that, to a great degree, leaders can be made. Genetic make-up is not the main determinant of great leadership, but it does appear to account for roughly one-third of the traits and behaviors that define exceptional leaders. Certainly, some people are born with a high energy level, keen intellect and emotional hardiness. These are helpful traits, but they fail to explain the late-blooming leader. They also fail to explain the promising youth who gets derailed and never recovers.

We acknowledge that much of leadership development happens casually and informally as people work. But we are not dissuaded from believing that intense bursts of structured development can have a powerful effect in creating a new mindset and new skills. Just as formal classroom development can greatly accelerate the progress of newly minted supervisors, good science will continue to be of enormous help in our quest to develop extraordinary leaders.

⁵ A complete listing of the competency companions for each leadership competency is one of the key features of our leadership development seminars. Contact Zenger Folkman for details or go to “*Making Yourself Indispensable*,” Harvard Business Review, Oct. 2011



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ZENGER FOLKMAN

Zenger Folkman helps organizations flourish by increasing the effectiveness of leaders at all levels. Our unique, strengths-based development methodology enables leaders to move faster and higher. Each offering is solidly grounded in research, utilizing our extensive empirical database. The end results are statistically significant improvements in how leaders lead, how their employees engage and how their companies profit; allowing both leaders and organizations to soar to new heights.

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