

# Why leaders lose their way

Bill George and Andrew McLean

Bill George, the former chairman and CEO of Medtronic, is a professor of management practice at Harvard Business School (bgeorge@hbs.edu) and author of *Authentic Leadership* (Jossey-Bass, 2003). Andrew McLean (anmclean@comcast.net) is an independent consultant, an adjunct faculty member at Bentley College in Boston and a former research associate at Harvard Business School.

One of the most perplexing management mysteries of our times is, “Why do so many developing leaders either fail to reach their full potential or cross the line into destructive or even unethical actions?” Another way of asking this question is, “How do successful leaders learn to recognize and avoid destructive behavior?” To find out, we interviewed successful leaders and studied the case histories of failed leaders. Our study of unsuccessful leaders revealed a pattern: the failed leaders couldn’t lead themselves. On their leadership journey these high potential managers adopted a set of personal behaviors that worked temporarily but were unsustainable in the long run.

In contrast, our interviews of 125 successful, authentic leaders revealed that all of them faced significant personal development hazards on their journey. Being human, they faced a number of leadership temptations: to blame others for failure, to win excessive monetary rewards or enhanced titles, to gain affirmation of their unique abilities, and to achieve success quickly.

Through these interviews with successful leaders and our study of failed leaders, we identified a number of distinctive destructive behaviors that result from these temptations. Leadership development, therefore, can be viewed as a long journey though challenging terrain. Authentic leaders either learn to avoid the temptations or to overcome the personality flaws that lead to these destructive behaviors; leaders who lose their way do not.

The good news is that developing leaders can make mistakes and fall prey to these hazards, yet regain their footing and continue on their developmental journey. In fact, their mistakes, especially those that come early in their careers, are highly beneficial in their developmental process and reduce the likelihood of making major mistakes when reaching the pinnacle of power. If emerging leaders are aware of these hazards and willing to devote sufficient time to their personal development, they will be less likely to become enmeshed in destructive patterns and more likely to persevere and emerge as authentic leaders.

## Moving through the hero stage of leadership development

As we examined the way successful leaders told their life histories, we realized that the early chapters of their stories fit the pattern of what mythologist Joseph Campbell has called, “the Hero’s Journey.”[1] Many leaders we interviewed described their early life as if it were the quest of an all-conquering hero. Leaders told us they began their careers with a primary focus on themselves – their skills, performance, achievements and rewards.

This article is based on field research that was also the source material for Bill George’s new book, *True North: Discover Your Authentic Leadership*, written with Peter Sims (Jossey-Bass, March 2007 [www.truenorthleaders.com](http://www.truenorthleaders.com)).

**“Their mistakes, especially those that come early in their careers, are highly beneficial in their developmental process and reduce the likelihood of making major mistakes when reaching the pinnacle of power.”**

Surprisingly, we found in our interviews with these successful leaders that the hero role was representative of only their early leadership development. The hero's job – doing impressive deeds, facing challenges alone, and gaining notice – initially seemed their best route to success. But acting as a hero was just a stage that the successful managers moved through on their journey to authentic leadership. The heroic model of leadership turns out to be merely an early stage – one with risks, temptations, misbehaviors – and one that needs to be outgrown.

As our interviews revealed, leaders who move beyond the hero stage learn to focus on others, gain a sense of a larger purpose, foster multiple support networks, and develop mechanisms to keep perspective and stay grounded. For example, Xerox CEO Anne Mulcahy, in spite of her success in turning the company around, routinely deflects most media attention. To explain why, she told about receiving a telephone call from her mentor, former CEO David Kearns, when she was in the darkest hours of trying to keep the company out of bankruptcy and fending off an SEC investigation. “Mulcahy, do you believe all that bull they are writing about you in the newspapers?” Kearns asked her. “No, David,” Mulcahy replied calmly. “Good,” responded Kearns. “Then don't believe it when they start writing about you as the savior of Xerox.”

Many of the perils of the hero stage are well described by Novartis CEO Daniel Vasella in a *Fortune* magazine interview:

Once you get under the domination of making the quarter – even unwittingly . . . you'll begin to sacrifice things that are important and may be vital for your company over the long term. The culprit that drives this cycle isn't the fear of failure so much as it is the craving for success . . . For many of us the idea of being a successful manager is an intoxicating one. It is a pattern of celebration leading to belief, leading to distortion. When you achieve good results, you are typically celebrated, and you begin to believe that the figure at the center of all that champagne toasting is yourself. You are idealized by the outside world, and there is a natural tendency to believe that what is written is true.[2]

### **The five perils**

From our interviews we found five perils of the leadership journey, distinctive destructive behaviors that tend to occur in the hero stage of managers' early careers. The five are: being an imposter; rationalizing; glory seeking; playing the loner; and being a shooting star. In the following examples, the disguised cases are of real failed leaders at major firms.

#### *Being an imposter*

Imposters frequently lack self-awareness and self-esteem. They may have little appetite for self-reflection and consequently defer personal development. They rise through organizational ranks with a combination of cunning and aggression. Imposters use these strategies to achieve positions of power, but then have little sense of how to use that power for the good of the organization. In effect, they have been too busy besting their competitors to learn how to lead. Leaders who succumb to this hazard embrace the politics of getting ahead and letting no one stand in their way. They are the ultimate political animals, adept at figuring out who their competitors are and then eliminating them one by one.

### The case of the imposter CEO

Rising through the ranks of "Automation Inc.," Harry always seemed on top of his game, very cool and rarely worried. He developed superb relationships with his bosses – often golfing, hunting and fishing with company board members. The dinner parties at his home were glamorous affairs, featuring rare French wines and gourmet foods. On the job he rarely became involved in the details of his business, delegating all issues to his subordinates while he built relationships with his peers and bosses. He set extremely conservative goals to ensure that he never missed a financial plan, but was able to convince his bosses that his goals were challenging. Although his track record never produced growth in either revenues or profits, he persuaded Industrial's board to promote him to CEO of this \$10 billion company.

Once Harry was in the CEO's chair, some severe operational problems arose, causing the company to fall short of expectations. This situation caused him to feel like an imposter who did not belong in his job. He was racked with self-doubts and paralyzed from taking action to correct the obvious problems. Rather than face the criticism of the company's shareholders and launch a major cost-cutting effort, Harry instead initiated negotiations to sell the company. As the situation worsened and external calls for action intensified, he announced its sale for a very modest premium, including a \$100 million severance package for himself. He was unable to protect his former employees, however, as 10,000 of them in the company's hometown, including his entire corporate staff, lost their jobs.

Having acquired power, imposters may not be confident how to use it. They are beset with doubts about handling the responsibilities of leadership. Because their greatest strength is besting internal opponents, they are often paranoid that underlings are out to get them.

Some imposters may be unable to act decisively because they are paralyzed by doubt. Their inaction leads to poor results and external challenges, so they will likely attack their critics and cut themselves off from internal feedback. Their most competent subordinates move on to greener pastures when it becomes obvious that they have failed to have influence on their leader. Meanwhile, people remaining in the organization tend to keep their heads down and wait for their leaders to make decisions.

### *Rationalizing*

These leaders are unable to admit their mistakes for fear of being considered a failure or of losing their jobs. As a result of their inability to take responsibility for setbacks and failures, they rationalize their problems away. To outsiders, rationalizers always appear on top of the issues. When things don't go their way, they tend to blame external forces or subordinates or offer facile answers to their problems. Worse yet, they may attempt to cover them up or deny them. They rarely step up and take responsibility.

As rationalizers find themselves facing greater challenges, they transmit pressure to their subordinates instead of modulating it. When pressuring subordinates fails to produce the desired results, they resort to short-term strategies such as cutting funding for research,

### A case of a rationalizer CEO

The CEO of "Retail, Inc.," Charlie always had a confident answer for everything. No matter how bad things were at his company, he was on the move, acquiring new businesses, negotiating deals, and courting customers. Asked about his mediocre results, he tended to blame them on the economy or unfair competitive actions, but his answers never squared with reality. Under increasing external pressure to produce results, he steadily cut back on the company's customer service, the very thing that had given it competitive advantage. As competitors took advantage of his moves to gain share at Retail's expense, he pointed to increasing earnings while criticizing the stock market's focus on his company's tepid revenues. To offset the sagging revenues, he reduced maintenance of his stores, leading to a shabby appearance. As results worsened, he de-emphasized the company's core retail business and attempted to shift to the wholesale business. It didn't work. Under increasing pressure from shareholders, his board forced him to resign. Even after his termination, he was unwilling to acknowledge the problems he created, attempting to take credit for the successful turnaround launched by his successor.

growth initiatives, and organization building in order to hit immediate goals. Eventually, these short-term actions begin to catch up with them. They are then likely to borrow from the future to make today's numbers look good, or to stretch accounting rules, rationalizing that they can make it up in the future.

Ultimately, they become the victims of their own rationalizations, as do their depleted organizations. The misdeeds of rationalizers have become all too apparent in recent years. The high stock prices of the 1990s, based on ever higher expectations of revenue growth, led many executives to play the game of meeting stock market expectations while sacrificing the long-term value of their companies and their own reputations.

### *Glory seeking*

Leaders who seek glory are motivated by a need for acclaim. The hazard of being derailed by glory-seeking stems from the need for external reinforcement of their self-worth. Money, fame, glory, and power are their goals, as they pursue visible signs of success. Often it seems more important to them to be known as powerful business leaders than to build organizations of lasting value.

For a leader stuck in the trap of glory-seeking, however, the thirst for fame is unquenchable. Leaders who are perpetually dissatisfied cannot be effective, and they are prone to try to divert more and more resources – money, fame, glory and power – from their organization to their own use.

### *Playing the loner*

In the heroic stage of the leadership journey, it is perilous to think that leadership is a solitary pursuit. When leaders adopt the loner role they avoid forming close relationships, fail to seek out mentors, and don't create support networks. As a result they are cut off from appropriate feedback.

In a competitive world where leaders are evaluated on their individual merits, it stands to reason that aspiring leaders would take care to develop their own resources, husband their own ideas, and trust only their own judgment. Yet without wise counsel, loners are prone to making major mistakes. This, too, is a self-reinforcing trap. When results elude them and criticism of their leadership grows, they retreat to the bunker. They have few personal support structures to draw upon to get through challenging times. They become rigid in pursuing their objectives, not recognizing it is their behavior that makes it impossible to reach their goals. Meanwhile, their organizations unravel or their personal lives crumble.

### *Being a shooting star*

Leaders who fall into the shooting star trap lack the grounding of an integrated life. The lives of shooting star leaders center entirely on their careers. To observers, they are always on the go, traveling incessantly to get ahead. They rarely make time for family, friendships, their

#### **A glory-seeking CEO**

Michael arrived at "Innovation, Inc." to the acclaim of the media and analysts. He repeatedly captured headlines as one of the most successful new CEOs of his generation. Although Innovation was a modest company that prided itself on egalitarianism and no frills, he built a fancy new office suite for himself, complete with a gym and an executive dining room, and convinced his board to purchase a large private jet exclusively for his use. A master at public speaking, each year he gave more than one hundred speeches outside the company. Yet he never had time to talk to the innovators who had made the company so successful.

Insiders commented that they could go for months without seeing him in the company headquarters or wandering through its laboratories. He loved high level customer contacts, but rarely took time to talk to sales people to find out why the company's products weren't selling. Quarter after quarter, the company missed its financial expectations, yet he never took responsibility, preferring to blame his subordinates and even firing them on the spot. Eventually, the results were so bad that the board was forced to ask for his resignation.

### The case of the solitary leader

Simon never seemed comfortable in the CEO's chair. He joined "Financial Services, Inc." after consulting for the company for many years and devising its strategy. He maneuvered a clever merger with a larger company and negotiated his way into the top job. Once there, he surrounded himself with loyal subordinates, moving away from the larger company's well-honed meritocracy. He refused to hear bad news, blaming subordinates for problems and often firing bearers of bad tidings. Under pressure, he would retire to his office, close the door and ruminate by himself for many hours. He seemed genuinely uncomfortable when interacting with the company's customers or revenue producers. Over time, many key executives departed from the company. In their place he promoted inexperienced subordinates whose knowledge and capability were questionable. Eventually, employees revolted and went to the board, explaining why the company was declining and threatening to resign en masse. Faced with a palace revolution, Financial's board decided it had to make a change in leadership. As compensation, the board voted him an additional \$50 million cash bonus.

communities, or even themselves. Much-needed sleep and exercise are continually deferred. As they run ever faster, their stress mounts.

The increasing pace of organizational life, fueled by information technology, globalization and hyper-competition, creates a growing demand for talented people interested in moving onto the fast track. High achievement and top leadership come to those who start early and run fast.

Yet shooting stars move up so rapidly in their careers that they never have time to learn from their mistakes. A year or two into any job, they are ready to move on, before they have had to confront the results of their decisions. When they see problems of their making coming back to haunt them, their anxiety rises and so does the urgency to move to a new position. If their employer doesn't promote them, they are off to another organization. One day they find themselves at the top, overwhelmed by an intractable set of problems. At this point, they are prone to impulsive or even irrational decisions, and have no grounding in their lives that enables them to cope in a rational manner. Eventually, shooting stars flame out.

### The need for self-development

These five hazards of the hero stage of leadership development arise from ill-conceived attempts by leaders to disguise or ignore their humanity. No one is immune to the seductions or pressures of leadership that create these five types of destructive behaviors. By undertaking a dedicated process of self-development, authentic leaders, such as the 125 leaders interviewed for our research, are able to navigate these hazards as they progress in their careers and stay grounded in the process.

To do this they viewed the leadership journey as a human journey. To initiate this learning process, they should first ask themselves five fundamental questions:

1. Who am I, and what are my strengths and developmental needs?
2. What motivates me to lead?
3. What is the purpose of my leadership?

### The case of the shooting star consultant

Sarah was the rising superstar at "Consulting, Inc." She was entirely dedicated to her clients, spending months at a time on their premises, as she received top marks for client satisfaction and for garnering follow-on contracts. She was so busy flying around the country that she had little time for her personal life, her husband, or her two young children. The latter were cared for by her nanny, as her husband also traveled frequently. To progress in her career, she often entertained clients at glamorous resorts around the country on weekends, further separating herself from her family. Physically exhausted, emotionally drained, and distraught over the hollowness of her existence, she decided she had no choice but to resign from her job and focus on her family.

4. Who can I rely upon for real feedback and support?

5. How can I sustain myself in this leadership role?

Honest answers to these questions enable the individual to avoid or overcome the five hazards of leadership. There is nothing wrong with desiring the rewards of leadership as long as they are combined with a deeper desire to serve something greater than oneself.

As we discovered when our interviewees told their early stories, they initially framed their lives in the model of an all-conquering hero. But many of our participants went on to identify the true beginning of their leadership as the point in time when they realized they needed to empower others in order to achieve their leadership goals. This moment of personal discovery made them see that authentic leadership entails empowering leaders throughout their organizations, enabling their development, taking responsibility for mistakes but offering others the credit for success, and engaging in work with a larger purpose.

### Embrace the lessons of failure

While many leaders have a deep-seated fear of failure, the irony is that they learn the most from their failures. David Pottruck, former CEO of Charles Schwab, relishes the opportunity to learn from every experience. “You don’t have to be perfect,” he said. “You can start off on a bad path and recover. You can turn most failures into successes if you ask yourself, what can I learn from this so that I can do better the next time?” Pottruck believes that the key to learning from failure is to avoid denial and be honest with yourself. “If you’re open, you can learn a lot more from failure than success,” he says:

When you’re successful, you take it for granted and move on to the next thing. Failure forces you to reflect. What went wrong? How could I have done this better? It’s an opportunity for you to take responsibility. The path of least resistance is to blame it on someone else. I failed many times but learned from each experience and usually managed to come back stronger. I kept plugging away and eventually was successful.



### At all costs, keep perspective

While self-knowledge arises most dramatically from life experiences – notably the experience of failure – it is also continually available in a leaders’ surroundings, provided the leader is able to take advantage of it.

So, how do leaders keep perspective and stay grounded? Here are some suggestions for personal development gleaned from our interviews:

- Be honest with yourself and listen to honest critics.
- Take responsibility for failures, but share successes with others.
- Have several blunt, honest people you trust close to you to tell the truth.
- Maintain strong personal relationships with people who care about you.
- Foster a strong inner world, including a robust sense of purpose.

### Kevin Sharer: a leader gets back on track

Can leaders recover after losing their way? Let’s look at the story of a talented leader who hit some hazards and rebounded. In 1989, Kevin Sharer, now Amgen’s chairman and CEO, faced failure for the first time after he jumped ship from GE to join the telecommunications company MCI where he thought he had a shot at the top job within two years.

At age forty, Sharer was running a major GE business when the headhunters came looking for a new head of sales and marketing for MCI. “The CEO race is wide open,” MCI’s vice chairman assured Sharer, who seized the opportunity. Upon joining the company, however, Sharer learned that the chief operating officer was in line for the top slot and didn’t welcome competition from an ambitious young hotshot. With just six weeks on the job, Sharer said, “I marched into the chairman’s office and proposed a restructuring of MCI’s sales organization.” His proposal alienated senior executives who had spent their careers

building MCI and its sales team, and because he lacked telecommunications experience Sharer had little credibility.

Desperate to escape, Sharer telephoned Jack Welch about returning to GE. Welch wasn't happy with the sudden way Sharer had bailed out of GE. "Hey, Kevin, forget you ever worked here," Welch replied. "At that moment," Sharer recalled, "I knew I had been cast adrift. It was a gut-wrenching two years for me, the most challenging and unhappy time of my professional life. I'm not a good knife fighter, and I was getting outmaneuvered. At first I went into denial. Then I became defeatist and cynical." Sharer later observed, "I learned that whether you are right or not, there is a price to be paid for arrogance."

Sharer recognized changes he needed to make. "In retrospect, the MCI experience wasn't all bad," he said. "I learned what a truly competitive company can do, and I learned about entrepreneurship and innovation. A tough experience like that gives you genuine empathy for other people." Two years after joining MCI, a letter came across Sharer's desk asking if he knew anyone who could be president of Amgen. After expressing interest, he landed the number two position at Amgen. Sharer then focused on learning the business before taking charge and listened to the wisdom and experience of his colleagues:

By being patient, I became an insider before I started making changes. I learned the business from the ground up, made calls with sales representatives, and showed my desire to learn.

Sharer spent seven years patiently understudying CEO Gordon Binder before becoming CEO. So far his efforts to become an authentic leader have paid off handsomely for Sharer and for Amgen. In his first six years as CEO, Amgen's revenues grew at a 25 percent clip, with earnings and its market capitalization increasing rapidly. "It is vitally important that you love what you do because if you don't, you won't do your best," Sharer told us. "When I was at MCI, I never had an emotional connection with low-priced long distance. [At Amgen]...if somebody walks up to you and says, 'Your product saved my life,' the power of that connection is enormous."

### Managing the leadership journey

Ultimately, responsibility for leadership development lies with the individual leader. Even as distinguished a leader as Jeff Immelt, chairman and CEO of General Electric, noted when he faced the greatest crisis of his career in GE's plastics business, "Leadership is a long journey into your soul. It's not like anyone can tell you how to do it."

Organizations can take steps to foster the individual development of leaders. Many leading organizations are shifting their leadership development programs away from the historic focus on the development of competencies, characteristics, skills and styles to emphasize the process of self-development. They do so with long-term programs for leaders to develop themselves as authentic leaders and to acknowledge the importance of their life histories in determining their leadership. Organizations are fostering necessary support systems for their leaders, using mentoring, one-to-one coaching, 360-degree feedback, participation in leadership discussion groups, and support for a healthy work/life balance.

Corporate managers who have successfully traveled the leadership journey can be an organization's most adaptive and flexible resource. Avoiding the five hazards of the early leadership period is the first part of the journey's challenge. The equally crucial second part

**“Avoiding the five hazards of the early leadership period is the first part of the journey’s challenge. The equally crucial second part is encouraging the development of leaders with a diverse set of perspectives, capacities and capabilities.”**

is encouraging the development of leaders with a diverse set of perspectives, capacities and capabilities.

### Notes

1. Campbell, Joseph, *The Hero's Journey*, Phill Cousineau (Ed.), Harper & Row, San Francisco, CA, 1990.
2. Vasella, Daniel, and Clifton Leaf, "Temptation is all around us", *Fortune*, Vol. 146 No. 10, pp. 109-16, 2002, full text accessed via Academic Search Premier (accessed November 18, 2002).

Bill George would like to acknowledge the work of two of his colleagues, Diana Mayer and Peter Sims, who did a majority of the interviews that this article is based on.

---

To purchase reprints of this article please e-mail: [reprints@emeraldinsight.com](mailto:reprints@emeraldinsight.com)  
Or visit our web site for further details: [www.emeraldinsight.com/reprints](http://www.emeraldinsight.com/reprints)