



ZENGER | FOLKMAN

**Revised Edition**

# **Leadership Under the Microscope**

---

by Jack Zenger, Kurt Sandholtz, and Joe Folkman

Revised Edition

# Leadership Under the Microscope

---

Multiple factors combine to determine the ultimate success or failure of a 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.

## **Our current situation**

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 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 leaders being “born or made.”

- How can it be developed?
- 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 and many others

written by ghostwriters from prominent business, military, and governmental leaders. Tens of thousands of articles exist, 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 makeup)
- 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 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.

### **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.

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 database of some 1,000,000 feedback assessments (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

Success in understanding any complex field requires researchers to apply scientific rigor and then share their findings.

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*, summarizes the research findings and the methodology that was used. A second book, *How to Be Exceptional: Drive Leadership Success by Magnifying Your Strengths*, emphasized how strengths could be developed. The research has also been described in the Harvard Business Review article, “Making Yourself Indispensable.”

### **Five Conclusions from Our Research**

Our data-driven approach to understanding leadership has led to a number of unexpected insights. Here are five of our fundamental findings.

#### **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 basic skills required of a leader. Because so many supervisors lacked these fundamentals, merely getting them to the point of adequacy turned out to be a worthwhile achievement. In hindsight, the skills provided stopped 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 underperformers with the intent to bring them up to an adequate level. Conversely, others invest heavily in their high potential managers and provide few developmental resources for everyone else,<sup>1</sup> thus limiting the number of extraordinary leaders the firm could potentially have.

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.” 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 employees’ satisfaction with their 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 focusing mostly on the top or 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 produces results that are far beyond incremental. At the 70th, 80th, and 90th percentiles of leadership effectiveness, the performance differences are almost exponential.

---

<sup>1</sup> 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.



## **2. We need to stop emphasizing weaknesses.**

Everyone learns at a young age that the way to improve themselves is to fix their weaknesses. When leaders receive a 360-degree feedback report, they tend to 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 for the organization—and, in turn, were recognized 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 “okay” 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 leader observed, “It’s the bland leading the bland.” Raising these “bland” managers’ lowest scores is virtually guaranteed not to make a noticeable difference in 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 possesses 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 being recognized for their strengths, they become a brick wall. The leader cannot move forward until this wall is torn down.

## **3. Leaders need to fix fatal flaws.**

When we think of someone who is a bad manager, we have images of rude behavior: people being berated in public, someone shouting and pounding the table, or the manager who takes credit for the good work

In our research, “lack of weaknesses” was not the distinguishing feature of the best leaders. Instead, they possessed a few profound strengths.



of direct reports while blaming them for any mistake that is made. Occasionally, you still hear of a manager who displays such boorish, childish, and uncouth behavior. However, these are not the most frequent cause for a leader possessing a fatal flaw.

Instead, fatal 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 riskiest thing a leader can do. Better to get out and make something happen than be perceived as a conservative, careful non-contributor.

#### **4. We need to invest more in identifying and developing strengths.**

Being an extraordinary leader doesn't mean doing 50 things reasonably well; it means doing 5 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 five 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.

Dr. 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 Dr. Folkman 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 a small number of outstanding strengths.”

These strengths are not just any behaviors. Punctuality, for example, was not a differentiating characteristic of the best leaders. The strengths must be in areas that truly make a difference. They must be traits or behaviors that make a positive impact on how the organization functions. We identified these as “differentiating competencies.” We discovered

If we want extraordinary leaders, why not begin to find those interested in becoming effective leaders and help them accelerate their progress?

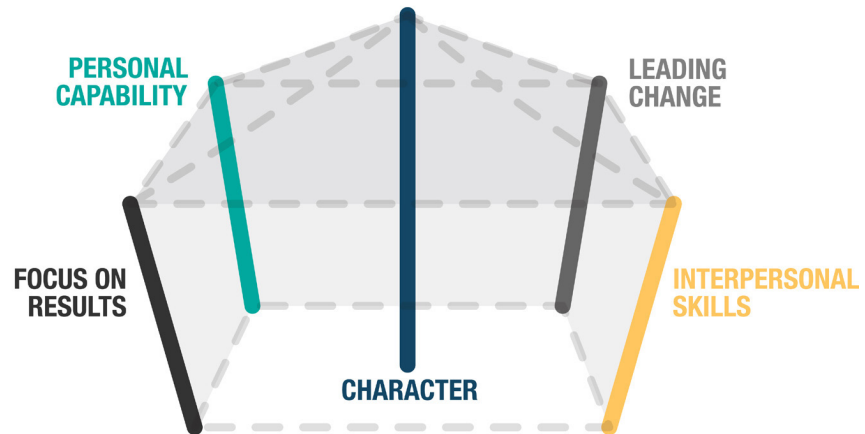
19 such differentiating behaviors. Every leader would be advised to work on competencies from this list.

### 5. Leadership needs a broad footprint.

In reporting this research our objectives were 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 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 19 differentiating competencies clustered into 5 areas.

The center pole represents the leadership trait 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.

**Fig. 2 – The Leadership Tent**



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 around 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.

The 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 to come.

This simple tent metaphor communicates a number of important implications.

- 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 about trying to elevate a drooping section of canvas.

- There are few perfect tents. Typically, one tent pole is higher than the others. This reflects a person's style and personality. While a leader's tent does not need to be perfectly balanced, they cannot have a fatal flaw in any pole and be an extraordinary leader.
- Strengths are built by utilizing competencies in all tent poles. Some have expressed concern about "overused strengths"—that is, a competency carried to an extreme becoming a weakness. We saw no evidence of overused strengths in the data. Rather, we saw numerous examples of imbalanced strengths that, by themselves, could only take the leader so far. (Imagine how preposterous it would be to tell an executive, "Would you please stop

getting such great results? You're overusing that strength!")

- 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. 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 19 differentiating leadership competencies. Leaders who scored in the top 10 percent on the differentiating behavior also tended to score very high on these supporting behaviors. We have called these supporting

behaviors "competency companions."

*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, "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. After a bit of reflection, the executive responded, "Optimism. I've always prided myself on finding the flaw in any argument, or a potential problem no one else could see. That's a helpful trait when you're running an oil refinery. But I can see how it undermines my relationships with others. 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.”

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.

We are convinced that, to a great degree, leaders can be made. Genetic makeup is not the main determinant of great leadership, but it accounts for roughly one-third of the traits and behaviors that define exceptional leaders. 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.

## About Us

Zenger Folkman relentlessly seeks to rise above the inconsistent, and sometimes misleading, nature of popular leadership philosophies and beliefs brought on by opinion. The discipline of leadership and those who pursue it deserve better. Our most valuable asset is the expertise of combining hard data and statistical analysis with logical explanations and actionable application that help individual leaders thrive and organizations succeed.

