Why CEOs Fail
The 11 Behaviors That Can Derail Your Climb to the Top — And How to Manage Them
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Introduction
When chief executive officers and other leaders fail, often it happens because they sabotaged themselves, albeit unconsciously. They had the intellect, skills and experience to lead their companies through the challenges they encountered, yet for some reason they didn’t do so. They were derailed by something that was integral to who they were.

Leaders are vulnerable to 11 derailleurs — deeply ingrained personality traits that affect their leadership style and actions. The odds are that you possess at least one of these traits. For instance, you may be brilliant at analysis, and this analytical reflex has helped your company avoid the mistakes that your competitors have made. At the same time, your penchant for analysis may become warped when you’re under stress. You become so analytical that you freeze when you should be taking action. When you should be deciding, you’re still analyzing.

This trait is hardwired into you, and it’s difficult to take a step back and realize that what is sometimes a strength has become a leadership derailer. You don’t see what you’re doing wrong — after all, it’s the same thing you’ve done successfully for years — and failure blindsides you.

The good news is that this failure can be prevented. When you learn to identify and manage these derailleurs, you can spot failure coming a long way off and take the steps necessary to keep it from hurting your career or company.

The Derailleurs
The 11 derailleurs are:

1. Arrogance: You’re right and everybody else is wrong.
2. Melodrama: You always grab the center of attention.
4. Excessive Caution: The next decision you make may be your first.
5. Habitual Distrust: You focus on the negatives.
7. Mischievousness: Rules are made to be broken.
8. Eccentricity: It’s fun to be different just for the sake of it.
10. Perfectionism: Get the little things right even if the big things go wrong.
11. Eagerness to Please: Winning the popularity contest matters most.

Stress and Control
Derailleurs emerge most commonly under stress. But what’s stressful for one person may not be for an-
other. The key is to figure out what kind of stress you’re vulnerable to and what triggers your derailers.

The goal isn’t to eliminate the derailers, since you can’t. They’re part of your personality. They haven’t suddenly emerged 10 or 20 years into your career. They’ve been with you from the start, only they may not have had serious negative consequences earlier. Your goal should be to understand your derailers, determine under what circumstances they occur, and learn ways to manage them.

Some of the most effective and successful leaders have multiple derailers. That’s not unreasonable, since the derailers are both strengths and weaknesses. Until arrogance leads to derailment, for example, a leader may be seen as extremely self-confident. It’s only when the self-confidence goes over the edge to arrogance that trouble strikes.

Every trait has a positive side that helps people achieve success. It’s only when you’re unaware of the trait, denying its existence, or fail to see its downside that you run into problems.

Be aware that the average person has two or three derailers, so the odds are that some will fit you. You can also have derailers that seem like the opposite of one another — arrogant and eager to please, or aloof and melodramatic. Personality, after all, is complex and often contradictory.

### Arrogance

In both ancient and modern tragedies, leaders fall because of arrogance. One of the toughest balancing acts in leadership is between too much confidence and too little. If you’re going to succeed as a leader, you need to have confidence in your abilities. If you fail as a leader, you may have too much confidence.

Arrogance from an organizational leadership perspective is a kind of blinding belief in your own opinion. Some common signs:

- Arrogant leaders reinterpret data to fit their own world view. No learning takes place, as they don’t adjust to new information.
- They have an off-putting refusal to be accountable. They compound mistakes by blaming others for them.
- They resist change, since they’ve achieved success by doing things their way.
- They’re unable to recognize their own limitations, believing they can do everything well.

### Melodrama

It’s difficult to be a successful CEO without some presence. Today, many organizations expect their leaders to have charisma and even showmanship. At times, you’ve undoubtedly found it necessary to be overly dramatic to make a point.

Melodrama involves exaggerated emotion or action. In theater, the term suggests an over-the-top performance or plot that detracts from the play’s message. In organizations, melodrama is a derailer because it detracts from other people’s performance and impairs a leader’s ability to see what’s going on. Signs include:

- Lack of focus — a melodramatic leader will often say whatever comes to mind in order to impress, motivate or attract attention.
- Showboating teams, which arise when melodramatic leaders surround themselves with people prone to copying their style.
- Elevated expectations, since melodramatic leaders can talk big.

### Volatility

In today’s volatile environment, it’s easy to go from wild optimism to frustration. But volatility makes some CEOs unpredictable. Though it would be hyperbole to claim that volatile leaders are Jekyll-and-Hydes or bipolar personalities, they can swing from mood to mood in a way that’s unpredictable, draining subordinates who try to adjust to their moods. Signs:

- People hold back in interactions with you, reluctant to deliver bad news or cover certain topics.
- A lot of mood management goes on around you, as subordinates seek to find out whether you’re in a good mood before entering your office.
- People become increasingly distant, trying to stay out of your way or giving you rehearsed answers.

### Excessive Caution

Given the scrutiny that CEOs face, it’s not surprising that some of them are overly cautious. But the requirement today for quick action can make this derailer deadly. Instead of acting, you find yourself overanalyzing important decisions or procrastinating. You want one more study, one more task force. Pretty soon the problem has spiraled out of control or the opportunity has been missed, and the very failure you sought to avoid is brought about by indecision. Signs:
• Unwillingness to fire anyone, since any significant action involves risk.
• Churning instead of movement, as the overly cautious leader gives the illusion of doing something by doing little things that don't entail much risk.
• An absence of strong opinions or engagement in debate — cautious leaders prefer to remain on the sidelines during discussions, rarely offering their own views.

Habitual Distrust
Healthy skepticism is important these days. But some leaders become inappropriately and egregiously suspicious. The leader who's consistently mistrustful sends a message that people had better watch their backs rather than their work. Failure comes because people don't take risks under that steely gaze. Signs:
• Relentless skepticism about other people's motives.
• Direct reports who are highly defensive, covering themselves when they make reports.
• Difficulty forging alliances with outside groups or companies.

Aloofness
Being aloof has its advantages. It keeps a CEO from getting caught up in politics or messy people problems. But under stress, aloof leaders can become withdrawn, isolating themselves from people who desperately need their guidance. Signs:
• Becoming invisible — the leader becomes a shadowy figure hiding out in the big office.
• Ignoring conflict, hoping it will go away.
• Loss of motivation — people stop working hard because there are no pats on the back.
• Widespread false assumptions and miscommunication — people have to guess what the CEO wants.

Mischievousness
Mischievous leaders often act impulsively and don’t consider the impact of their actions. They’re so caught up in the cleverness of their ideas that they don’t assess the ramifications. They have an impulse to break the rules, test the limits and shake people up. It’s an impulse that can serve them well at times, but can also go too far. Like President Clinton, their mischievous nature can hurt them and others. Signs:
• People question your commitment and the projects you’ve started, since in the past you’ve started many but your support for them has been generally short-lived.
• Because you act on the spur of the moment, you don’t take time to win people over.
• Everything seems to rate a challenge — you aren’t picking your battles.
• You often find yourself finessing your mistakes, convincing others with your eloquence that something wasn’t your fault when it actually was.
• You’re easily bored and like to stir the pot.

Eccentricity
Eccentric leaders march to a different drummer. They see things differently, identifying opportunities others can’t see. But in a crisis they can drive others nuts by floating more ideas or acting in a way that others find bewildering — like the CEO who threw a pint of orange juice at his controller and shot a BB gun at empty chairs during a meeting, yelling, “Die.” Signs:
• An inability to prioritize — the eccentric believes each and every idea is critically important.
• Going it alone — deeply eccentric leaders are stubborn individualists. Their eccentricity is like a force field surrounding them, repelling others.
• People don’t take you seriously, refusing to treat you as a serious leader.

Passive Resistance
During meetings, the CEO nods in agreement and fully supports a project. But privately, the passive resistant leader talks about how dumb the project is and withholds support. This becomes routine behavior, as if he has two personalities and two agendas: the public and private ones.

Passive resistant leaders create expectations they don’t meet, confusing and disappointing their people in the short term and creating cynicism in the long run. Signs:
• Confused and angry direct reports, because the boss doesn’t follow through on commitments.
• Rampant cynicism.
• Alliances, teams and partnerships that fall apart.
• Lip service to things you don’t believe.

Perfectionism
Perfectionist CEOs often ignore the big picture. They’re so wrapped up in the little things that they lose sight of
all the major developments around them. It may make sense to achieve perfection in product safety, clinical trials and manufacturing processes, but in countless other areas, “good enough” really is good enough.

While overly cautious CEOs are afraid of failure, perfectionists are more concerned about messy, chaotic situations that can’t be neatly summed up. They’re terrified of ambiguous choices that don’t yield a clear decision after rigorous analysis. Signs:

- Fastidiousness and difficulty delegating.
- Putting form over function, style over substance.
- Overlooking the obvious, because you’re so obsessed with details you miss trends and changes that can affect your business.
- As stress occurs, things start to go downhill because you’re trying to do things even more perfectly than in the past.

Eagerness to Please

Many CEOs are astute at anticipating and meeting objections and achieving consensus. But for pleasers, an aversion to conflict and contentious debate can lead them to bury contrary opinions that need to be heard. Unconventional wisdom — where innovation and bold moves originate — isn’t heard. Signs:

- Losing people’s support and loyalty, because in trying to please everyone you renounce a deal you’ve made with one person when the next person challenges it.
- Unwillingness to stand up for your people when a customer or other outsider challenges them.

- A lack of creative tension in the company.
- A refusal to face tough people decisions.

Conclusion

As long as leaders try to be perfect and expect perfection, they’re going to be more vulnerable to these derailers. The first step in dealing with them is to acknowledge that you’re fallible — and that flawed human beings can still be great leaders. Accepting this will make you free to become aware of your derailers, and to learn to manage them.

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