

**CSC Leadership and Strategy Series**

**"The Elephant in the Boardroom – The Causes of Leadership Derailment"**

**by Professor Adrian Furnham**

**Professor of Psychology**

**University College London**

**25 June 2010**

Prof Adrian Furnham was at the Civil Service College to share his insights on why leaders fail - the psychology of management derailment.

**The Path to Derailment**

2 Prof Furnham began by describing the path to leadership that is common in today's organisations. He noted that today's leaders often follow a similar path of progression before arriving at their leader positions. Leaders usually start their career in a *technical* capacity before being promoted to *supervisory* positions as a function of their effort and progress (and politics), and are then elected or selected to *strategic* organisational roles as a function of their reputation, ambition and track record. This path to leadership means that while people are often recruited or selected for their ability, knowledge and skills, over time, they assume roles that rely less on these skills and require other skills.

3 He noted that those chosen to lead are usually selected based on qualities such as self-confidence, being bold, strategic and astute etc. However, the paradox of some leaders who fail is that the very qualities that brought them their success and advancement are also the same qualities that lead them to their destruction. In some instances, having too much of the right qualities could be detrimental. He then cited a study conducted by the Center for Creative Leadership that found that about half of all leaders fail in their jobs. He also spoke on the significant impact that a derailed leader has on the organisation and staff, such as in terms of missed business opportunities and employee disengagement.

4 He summarised that successful leaders derail because a poor selection process results in the selection of a leader with a flawed personality, there is a lack of good role models or poor role models surrounding the leader, and the flawed reward structure of the organisation condones the destructive behaviours displayed by the leader.

**Flaws in the Leader Selection Process**

5 Prof Furnham opined that the current selection methodology plays a part in not selecting the right leaders. He noted that most organisations adopt a 'select-in' model for their selection process, i.e. candidates are selected if they fulfil a set of criteria, for example,

competencies that the organisation have identified as crucial. He added that few organisations consider 'select-out' factors where candidates are excluded when certain negative characteristics are exhibited. He believed that including the 'select-out' factors provides a more holistic approach to selecting leaders and will reduce selection errors that are based solely on the 'select-in' model.

6 Elaborating further on the inadequacy of current selection methodology, he spoke on how the definition of good leaders has been shaped by different psychological approaches through the years and how none has been truly successful in defining good leaders. Specifically, he mentioned why early trait theory that focuses on individual characteristics such as ability and personality was inadequate in its attempt to define a good leader. Some of the reasons cited were the retrospective nature of trait approach that could not distinguish whether a trait was a cause or consequence of leadership style and its disregard of the effect of external factors such as subordinates or organisational/situational issues on leadership.

7 He also pointed out that a key quality that is overlooked when selecting leaders is managerial courage – courage to fail, interpersonal courage, moral/ethical courage and general courage. He explained that a lack of courage would lead to incompetence on the job. Although he conceded that variations of these qualities are sometimes included in competency models used for selecting leaders, these qualities are largely undervalued by organisations.

8 He added that organisations sometimes over-rely on the competency model approach in selecting leaders and in simplistically associating a greater display of a particular competency with maximal performance on the job, fail to consider the potential impact of overplayed strengths. For example, when a leader is selected because of his strong team player competency and if the behaviour is taken to the extreme, there could be negative impact on the team when he is overly dependent on the team or lacks independent judgement to make decisions.

### **Recommendations for Leader Selection**

9 In concluding, on the implications for selection and recruitment, Prof Furnham recommended that taking a holistic approach to selecting leaders consists of three parts. The first would be looking at what he calls the basic requirements such as being sufficiently smart for the job, emotionally stable and conscientious. Second would be looking at other desirable traits like integrity, courage, knowledge, insight and creativity. Last would be to look for undesirable qualities - exhibited typical problems (e.g. aloofness, arrogance and volatility) or personality disorder problems (e.g. narcissism and being antisocial) that are associated with derailment. In addition, he recommended that organisations conduct thorough bio-data and reference checks to look for patterns in their life that may hint at potential problems in the future, consider using 'dark side' measurement tools to ascertain the undesirable qualities, as well as beware of individuals with excessive self-confidence and charm.

## Considerations for Talent Management

10 Prof Furnham also shared about certain conditions in organisations that contribute to leaders derailing. These include paying additional notice to high potentials, forgiving their faults and limitations so long as results are produced, and fast-tracking them through the ranks to jobs that are beyond their capability, which then becomes the seed of their destruction.

11 Hence, in terms of talent management in organisations, he suggested that organisations need to be aware of the consequence of fast-tracking high potentials before they are ready to assume the role as well as guard against overlooking weaknesses because of the presence of great strengths or super-attractive factors. On developing high potentials, he added that organisations could consider conducting 360-degree feedback and pairing the individuals with a mentor, coach or therapist to help them gain deeper self-awareness. Prof Furnham also noted that in some extreme situations, for the sake of the organisation, organisations would need to be prepared to make the difficult decision of letting go problem leaders before they derail.

12 When queried on which management level derailment is likely to occur, Prof Furnham shared that derailment can occur at any level but derailment that occurs at the higher levels causes more damage on the organisation because bad decisions made at the executive level have wider repercussions.

13 On the issue of whether leadership derailment is equally common across cultures and organisations, Prof Furnham shared that while he has no information across national boundaries, he noted that derailment is more likely to occur in the private sector than in the public sector because of the regulations that are typically in place in the public sector that act as checks and balances in identifying and preventing potential derailment. This is unlike the private sector, especially in emerging industries, where there are less regulations or controls.

14 In response to a question from the audience, Prof Furnham spoke about how the talent management function in HR can take on greater prominence and gain greater buy-in in organisations in Asia. The challenge facing most organisations is how to define talent; what are the criteria that should be used to identify high potentials - performance or potential of the individual. Related to this, Prof Furnham added, are the questions of how to measure these two constructs and how to define potential. These are important questions that would impact on the accuracy of the information provided to HR as well as the decisions made on talent management decisions. These are issues that organisations critically need to address as substantial investment is spent on high potentials by the organisations. In particular, he recommended that more rigorous information should be obtained before making the judgement to include someone in the organisation's talent pool, and there should be greater

mobility of individuals into and out of the talent pool according to evaluations of the individuals that are regularly reviewed and updated.

15 At the end of the session, when asked if the individual flaws that potentially lead to derailment are changeable, Prof Furnham concluded that leadership development is not about 'curing' individuals of their flaws. Instead, leadership development often emphasises on creating self-awareness in individuals about their own flaws, their reaction to stress triggers and equipping them with strategies that would help them to manage the potential derailers.

\*\*\*\*\*

Recorded by: Caithlin Tham, Consultant (Psychologist)  
With input from: Khoo Ee Wan, Senior Consultant (Psychologist)  
Centre for Leadership Development