

“Derailed”

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Kindle Notes by Dave Kraft

I chose to write about these particular leaders because they offered highly visible and compelling illustrations of individuals who derailed for the very reasons we can derail—a failure of character. I don’t mean failed character in the sense of dishonesty that results in fraudulent behavior, but rather compromised character in a broader sense—for example, hubris or being dismissive of others. At the outset, some leaders blinded by their own success even begin to treat the company like their personal ATM. A disabling weakness, a strength taken to excess, or a blind spot can derail even the most secure. Compelling examples of leaders who derailed abound, especially in the last few years. He became known for his arrogance, and he alienated the people he needed most.

He seemed to eschew feedback so beneficial to any leader. He was “truth starved.” **Nardelli’s** military-style leadership produced some short-term profits but demoralized the Home Depot workforce. He may have lacked self-awareness—a common denominator of those who derail. How we treat members of our organization makes a huge difference in others’ willingness to help us achieve the goals we most want to reach. Respect for others is foundational to the trust that leaders must create to be enthusiastically followed. The big lesson is that no matter how brilliant, charming, strategic, or commanding in presence a leader is, the consequences of a failed character are extraordinarily disabling and will bring down even the strongest among us.

Leaders who have great strengths also possess significant weaknesses, which cannot be ignored. Sadly, we, too, have the innate capacity for narcissism, arrogance, or disregard of other’s opinions and interests in favor of our own. A given strength can quickly and easily become a weakness. Some attributes serve an individual well at a lower level of an organization, but then become weaknesses when his or her responsibility spans the enterprise’s highest levels. Similarly, an overused strength can become a weakness. Third, excessive stress compromises the performance when we unpack the character-rooted qualities that actually cause derailment, it will become apparent that there are only four.

Though expressed in a variety of different behaviors, they are all tied to a lack of or failure of one of these four critical qualities:

1. Authenticity
2. Self-management
3. Humility
4. Courage

Failing to regulate our emotions, making decisions motivated by hubris, or treating others dismissively represents the menacing foibles to which we are susceptible. “I’ve attended over a thousand shareholder meetings . . . and I am totally distressed to see the amount of arrogance I’ve seen today . . . You don’t respond to anything. I mean, what are we paying you \$245 million to do? . . . It doesn’t matter how talented you are. If you don’t listen to people, if you don’t interact and you aren’t humble and decent, you will destroy this company.” To say Home Depot was on the wrong track in 2000 would be inaccurate. More precisely, the company was in need of a thorough tune-up. It was a highly innovative but grossly inefficient company—like a first-class train that couldn’t serve its meals on time.

Nardelli seemed far more concerned about his processes than his people. He was indifferent about developing relationships with employees. Former employees claimed he was a closed, inflexible, and demanding micromanager who treated people like cogs in his well-oiled machine. People simply couldn’t and wouldn’t work passionately for their command-and-control leader. In this respect, Nardelli was no leader at all. He was a dictator who demanded compliance. his real mistakes: unbearable arrogance, lack of courage in leadership, and an intense distrust of others.

While no one will argue that Nardelli is highly capable, he will likely not fulfill his potential as a leader until he learns what all great leaders know: greatness does not result from competence only; it flows from an inspired workforce who trusts the character of its leader.

H-P insiders began to sense that **Fiorina**’s change strategy was less about H-P and more about promoting its new boss. Carly changed that environment to one of distrust and fear. People no longer felt they could or should speak up. Nor did they feel they had any say in the direction the company was headed. It was a shift too far off track from which to recover “When faced with tough choices, Carly Fiorina rarely made the wrong one, or so it would seem.”²⁸ In fact, her dismissiveness of others couldn’t have been a worse choice. There is no doubt **Durk Jager** faced a tough task. Restructuring the embedded culture of a 160-year-old legendary company was a massive challenge. But the challenge required more than structural change. Change can be orchestrated respectfully and incrementally, but it was not Jager’s way.

He went about the change forcefully and immediately, In the end, the simplest cause and effect is that Jager conveyed an abject distrust of his people grounded in a flagrant overestimation of his own leadership. As a result, his people did not trust him.

STAGE I: A FAILURE OF SELF-/OTHER-AWARENESS Those who derail often seem to lack a sense of how to treat others— there's no interpersonal inner plumb line that guides them.

STAGE II—HUBRIS: PRIDE BEFORE THE FALL Reality dictates that no matter how bright and capable a leader might be, the work of the organization must be accomplished by trusted colleagues. A leader's inference that he or she is primarily responsible for the organization's success demonstrates blatant hubris. This very

STAGE III—MISSED EARLY WARNING SIGNALS Fiorina's mishandling of Walter Hewlett and the Compaq merger was only symbolic of the bigger problem: she was over-controlling and refused to trust others with the work of the organization.

STAGE IV—RATIONALIZING

STAGE V—DERAILMENT What's inside us tends to come out. Our character serves as the wellspring from which our behavior emerges. Os Guinness confirms this: Character . . . is the essential "stuff " a person is made of, the inner reality and quality in which thoughts, speech, decision, behavior, and relations are rooted. As such, character determines behavior just as behavior demonstrates character.

TEST # 1: DOES THE LEADER HAVE A STRONG MORAL/ETHICAL GUIDANCE SYSTEM THAT FUNCTIONS WELL IN AMBIGUOUS SITUATIONS?

TEST # 2: DOES THE LEADER MAKE DECISIONS JUST FOR EXPEDIENCY? Expediency by its very nature places performance over principle. Driven usually by self-interest, leaders who

TEST # 3: DOES THE LEADER HANDLE ADVERSITY WITH GRACE? Our credibility results directly from our authenticity! It is the character dimension that affirms that we are a real person—what you see is what you get. We become credible when we are authentic. We are taken seriously. We are viewed as trustworthy. **GET AHOLD OF YOURSELF! SELF-MANAGEMENT—WHAT IS IT AND WHY IS IT IMPORTANT?**

Goleman asserts that EQ counts for 80–90 percent of the factors that distinguish average from outstanding leaders. His research indicates that the higher a leader rises in an organization, the less important technical skills become and the more important EQ becomes.

Those who derail tend to be unreflective, imperceptive, undisciplined, and impulsive. Many derailments reflect a dearth of self-management. Imperceptiveness, impulsivity, and lack of judgment and discernment usually pay painful dividends. WHAT IS HUMILITY IN THE WORKPLACE? Humility is about an accurate self-assessment—“My job is important, and I need to do it well”—but it’s also the freedom to not inflate who you are or what you’re doing.

Psychologists explain “overcompensation” as an attempt on a person’s part to overcome a perceived inferiority. When I meet with executives who are self-promoting, dictatorial, demanding, and dismissive of others, I always wonder what makes them feel so weak and insecure. The more blustery and entitled they act, the weaker they must feel. Judgmental individuals are deeply afraid of being judged and found wanting. Their perceived insecurities make them so. We have likely worked in organizations that couldn’t handle the truth, and those organizations undoubtedly had a variety of ways to extinguish truth telling. We may have hard choices to make regarding whether we challenge the norms in an organizational culture of truth suppression.

LESSON ONE—CHARACTER TRUMPS COMPETENCE

LESSON TWO—ARROGANCE IS THE MOTHER OF ALL DERAILERS
Arrogance takes many forms. The most rudimentary is the self-centered focus that fosters a belief that I am central to the viability of the organization, the department, or the team. The resulting dismissiveness of others’ contributions is inevitable.

LESSON THREE—LACK OF SELF-/OTHER-AWARENESS IS A COMMON DENOMINATOR OF ALL DERAILMENTS
Lack of self-awareness, too little or too late, is the common denominator of all derailments.

LESSON FOUR—WE ARE ALWAYS WHO WE ARE . . . ESPECIALLY UNDER STRESS

LESSON FIVE—DERAILMENT IS NOT INEVITABLE, BUT WITHOUT ATTENTION TO DEVELOPMENT, IT IS PROBABLE THE HABIT OF OPENNESS
The first antidote to derailment is openness to feedback. THE HABIT OF SELF-/OTHER-AWARENESS
Accurate self-awareness requires that we become a student of ourselves.

It's not about falling in love with our own image in a narcissistic way, but rather that we create an accurate and balanced view of who we are and what our capabilities and limitations are. THE HABIT OF LISTENING TO EARLY WARNING SYSTEMS THE HABIT OF ACCOUNTABILITY The leaders most susceptible to derailment refuse to have their opinions, decisions, and actions questioned. we intentionally place ourselves in relationship with someone who tests our motives and our actions. THE HABIT OF RESILIENCY. We will almost always work harder for meaning than we will for money. Meaning also helps us persevere.