The Dynamics of Management Derailment

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Through selection and development activities, organizations invest a great deal of time, energy, and money in ensuring that their managers stay on a successful track. When a derailment occurs, part of that investment is lost. In addition to losing organizational resources, derailments also cause personal loss for the individual who derails and can affect the morale of the people whom the individual was managing.

What is derailment? First, it is involuntary and punitive. Derailment occurs when a manager who was expected to go higher in the organization and who was judged to have the ability to do so is fired, demoted, or plateaued below expected levels of achievement. Second, the term derailment does not apply to managers who are at the top of their function, unit, or business group or who are promotable but have no opportunity for promotion. Thus derailment is not to be confused with the fact that, as managers rise in an organization, the number of jobs decreases, causing more promotable managers to reach their peak below the top level.

Research on derailment has focused primarily on retrospective perceptions of why managers derail. McCall and Lombardo (1983) interviewed 19 top executives who had a hand in stopping the career of a derailer. Ten reasons for derailment were mentioned by these executives; these included both personal flaws (e.g., insensitive, arrogant, overly ambitious, betrayal of trust) and managerial inadequacies (e.g., overmanaging, poor staffing, inability to think strategically).

In a separate but similar study of derailment among female executives (Morrison, White, & Van Velsor, 1987) a similar set of flaws were perceived as contributing to derailment; however, two additional reasons for derailment were given in this study: poor image and narrow business experience. Bentz (1985) also found similar reasons given for failure at executive levels in one organization. Executives in his study also mentioned lack of disciplined judgment and lack of knowledge of the business as contributing to derailment.

These studies have generated further interest in understanding the dynamics of derailment. Additional questions have been raised:

1) Can the reasons for derailment be reduced to some basic clusters of flaws?

2) Are some flaws seen as more harmful to a manager's career than others?

3) Would the same flaws threaten careers in any company?

4) What is the relationship between flaws and managerial skills?

5) Are certain flaws more likely to affect a manager's ability to handle particular jobs?

6) Are derailed and successful managers viewed differently before the fact?

The present study attempts to shed light on these questions using a data base of boss's ratings of over 300 middle to upper level managers in eight companies (see Appendix for more detail on methodology). After discussing these questions, we will turn to questions of practicality. What, if anything, can be done to keep talented people from derailing, to spot trouble before derailment occurs?

What Are The Basic Clusters Of Flaws?

One section of an inventory designed to measure a manager's strengths and weaknesses (Benchmarks) contained items derived from McCall and Lombardo's ten reasons for derailment. A manager's immediate boss rated him or her on each item using a five-point scale. Using factor analysis to create scales from these items and item analysis to refine the scales, we derived six flaw scales (see Figure 1).

The first flaw involves problems with interpersonal relationships. Items on this scale reflect: 1) overambition--alienating others on the way up or worrying more about getting promoted than doing the current job; 2) needing no one else--excessive self-interest, being a know-it-all, or isolating oneself from others; 3) abrasiveness--bullying, insensitivity, or lack of caring; and 4) lack of composure--being volatile and unpredictable toward others, often under pressure.

The second flaw is difficulty in molding a staff. This is seen in: 1) careless selection, cronyism, or choosing a staff in one's own image; 2) being dictatorial with subordinates; 3) not resolving conflict among subordinates: and 4) being a poor delegator.

Figure 1

Description of Flaw Scales and Sample Items

	Description	Sample Items
1. PROBLEMS WITH INTERPERSONAL RELATIONSHIPS	Difficulties in developing comfortable working relationships with others.	- adopts a bullying style under stress - isolates him/herself from others - has left a trail of bruised people
2. DIFFICULTY MOLDING A STAFF	Difficulties in selecting and building a team	- chooses an overly narrow subordinate group - is not good at building a team
3. DIFFICULTY MAKING STRATEGIC TRANSITIONS	Difficulties in moving from the technical/tactical level to the general/strategic level.	- cannot handle a job requiring the formulation of complex organizational strategies - can't make the mental transition from technical manager to general manager
4. LACK OF FOLLOW-THROUGH	Difficulties in following up on promises, really completing a job, and attention to detail.	- makes a splash and moves on without really completing a job
5. OVERDEPENDENCE	Relies too much on a boss, powerful advocate, or one's natural talent.	- has chosen to stay with the same boss too long - might burn out, run out of steam
6. STRATEGIC DIFFERENCES WITH MANAGEMENT	Disagrees with higher management about business strategy, how the business should be run.	- could not handle a conflict with a bad boss or one he/she disagreed with

The third flaw is difficulty in making strategic transitions. This flaw becomes particularly apparent when entering the executive culture or switching to an unknown area (e.g., line to staff; new division or technical specialty) and involves: 1) folding under the pressure of a new culture or an ambiguous frustrating assignment; 2) not being able to deal with the complexity--becoming mired in tactical issues or detail, or coming up with simplistic agendas; and 3) failing to make the mental transition from doing to seeing that things are done.

The fourth flaw is lack of follow-through. Items on this scale reflect: 1) lack of attention to detail, thereby creating a trail of little problems and some disorganization; and 2) moving too fast, which often results in not really completing a job or leaving people dangling due to unmet promises.

The fifth flaw is overdependence: 1) staying with the same boss or advocate until people wonder if he or she can stand alone; 2) losing all advocate or mentor who has helped the person compensate for a weak spot; and 3) relying too much on a strength such as a skill, natural talent, or raw energy.

The final flaw is not necessarily a flaw in itself--disagreements with higher management about how the business should be run or about strategy. In the case of derailment, however, disagreement with higher management becomes a flaw through inability to sell a position or to adapt to a boss with a different style.

As shown in Figure 2, all of the initial ten reasons for derailment are contained in these six scales; we have used the empirical relationships among the items to redistribute them into six categories. In some instances, two of the initial reasons were collapsed into one category (e.g., "overmanaging" and "unable to staff effectively"). Two flaws, "overly ambitious" and "betrayal of trust," both contained two distinct concepts that were placed in separate categories. The overdependence scale is somewhat broader than its original conceptualization in the qualitative study; it now includes overdependence on natural talent as well as on an advocate or mentor. Thus, the original ten reasons for derailment were clustered into six scales.

Figure 2
Comparison of Flaws from Two Studies

Qualitative Study (McCall & Lombardo, 1983)	Present Quantitative Study
Insensitive to others	Problems with interpersonal relationships
Cold, aloof, arrogant	
Overly ambitious (has bruised people on the way up)	
Betrayal of trust (promotes self at expense of others)	
Overmanaging	Difficulty in molding staff
Unable to staff effectively	
Unable to think strategically	Difficulty in making strategic transitions
Unable to adapt to boss with different style	
Overly ambitious (makes a big splash and moves on leaving a trail of little problems)	Lack of follow-through
Betrayal of trust (not following up on promises)	
Overdependent on advocate or mentor	Overdependence
Specific performance problems with the business	Strategic differences with management

The scale intercorrelations (see Table 1, page 21) indicate that the scales are not independent. However, the magnitude of the correlations are similar to those found on other instruments used to measure an individual's traits and skills. Although some halo is surely taking place in the ratings, we would not expect these flaws to be completely independent of one another even in the absence of halo. The internal consistency of the six flaws are in general much higher than the intercorrelations, indicating enough discriminant validity to view the scales as representing six distinct concepts to managers.

These flaws do not exhaust the possible reasons for derailment: illegal or unethical acts occur as well, but they are almost never mentioned in interviews and would be difficult (and possibly unethical) to include in a questionnaire. People also derail because of bad luck (e.g., being in the wrong place at the wrong time), and unfair dismissals are another fact of life. But even accepting as a given that other reasons for derailment exist, these six are commonly cited by managers.

Are Some Flaws Seen as More Harmful to a Manager's Career Than Others?

To explore this question, we asked the boss who had rated the manager on the flaws to also give an overall assessment of how likely it would be that the manager would derail in the next five years. By looking at these relationships, we are exploring the boss's perceptions about which flaws are potentially most damning in a career.

All six of the flaw scales were significantly related to potential derailment, but the strength of the relationships varied (see Table 2, page 22). Three flaws--difficulty making strategic transitions, difficulty molding a staff, and lack of follow-through--were most strongly related to expected future derailment, while problems with interpersonal relationships and overdependence were moderately related. Strategic differences with management appeared to be less important as a potential derailing factor.

Would the Same Flaws Threaten Careers in Any Company?

We first looked at overall ratings of flaws. The average ratings differed little across eight organizations (see Table 3, page 23). One corporation rated its executives as having more serious problems with interpersonal relationships and over-

dependence; another rated its executives as having little problems with overdependence, but in general the ratings of flaws were the same across organizations (e.g., managers were seen as equally strategic or non-strategic).

Taken as a base then that no organization (as seen by immediate bosses) had a unique group of managers with respect to flaw ratings, we then looked at the relationships of the flaws to the boss's overall rating of derailment potential in each company (see Table 4, page 24). It appears that although the flaws existed in all eight organizations, whether or not the boss thought they mattered depended on the setting in which they played out. No two organizations had the same pattern of relationships between flaws and derailment. For example, in one organization difficulty in molding a staff and lack of follow-through were the important derailing factors; in another, treatment of others and difficulty making strategic transitions were the key flaws; in another, all four of these factors were important.

However, there were some factors that were more consistent across organizations. Difficulty in molding a staff and difficulty in making strategic transitions were significantly related to derailment potential in six of the eight companies while lack of follow-through was significant in five.

The most startling difference among the companies appeared around problems with interpersonal relationships. Based on bosses' ratings of subordinates on this scale, which contains items reflecting abrasiveness, overambition, lack of composure, and arrogance, we found that:

- in one organization, this factor was strongly related to derailment potential;
- in another organization, it was moderately related;
- in the other six, it was not related.

We should note that treatment of others was related to overall ratings of present performance in five of the eight companies; however, it was seen as a derailing factor in only two.

Overdependence was seen as a moderate derailing factor in two organizations and strategic differences with management in one. These results shed light on the results we obtained across companies: those flaws with a stronger relationship with derailment in more companies (e.g., problems molding staff,

problems making strategic transitions) will naturally have the strongest relationships in the total sample.

So while it appears that failure to develop sophisticated management skills may be a derailing factor in most organizations, the derailing potential of interpersonal skill/personality factors are probably more dependent on the organization. Many managers have expressed their reluctance to derail or not promote people on the basis of interpersonal factors. These "soft skills" are hard to quantify and subject to many interpretations. What may be seen as a flaw by one person may be called a strength by another: Is a person abrasive or candid? overdependent or loyal? aloof or independent? argumentative or committed to excellence? The "eye of the beholder" nature of interpersonal problems makes it less likely that managers will derail for them alone.

Other explanations exist as well. Sometimes organizations have no illusions about whether interpersonal flaws are counterproductive but are willing to put up with such weaknesses as long as a person gets results and voluntary turnover is not a problem. Other organizations will put up with interpersonal flaws if a person has a spectacular strength (e.g., is a turnaround artist or a prolific generator of good ideas).

One explanation for *how* these differences in derailment factors arise is that organizations have different cultures: different sets of expectations, beliefs, and behaviors which influence how people are treated, how one gets ahead, and how business mistakes are handled. Cultures seem to arise from the influence of the nature of the business an organization is in and the attitudes and values of the founding family or top management or both (Schein, 1985; Lombardo, 1986; Kerr & Slocum, 1987).

Cultures have been variously described as market-driven, focused on selection, tough and uncaring; and conversely as clannish, polite and almost smothering with expectations of dress and behavior. Market-driven firms (conglomerates, such as AMF, or diversified food companies, such as PepsiCo) are oriented toward individual performance and autonomy and hiring talented staff, so the firm can respond quickly to market demand. Clannish firms (such as AT&T before divestiture, or firms in an oligopoly position, such as oil companies) perceive *relatively* less competitive threat and are more attuned to maintaining internal stability. They tend to focus on group performance, team orientation, and smoothing over interpersonal problems.

We knew four of the organizations in the study well enough to classify two as strongly market-driven (Company 2 and Company 5) and two as clannish (Company 1 and Company 3). Looking at the relationship between flaws and potential derailment in these four only, the flaws in the management skills of molding a staff, making strategic transitions, and following through are more strongly perceived to lead to derailment in the market-driven organizations. The same was true for strategic differences with management. This fits with our view that to be seen as successful, the manager in a market-driven environment must be able to achieve good bottom-line results.

We would have expected interpersonal flaws to be an important factor in derailment in the clannish organizations, but this was not true for the two identifiable examples of clannish organizations in this sample. Perhaps, because both organizations were facing some external threats, less attention was being focused internally and interpersonal problems were perceived as less damaging. We will have to examine derailment in a larger number of more diverse organizations to better understand the role culture plays. Yet this preliminary look suggests that some of the organizational differences in derailment patterns may be due to their market-driven or clannish natures.

What is the Relationship Between Flaws and Managerial Skills?

In another section of Benchmarks, we asked about a manager's skills. Unlike the flaw section, the items making up this section focused on strengths. The items clustered into 16 scales (see Figure 3). All of the relationships between the 16 managerial skill scales and the six flaw scales were negative. In general, bosses who rated their subordinate manager as having more flaws saw him or her as having fewer strengths (see Table 5, page 25).

Several of the strongest relationships across scales are presented in Figure 4. These relationships make conceptual sense and may help explain some of the ways in which a flaw may play out. For example, difficulty in molding staff may manifest itself in not hiring talented staff, not setting a developmental climate, or poor leadership of subordinates. Overdependency and strategic differences with management were not as strongly related as the other flaws to the lack of skills. These patterns suggest partial remedies for the flaws. If a manager is perceived as having difficulty in molding a staff, the skills to focus on are hiring practices, leadership of subordinates, and setting a developmental climate.

Figure 3
Benchmarks Section 1 Scales

Scale Name	Description
1. Resourcefulness/ Situational Sensitivity	flexible problem solver; understands and works effectively with higher management; sets up effective structure and control systems; handles pressure and ambiguity; strategic thinker
2. Doing Whatever It Takes	perseveres through adversity; can stand alone; seizes opportunities; enthusiastic; takes charge of career
3. Being a Quick Study	quickly masters new technical knowledge; learns the business quickly
4. Building and Mending Relationships	works hard to understand others; gets cooperation of peers, clients; negotiates well; gets along with others
5. Leading Subordinates	delegates; uses power wisely; sets clear performance standards; patient and fair
6. Compassion and Sensitivity	cares about the hopes and dreams of others; provides wise counsel; sensitive to signs of overwork in others
7. Straightforwardness and Composure	doesn't blame others; relies on substance and straightforwardness; is not cynical or moody; can cope with situations beyond his or her control
8. Setting a Developmental Climate	encourages growth; leads by example; provides visibility, challenge, and opportunity
9. Confronting Problem Subordinates	moves quickly in dealing with performance problems; bases decisions on performance

Figure 3
(continued)

Scale Name	Description
10. Team Orientation	focus on others to accomplish tasks; not a loner
11. Balance Between Personal Life of and Work	believes there is more to life than career; takes family and friends as seriously as work
12. Decisiveness	bias for action and calculated risk
13. Self-awareness	recognizes strengths and weaknesses; seeks feedback
14. Hiring Talented Staff	recruits the best people; can build a team
15. Putting People at Ease	has personal warmth and a sense of humor
16. Acting with Flexibility	can be tough and compassionate; can lead and let others lead; is self-confident but has humility

Figure 4
Strongest Relationships Between Flaws and Strengths

Managers high on:	Were seen as low on:
Problems with Interpersonal Relationships	Straightforwardness and Composure Building and Mending Relationships Acting with Flexibility Compassion and Sensitivity
Difficulty Molding a Staff	Leading Subordinates Hiring Talented Staff Setting a Developmental Climate
Difficulty Making Strategic Transitions	Resourcefulness/Situational Sensitivity Doing Whatever It Takes
Lack of Follow-Through	Straightforwardness and Composure Resourcefulness/Situational Sensitivity

Are Certain Flaws More Detrimental in Some Jobs Than Others?

Managers, of course, are not derailed or successful because of their skills alone--they become derailed or successful by their ability to handle specific jobs. Research by McCall, Lombardo, and Morrison (in press) indicates that various types of managerial jobs (e.g., turnarounds, starting from scratch, staff jobs) pose different leadership challenges. For example, the challenges of a starting from scratch operation frequently involve moving into new uncharted areas or businesses, creating new policies and procedures, and building a team, whereas the challenges of a staff job can include working for a high-level executive and having no bottom line. Since different jobs place different demands on the manager, a particular flaw may be more detrimental in one job than in another. Difficulty molding a staff may be more detrimental to the manager in a start-up job than to the manager in a staff job. Also, the flaw may not be evident until the job demands bring it out.

On Benchmarks, we asked the boss to rate how well the manager would handle each of 18 jobs derived from the McCall et al. study. We then looked for patterns of negative relationships among flaws and ability to handle specific jobs (see Table 6, page 26). We found:

1. In general, flaws were more strongly related to the ability to handle the more challenging, ambiguous, and complex jobs (e.g., big scope changes, turnarounds, starting from scratch). This supports McCall and Lombardo's hypothesis that flaws catch up with people as they ascend the hierarchy and are exposed to greater challenges. This hypothesis was further supported when we split our sample of managers into executive and middle levels (see Table 7, page 27). Four flaws, lack of follow-through, difficulty making strategic transitions, difficulty molding a staff, and overdependence, were all more likely to be seen as having derailment potential at the executive level. These flaws, along with treatment of others, were also more strongly associated with lower present performance in the executive group. It appears, then, that as managerial stakes increase through level or more challenging assignments or both, flaws have an increased impact.

2. In contrast, ability to handle functional job rotations without promotions were much less associated with the flaws. Functional job rotations generally expose managers

to new technical knowledge (e.g., marketing, finance) but not to new managerial challenges. McCall et al. found that job rotations were rarely cited as having been developmental by successful executives.

3. Not surprisingly, managers seen as having problems with interpersonal relationships were also seen as not able to handle jobs requiring a high degree of persuasion or the need to develop new working relationships (e.g., serving on a task force, turning around a unit in trouble without sufficient formal authority to make people comply). These managers were also seen as not able to handle a demotion, which is probably due to the fact that overambition and lack of composure were components of the problems which interpersonal relationships measure.

4. The more managerial-skill-oriented flaws--difficulty molding a staff, difficulty making strategic transitions, and lack of follow-through--were more strongly related than the other flaws to ability to handle most of the jobs.

5. Overdependence was most associated with the inability to handle big scope changes. This may be because some people who rely heavily on natural talent or energy or another person are quickly overwhelmed by big leaps in responsibility. McCall et al. found big scope changes to be the most likely managerial experience to teach successful executives that developing subordinates is a necessity. Executives who went on to derail tended to try to "manage the job" all alone or overly depend on superiors for help.

In summary, the managerial-skill-oriented flaws are detrimental to handling most jobs but matter the most in more challenging jobs. Thus these flaws may take longer to be seen since smaller job challenges generally occur earlier in one's career. Overdependence may also not be seen until the manager is challenged by a huge leap in responsibility. Interpersonal flaws may, however, be revealed earlier when an individual has to serve on a task force or is moved to another part of the business where he or she will have to establish new relationships. A particular flaw may not be seen until the manager moves into a job that has the challenges that will test the flaw.

Are Derailed and Successful Managers Viewed Differently Before the Fact?

Bosses rated managers in this study sometime between mid-1985 and early 1986. By early 1987, 29 of those who had been rated had been promoted and 16 had derailed. Although this was a small sample and about half of the sample came from one organization, this represented our first chance to see if ratings of strengths and flaws can be related to future success and derailment. Although bosses have some influence on future promotions and derailments of their subordinates, such decisions at middle and upper levels are controlled more often by an executive placement committee and are rarely made individually. Thus, the promoted/derailed criterion is sufficiently independent from the boss's ratings to assure us that we were capturing more than the boss's self-fulfilling prophecies.

We looked at differences between the promoted and derailed on the 16 strength scales and the six flaw scales. The two groups differed most dramatically on five of the strength scales and three flaw scales (see Table 8, page 28): Resourcefulness/Situational Sensitivity, Setting a Developmental Climate, Confronting Problem Subordinates, Hiring Talented Staff, Acting with Flexibility, Difficulty Molding a Staff, Difficulty Making Strategic Transitions, and Lack of Follow-Through. In addition, ratings on the ability to handle five of the jobs differentiated the promoted and the derailed. As expected, these were the more complex assignments (e.g., turnaround, big scope change).

Although our conclusions must be tentative until there are more promotions and derailments across more organizations, we believe that derailment can be predicted before the fact, not merely lamented afterward. It appears that a combination of factors may come together to paint a dangerous profile:

- lack of "hard" management skills such as strategic thinking, follow-through, and molding a staff through hiring talented individuals, setting a developmental climate, and confronting problem subordinates;
- lack of personal qualities such as flexibility, and comfort with ambiguity (part of resourcefulness);
- moving into challenging job situations that expose flaws.

Summary

We found that McCall and Lombardo's ten reasons for derailment clustered into six flaw scales: problems with interpersonal relationships, difficulty molding a staff, difficulty making strategic transitions, lack of follow-through, overdependence, and strategic differences with management. The three managerial-skills-oriented flaws (difficulty molding a staff, difficulty making strategic transitions, and lack of follow-through) appear to be most threatening to a manager's career, both in terms of the boss's perception of what will derail a manager and actual differences between those who are eventually promoted and those who derail. Whether problems with interpersonal relationships or overdependence are seen as potential derailing qualities depends more on the organization.

Flaws were also related to a manager's ability to handle more challenging, complex jobs; thus they may not be revealed until later in the manager's career. Interpersonal flaws are more likely to affect his or her ability to handle jobs requiring persuasion or the development of new relationships.

Can Derailment be Prevented?

Derailment is a staggering waste of talent and an organization's investment in time, money, and human resources. It is also a personal tragedy. The present study has given us a more detailed look at derailment. The next question becomes, "So what can be done?"

In most organizations, managers are measured and rewarded for their attainment of goals, objectives, and technical expertise. Other, more subtle, factors are often ignored, factors that become critical once the manager achieves a high enough level. Beyond the lower levels of management, technical skills and simple achievement of objectives do not tell organizations much about whom to promote. Ability to mold a staff or make the mental transitions necessary to take on various leadership challenges become much more important and eventually make the difference.

Few organizations attempt to measure or develop such attributes, although they construct elaborate succession plans or rotate managers around to teach them the business. Such practices are important, but not sufficient. Several components are necessary in an effective developmental system.

The Learning Environment

The organization is the manager's classroom, and as in a classroom, the proper learning environment should be developed. Some far-sighted organizations may keep low-margin businesses or specific staff jobs, or they may routinely assign various functional representatives to projects because these businesses and jobs offer unique developmental opportunities. Some organizations explain why a person is being given a certain assignment, what the job demands from a leadership skills standpoint are, and try to help the person understand what can be learned from the assignment.

Whether by encouraging time for reflection or by giving managers straight feedback on why they might derail, organizations can acknowledge a fact of life: Bright, talented people who no one thought would derail do so every day. Although it is naive to believe that all, or even most, derailment can be prevented, it is equally naive to believe that bright people will figure out things for themselves.

Structuring one's own learning from jobs, figuring out what one's blind spots are, and internalizing the "right" values which one then puts into action is a tough, never-ending task. Our best guess is that even among the best (those who reach the top 1/2% in their organization), perhaps only half can somehow do this.

For many people, the ability to learn from their experiences remains largely unfocused. They roll along, intent on results, never realizing that there are various types of lessons to be learned, lessons that will eventually make the difference in their careers. Many derailed executives focus too much on the hard management skills, or one type of job challenge, or they fail to take a learning attitude: They blame others, or are blind to the values they model, or do not attempt to consolidate their learning.

Providing an environment where learning, not just results, is taken seriously is critical. Whether through feedback, coursework, coaching, or placing young managers with exceptional role models, organizational intervention is necessary for managerial growth.

Critical Transition Points

A career transition (a new job, a demotion, losing a supportive boss) is a pivotal event. Handling that transition is a key to success or derailment. In our research we found six factors that stop careers, all of which are tested when situations change. Managers faced for the first time with complex staffing and team-building requirements, or who must change from a hands-on style to a planning style, sometimes derail.

Organizations can help managers cope in several ways. The first involves the principle of progression--for example, having managers go from managing a new group, to managing a new product roll out with a new group, to creating a new business or department. Often, organizational assignment patterns are willy-nilly, and a big jump at the wrong time can lead to a big fall.

The second way is to help managers take their flaws seriously. All of the successful executives we studied did some things poorly, and many found the notion of a manager "having it all" ridiculous. They had either compensated for their flaws, minimized them, or gotten into situations where their flaws didn't matter (e.g., if they couldn't build a team, they recognized and avoided such situations). So their key was not in trying to have all the skills, but in being aware of what their major strengths and weaknesses were. They relied on confidantes who would tell them the truth--spouses, friends, colleagues, human resource professionals, and outside experts.

Many otherwise talented managers derail because their blind spots eventually matter--the manager who is seen as being hard-driven and results-oriented at age 30 may be seen as dictatorial and as unable to persuade others at the executive level. For other managers, an early strength such as excellence in leading subordinates may become a weakness in the executive suite (e.g., always looking down, failing to develop lateral and outside networks, having a very tactical orientation). And for some, success goes to their heads. After an unbroken string of successes, they can appear arrogant and make others feel unnecessary. Whatever the flaw or flaws, most appraisal systems stick to results and skills. Flaws are discussed behind closed doors. Bringing them into the open through feedback or "early warning systems," and providing opportunities to overcome, compensate for, or minimize them might save countless careers.

The third way is difficult but perhaps the most important to do--helping managers make mental transitions. Some executives we studied described the following quandary. At some point, after being rewarded for some years for individual achievement and direct control of the work of others, they had to begin the difficult process of learning to manage by remote control--learning to ask the right questions, assisting others in figuring out what to do for themselves, spotting danger signs, learning how to use experts, and learning on the run more efficiently. Making this transition involves relinquishing old habits, staying intimately involved with only a few important projects or problems, concentrating efforts on seeing that things are done by others, and generally finding personal excitement through the accomplishments of a group. This change from an individual to a more group-oriented perspective can be a major stumbling block. Some people do not want to make this transition and are well-served by knowing this before the transition occurs; many others want to, but don't know how.

One of the enlightened methods of providing such help is the General Electric course for new general managers. Managers attend this course at various intervals to discuss their problems and their learning with veteran GE general managers and an expert on the transition to the general management role, Jack Gabarro of the Harvard Business School. Other organizations set up informal dinners composed of present and previous incumbents to talk shop and discuss the tough mental transitions that are necessary.

Variety in Leadership Challenge

Organizations need to expose managers early to varied leadership challenges before the stakes get too high. Such challenges might include turning around a small unit in trouble, having to persuade those over whom one has no authority, being in a job where one can't possibly control every activity, starting something (a small unit, a procedure, or process) from scratch. Small challenges breed leaders because they can teach various lessons. For example, some of the executives in our studies confronted their first turnaround when the stakes were staggering, and they failed. If a manager has never had to be simultaneously tough and compassionate, manage by remote control, confront problem subordinates, and build morale while tearing down inefficient systems and procedures (all required in a fix-it job) the chance of failure is heightened. Exposure to mini-versions of these

challenges at an early age allows time for learning through small wins and small losses.

The actual task of learning is tough and often lonely, and is largely an individual's responsibility. Yet by creating a productive learning environment and taking critical transitions and variety in leadership challenge seriously, an organization is providing opportunities for managers to develop new strengths and overcome potential flaws. These opportunities are critical if managers are to gain experience and learn lessons that will help prevent their derailment.

Table 1

Flaw Scale Means, Standard Deviations, and Intercorrelations

Scale	Mean[a]	SD	Correlations 1	2	3	4	5	6
1. Problems with Interpersonal Relationships	1.96	.92	(.94)	.57	.47	.60	.46	.35
2. Difficulty Molding a Staff	2.23	.80		(.86)	.75	.61	.52	.27
3. Difficulty Making Strategic Transitions	2.27	.82			(.84)	.56	.57	.31
4. Lack of Follow-Through	2.00	.87				(.84)	.55	.28
5. Overdependence	2.14	.74					(.70)	.31
6. Strategic Differences with Management	2.34	.97						(.91)

NOTE: All correlations are significant at the .001 level. Scale alphas appear in the diagonal.

[a]N = 335.

Table 2

Correlations of Flaw Scales with Derailment Potential

Scale	Derailment Potential[a]
1. Problems with Interpersonal Relationships	.23**
2. Difficulty Molding a Staff	.35**
3. Difficulty Making Strategic Transitions	.36**
4. Lack of Follow-Through	.33**
5. Overdependence	.20**
6. Strategic Differences with Management	.11*

[a]Tests of significant differences among these correlations showed that the r's for Scales 2, 3, and 4 were greater than those for Scales 1, 5, and 6 and that the r for Scale 1 was greater than that for Scale 6.

*p<.05. **p<.001.

Table 3

Flaw Scale Means by Company

Scale	Company Means 1 (n=45)	2 (n=78)	3 (n=34)	4 (n=35)	5 (n=30)	6 (n=32)	7 (n=25)	8 (n=54)
1. Problems with Interpersonal Relationships	1.79[b]	1.96[a,b]	2.48[a]	1.81[b]	2.28[a,b]	2.00[a,b]	1.78[b]	1.77[b]
2. Difficulty Molding a Staff	2.19	2.28	2.34	1.97	2.23	2.44	2.11	2.26
3. Difficulty Making Strategic Transitions	1.86	2.07	2.25	1.80	2.09	1.96	2.21	1.92
4. Lack of Follow-Through	2.04	2.41	2.37	1.97	2.34	2.48	2.12	2.28
5. Overdependence	2.05[a,b]	2.13[a,b]	2.48[a]	1.91[b]	2.16[a,b]	2.23[a,b]	2.10[a,b]	2.09[a,b]
6. Strategic Differences with Management	2.18	2.26	2.67	2.46	2.45	2.45	2.27	2.25

NOTE: There were significant overall company mean differences for Scales 1 and 5. Based on Newman-Keuls tests, means within a row with different superscripted letters are significantly different.

Table 4

Flaw Scale - Derailment Correlations by Company

Scale	Company 1 (n=45)	2 (n=78)	3 (n=34)	4 (n=35)	5 (n=30)	6 (n=32)	7 (n=25)	8 (n=54)
1. Problems with Interpersonal Relationships	.10	.18	.06	.33*	.22	-.01	.83*	.18
2. Difficulty Molding a Staff	.32*	.49**	-.02	.26	.44*	.37*	.78*	.27*
3. Difficulty Making Strategic Transitions	.30*	.58**	-.10	.38*	.45*	.45**	.64*	.19
4. Lack of Follow-through	.28*	.28*	.23	.18	.45*	.10	.80*	.31*
5. Overdependence	.30*	.26*	.14	.06	.17	-.17	.34	.24
6. Strategic Differences with Management	-.02	.27*	.08	.06	.31	-.06	.10	.00

*p<.05. **p<.01.

Table 5

Correlations of Flaw Scales with Strengths

Strengths	Problems With Interpersonal Relationships	Difficulty Molding a Staff	Difficulty Making Strategic Transitions	Lack of Follow-through	Overdependence	Strategic Differences With Management
1. Resourcefulness	-.30	-.49	-.57	-.50	-.28	-.11
2. Doing Whatever It Takes	-.22	-.43	-.53	-.40	-.28	-.10
3. Being a Quick Study	-.15	-.31	-.37	-.40	-.25	-.14
4. Building and Mending Relationships	-.61	-.40	-.36	-.39	-.27	-.22
5. Leading Subordinates	-.49	-.55	-.42	-.42	-.27	-.13
6. Compassion and Sensitivity	-.54	-.37	-.22	-.31	-.20	-.16
7. Straightforwardness and Composure	-.62	-.41	-.38	-.51	-.38	-.27
8. Setting a Developmental Climate	-.42	-.51	-.41	-.44	-.29	-.09
9. Confronting Problem Subordinates	-.17	-.48	-.44	-.33	-.22	-.11
10. Team Orientation	-.32	-.46	-.34	-.26	-.20	-.04
11. Personal Life-Work Balance	-.25	-.13	-.05	-.05	-.10	-.06
12. Decisiveness	.02	-.18	-.18	.01	.00	-.01
13. Self-awareness	-.50	-.41	-.41	-.48	-.31	-.22
14. Hiring a Talented Staff	-.19	-.54	-.43	-.36	-.20	-.09
15. Putting People at Ease	-.48	-.25	-.19	-.09	-.12	-.22
16. Acting with Flexibility	-.54	-.48	-.45	-.44	-.32	-.17

NOTE: For $|r| > .14$. $p < .05$. For $|r| > .17$. $p < .01$.

Table 6

Correlations of Flaw Scales with Ability to Handle Jobs

Jobs	Problems With Interpersonal Relationships	Difficulty in Molding a Staff	Difficulty in Making Strategic Transitions	Lack of Follow-through	Overdependence	Strategic Differences with Management
1. Turnaround with Authority	-.15	-.48	-.50	-.35	-.23	-.0
2. Starting from Scratch	-.10	-.36	-.45	-.32	-.23	-.03
3. Turnaround Without Authority	-.29	-.43	-.43	-.33	-.20	-.12
4. Foreign Country	-.01	-.14	-.24	-.06	-.19	-.01
5. Promoted--Unfamiliar Business	-.15	-.37	-.44	-.25	-.26	-.08
6. Line to Staff	-.15	-.20	-.27	-.18	-.16	-.11
7. Big Scope Change	-.24	-.45	-.55	-.39	-.30	-.04
8. Acquisition	-.12	-.30	-.37	-.26	-.18	-.01
9. Closing Down Operation	-.05	-.34	-.39	-.27	-.14	-.08
10. Negotiating Contract	-.11	-.26	-.37	-.21	-.16	-.07
11. Installing New System	-.23	-.34	-.35	-.29	-.16	-.08
12. Task Force	-.31	-.28	-.31	-.40	-.17	-.13
13. Demotion	-.31	-.06	-.08	-.12	-.17	-.20
14. Unchallenging Job	-.19	.03	.00	.00	-.05	-.20
15. Job Rotation	-.27	-.21	-.23	-.21	-.17	-.17
16. One-level Promotion	-.25	-.41	-.42	-.43	-.17	.00
17. Staff to Line Hove	-.20	-.35	-.38	-.28	-.21	-.07
18. Two-level Promotion	-.17	-.39	-.47	-.35	-.27	.00

NOTE: For $|r| > .14$, $p < .05$. For $|r| > .17$. $p < .01$.

Table 7

Correlations of Flaw Scales with Derailment Potential and Present Performance by Management Level

Scale	Derailment Potential			Present Performance		
	Executives[a]	Middle Managers[b]	z[c]	Executives[a]	Middle Managers[b]	z[c]
1. Problems with Interpersonal Relationships	.22	.23	-.63	-.38	-.31	5.69*
2. Difficulty in Molding a Staff	.38	.33	3.61*	-.59	-.44	13.03*
3. Difficulty in Making Strategic Transitions	.49	.30	14.30*	-.62	-.37	21.32*
4. Lack of Follow-Through	.42	.27	10.82*	-.60	-.39	17.78*
5. Overdependence	.24	.17	3.99*	-.38	-.23	10.50*
6. Strategic Differences With Management	.10	.11	-.63	-.05	-.14	-5.76*

[a]n=90

[b]n=235

[c]z-test of difference between correlations; Fisher's z-transformation was used.

*p< .01.

Table 8

Scale Differences Between Promoted (n=29) and Derailed (n=16)

	Derailed		Promoted		
Scale	Mean	SD	Mean	SD	t
Flaws					
1. Interpersonal Relationships	2.39	1.16	2.09	.86	.97
2. Difficulty Molding a Staff	2.59	1.05	2.03	.74	2.08*
3. Difficulty Making Strategic Transitions	2.84	.83	2.16	.78	2.78**
4. Lack of Follow-through	2.66	1.30	1.97	.75	2.27*
5. Overdependence	2.38	.65	2.06	.81	1.33
6. Strategic Differences With Management	2.96	1.04	2.72	.77	.90
Strengths					
1. Resourcefulness	3.16	.54	3.61	.43	-3.06**
2. Doing Whatever it Takes	3.52	.51	3.75	.47	-1.53
3. Being a Quick Study	3.55	.72	3.86	.50	-1.72
4. Building and Mending Relationships	3.31	.70	3.53	.53	-1.22
5. Leading Subordinates	3.30	.59	3.54	.48	-1.47
6. Compassion and Sensitivity	3.36	.66	3.35	.49	.05
7. Straightforwardness and Composure	3.68	.92	3.96	.64	-1.18
8. Setting a Developmental Climate	3.39	.66	3.77	.47	-2.22*
9. Confronting Problem Subordinates	2.75	.58	3.32	.64	-2.94**
10. Team Orientation	3.27	.42	3.57	.85	-1.33
11. Personal Life-Work Balance	3.73	.56	3.34	.78	1.77
12. Decisiveness	3.34	.89	3.53	.81	-.72
13. Self-awareness	3.16	1.04	3.38	.62	-.90
14. Hiring Talented Staff	3.33	.79	3.77	.65	-2.01*
15. Putting People at Ease	3.31	1.01	3.79	.85	-1.70
16. Acting With Flexibility	3.24	.59	3.69	.69	-2.05*
Jobs					
1. Turnaround With Authority	3.18	1.04	3.90	.72	-2.68**
2. Starting from Scratch	3.44	.89	3.62	.73	-.75
3. Turnaround Without Authority	2.50	.97	3.41	.63	-3.85**
4. Foreign Country	3.50	.89	3.66	.86	-.57
5. Promoted--Unfamiliar Business	3.31	.70	3.66	.61	-1.70
6. Line to Staff Move	3.31	1.13	3.69	.71	-1.37
7. Big Scope Change	2.88	.96	3.62	.73	-2.94**
8. Acquisition	3.13	.96	3.45	.67	-1.31
9. Closing Down Operation	3.00	.82	3.34	.72	-1.47
10. Negotiating Contract	3.44	.89	3.66	.77	.86
11. Installing New System	3.25	.86	3.55	.69	-1.29
12. Task Force	3.44	1.03	3.97	.78	-1.94
13. Demotion	2.38	.81	2.07	.88	1.15
14. Unchallenging Job	2.56	.96	2.45	.78	.43
15. Job Rotation	3.13	1.02	3.10	.86	.08
16. One-level Promotion	3.68	.70	4.03	.57	-1.80
17. Staff to Line Move	3.31	.79	4.03	.63	-3.37**
18. Two-level Promotion	2.80	1.01	3.41	.78	-2.23**

NOTE: Because of the small N, multivariate tests were not possible; therefore, individual t-tests were performed. Given the number of t-tests performed, two of the differences could be expected to be significant at the .05 level by chance.

*p< . 05. **p<.01.

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APPENDIX

Methodology

Benchmarks

The data from which this report was drawn was collected during the development of Benchmarks (formerly titled "The Executive Inventory"), a rating instrument designed to measure a manager's strengths and weaknesses. Items on the instrument were written to tap concepts derived from qualitative studies of executive development. Data from several sections of the instrument were used to help answer the questions posed in this report: a section which addressed a manager's flaws; a section which asked about the ability of the manager to handle each of a number of different jobs; and several sections (which were combined into one section during the development stages) that focused on managerial skills and perspectives important for managerial success.

Sample

Three hundred and thirty-five managers completed Benchmarks on a subordinate manager. Complete confidentiality was assured the raters; the ratees did not receive any information about how they were rated. Ninety of the subordinate managers were at the executive level; 235 were middle managers; the remaining ten were first-line supervisors. Eight large corporations representing diverse industries were represented in the sample.

Measuring Flaws

Bosses were presented with 46 items representing potential flaws and asked, "If this person's flaws were to stall his/her career, to what extent would you agree that each of the following would be a factor?" He or she then rated the manager on each item using a five-point response scale from strongly agree to strongly disagree.

A factor analysis was used to derive six factors from these items. Six flaw scales were created by averaging the items that loaded on each of the factors. Item-total correlations were used to further refine the scales. Thirteen items were dropped based on the results of these procedures.

Measuring Ability to Handle Jobs

Bosses were presented with 18 items representing different managerial jobs and asked, "How effectively would this person handle each of the following jobs?" He or she then rated the manager on each job using a five-point scale: 5 = among the best, 4 = better than most, 3 = adequately, 2 = less well than most, 1 = among the worst.

Measuring Strengths

The items used in the strength scales came from a section of Benchmarks which asked bosses to rate the extent to which the manager displayed the characteristic described by each item. Bosses responded to each of the 210 items on a five-point scale from "to a very great extent" to "not at all."

Factor analyses of these items resulted in 14 factors. Twelve scales were created by averaging the items that loaded on each of the factors. Two scales were added to include important concepts not covered in the other 14 scales. Item-total correlations were used to further refine the scales. The final versions of the 16 scales contained a total of 138 items.

Other Measures

Bosses were also asked to make overall ratings of the manager:

1. How likely is this person to derail--be plateaued, demoted or fired--in the next five years? Responses were on a five-point scale from "almost certain" to "not at all likely."

2. What is this person's level of performance in his/her present job? Responses were made on a five-point scale from "one of the best ever; a star" to "unacceptable; likely to be demoted or fired."

Bosses also indicated in which of seven hierarchical levels the manager was currently working. In the analysis presented in this report, managers in the top three levels were combined to make an executive group. Managers in the next three levels were combined to make a middle manager group.

Factor Analysis

All factor analyses used to create scales were conducted using the Statistical Analysis System. Squared multiple correlations were used in the diagonals. Generally, the number of factors to retain was determined by scree plots and parallel analysis. When these two methods suggested a different number, rotations of each number of factors was conducted and interpretability was used to decide between the solutions. Rotations were orthogonal using the Varimax criterion. "Items loading on a factor" refers to those items that correlate above .4 with that factor and do not load higher on another factor.

Data Analysis

The following analyses were conducted. The results appear in Tables 1-8 (pages 21-28):

1. Flaw scale intercorrelations were calculated.

2. Flaw scales were correlated with boss ratings of derailment potential.

3. Differences in mean scale scores across companies were tested using one-way ANOVAS for each scale. When overall F-tests were significant, a Newman-Keuls test was used to identify significantly different means.

4. Flaw scales were correlated with boss ratings of derailment potential in each company.

5. Flaw scales were correlated with strength scales.

6. Flaw scales were correlated with boss ratings of manager's ability to handle each of 18 jobs.

7. Flaw scales were correlated with boss ratings of derailment potential and present performance separately for managers at executive levels and at middle management levels. Significant differences between correlations at the two levels were tested using a z-test. Fisher's z-transformation was used.

8. Differences in mean scale scores of managers who have subsequently been promoted and those who have derailed were tested using individual t-tests for each flaw scale, strength scale, and job item.

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