

Leadership Derailment Series

Part One: An Introduction to Leadership Derailment

Leadership Derailment and the Destruction Left Behind

Former Tyco CEO Dennis Kozlowski stole hundreds of millions of dollars from the manufacturing conglomerate. Using company funds, he made a series of extravagant personal purchases that included a \$6000 shower curtain and a \$2 million birthday party for his wife on the Italian island of Sardinia. He was sentenced to 8 ½ to 25 years in prison and fined \$70 million. What would cause such a bright, competent, and financially well-compensated individual to steal from his employer? The choices made by Kozlowski ended his professional career and permanently altered his life. But how and why did he derail? We at Peter Rock Consulting[®], Inc. will explore the issue of leadership derailment, such as that experienced by Dennis Kozlowski, in this four-part series.

What Constitutes Derailment?

Derailment is failure based upon uncharacteristically poor decision-making. The most frustrating examples of derailment involve leaders appearing to possess the skills, abilities, and knowledge necessary to be successful. Yet, for some reason, they fail. Derailment is frequently defined by uncharacteristic behavior. That is, a derailing leader will act in a manner inconsistent with his/her typical style and demeanor. Team members, peers, and other people around the leader may describe the leader's behavior as aberrant – "Bob wasn't acting like himself today!"

Derailment occurs due to changes in judgment and decision-making caused by increased pressure, stress, fatigue, or temptation. That is, due to difficult circumstances, the leader acts in uncharacteristic ways and demonstrates poor judgment and decision-making.

A critical element of derailing behavior is that it generally causes leaders to function in isolation from other people. Therefore, they do not give others an opportunity to question their decisions, suggest alternatives, or otherwise aid the leader in the decision-making process. Alone and "not themselves," they derail – often in ways that have massive and irrevocable personal and organizational consequences.

Who is in Danger of Derailing?

Dennis Kozlowski, as well as other well-known derailed leaders such as Bernie Ebbers at WorldCom and Al Dunlap at Sunbeam, serve as high-profile examples of derailment at the highest level of leadership. However, derailment can and does occur at all organizational levels. Whether it occurs with a CEO or a first-line supervisor, leadership derailment is personally and organizationally costly and destructive. Believe it or not, most of us have the potential to derail. Lack of awareness of derailing tendencies combined with the wrong set of circumstances may lead even bright, experienced, and talented leaders down a destructive path.

In fact, bright, motivated, knowledgeable, and competent leaders are generally given much responsibility and autonomy. The confidence *their* leaders have in them and the freedom they are given to make and enact decisions actually increases their chances of derailing. Also, the increased responsibility and independence given to leaders may increase the magnitude and severity of the consequences associated with their derailment.

What Do We Do About Leadership Derailment?

Efforts to limit the frequency and magnitude of leadership derailment involve two distinct yet related processes: selection and development.

Selection: While most of us have the potential to derail, the number and magnitude of derailing tendencies differ from person to person. Identifying people with exceptionally high probabilities for derailment and eliminating them from the hiring/selection process will ultimately contribute to organizational survival, growth, and effectiveness.

Development: What might have happened to Dennis Kozlowski had someone recognized his destructive tendencies and brought them to his attention? Millions of dollars and numerous careers may have been saved. Leadership development efforts focused around identifying, understanding, and combating derailing tendencies can help leaders consistently reach their potential by avoiding these destructive and generally uncharacteristic lapses in judgment and decision-making.

Learning More About Leadership Derailment...

Stay tuned for the subsequent articles in this series. In the coming weeks, we will provide an in depth look into:

- Types of Derailers and their Underlying Causes (Part II)
- Avoiding Potentially Destructive Leaders through Effective Personnel Selection (Part III)
- Avoiding Leader Derailment through Leadership Development (Part IV)

To learn more about Peter Rock Consulting®, Inc., visit us at www.peter-rock.com.

If you have questions or inquiries about leadership derailment or other leadership challenges, or if you would like to receive advance copies of the subsequent articles in this series, contact us directly at:

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