"There are three things extremely hard: steel, a diamond, and to know one’s self.” Benjamin Franklin cataloged that axiom in Poor Richard’s Almanack in 1750, but the struggle for self-awareness has bedeviled people for centuries before and since.

Many of today’s business leaders continue to wrestle with a lack of self-awareness, a problem that can stall or even derail their careers. Experienced executive coaches report that close to 90 percent of leaders lack self-awareness in one or more areas.

Study after study has found that self-awareness is a key factor associated with high performance and potential and an indicator of long-term career success, especially for leadership roles (Church 1997; Sala 2003). To be sure, leadership demands cognitive ability, motivation, experience, learning agility, and more. But when all things are equal, self-awareness appears to be the trait that best explains why some leaders succeed when others derail.

By comparing executives’ self-assessments to those completed by their bosses, peers, and direct reports, we have identified the specific areas where leaders most often overestimate or underestimate their own skills. While not a perfect measure of self-awareness, these findings do indicate the degree to which a leader is aware of his or her strengths and weaknesses. Just contemplating these frequent blind spots and hidden strengths is a step toward enhancing self-awareness.

Armed with self-awareness, leaders can see themselves without deception or distortion. They can gauge how they are perceived, and can assess whether they are having a positive impact (Church 1997; Goleman 2004). They are open to feedback—indeed, often seek it out—and are willing to change (Lombardo and Eichinger 2009).
The cost of self-deception

Barriers to self-awareness take two forms. *Hidden strengths* are the skills leaders have, but underestimate. This can cause such individuals to expend needless energy “fixing” something that isn’t broken or under-using a critical leadership skill. *Blind spots*, the skills that leaders overestimate, are more problematic. These are weaknesses leaders can’t see in themselves, even though they are evident to everyone around them. For example, a leader may think he is a creative problem solver, whereas others see him recycling the same two or three ideas.

Distorted or inflated self-perception is a widespread problem. One poll found that 90 percent of leaders believe that they are in the top 10 percent of performers (Church 1997). What’s the harm in such pervasive self-esteem? It can allow blind spots to go unchecked until suddenly otherwise smart, successful leaders find their careers taking a negative turn. They are either demoted, plateaued early or fired (Lombardo and Eichinger 1989). Derailment is described by Michael Lombardo and Robert Eichinger in this way:

> Derailment is neither topping out nor opting out nor not winning a promotion each time one is available. It is reserved for that group of fast-track managers who want to go on, who are slated to go on, but who are knocked off the track.

Derailment can stem from lacking a critical skill, exhibiting negative behaviors or even over-using a strength. It also can occur at any stage of a person’s career (Shipper and Dillard 2000); however, research indicates that lack of self-awareness and the risk of derailment increase at higher levels of leadership (Sala 2003; Tang, Dai, and De Meuse 2010). Up to 50 percent of high-potential managers and executives temporarily or permanently derail.

Derailment is costly for the individual and the organization—and the price escalates dramatically for high-level leaders. One estimate put derailment costs at $12 million to $50 million per C-suite executive. In the United States alone, it has been estimated that the failure of top executives costs the economy as much as $13.8 billion per year (Stoddard and Wyckoff 2008). Self-awareness may not be a panacea, but by helping leaders mitigate their weaknesses, leverage their strengths, and address problem areas, it will significantly increase their likelihood of success.
Methodology

This study assessed 1,341 business leaders who completed self-ratings on twenty-one positive leadership characteristics: eighty-eight individual contributors, 324 supervisors, 414 managers, and 236 executives (levels were not specified for 279 leaders). It also assessed 1,634 business leaders who completed self-ratings on five negative leadership characteristics: 114 individual contributors, 383 supervisors, 564 managers, and 272 executives (levels were not specified for 301 leaders). We then compared self-ratings with those from their peers, direct reports, customers, and boss.*

We directly compared self-ratings to others’ ratings in order to identify blind spots and hidden strengths. For the purpose of this analysis, we define a blind spot as a leadership characteristic where leaders rated themselves significantly higher than others (1.96 standard deviations higher, the value for which p = .05), but in which they are perceived by others to have a weakness. A hidden strength is a leadership characteristic in which leaders rated themselves significantly lower than others (1.96 standard deviations lower, the value for which p = .05) but in which they are perceived by others to have a strength.

We calculated the most common blind spots for the twenty one positive leadership characteristics, as well as the most underestimated problem areas for the 5 negative leadership characteristics. We also looked at the most common hidden strengths.

Overestimating your skills

One of the first things new drivers learn is to check their blind spot. Despite a rearview mirror, side mirrors, and peripheral vision, astute drivers quickly realize that there are still areas that are not visible; they have to make the extra effort to look over their shoulder.

Learning to lead is a bit like learning to drive. It’s crucial to check your blind spot, and adjust course if necessary.

*Leaders were rated on the sixty-seven competencies and the nineteen career stallers and stoppers defined in the Leadership Architect® library using the VOICES® 360° assessment. The sixty-seven competencies were rated on a five-point scale from “serious issue” to “towering strength.” The nineteen career stallers and stoppers were rated on a five-point scale from “not a problem” to “definitely a problem.” All these ratings then were “rolled up” into twenty-six leadership themes—twenty-one positive and five negative—to obtain leadership characteristic ratings.
Blind spots are perhaps the single best predictor of low performance appraisal ratings (Lombardo and Eichinger 2009). They can result in many destructive behaviors including defensiveness, lack of humility, insensitivity, and a tendency to be over-controlling, or overly assertive (Kaplan, Drath, and Kofodimos 1985; Lombardo and McCauly 1988; Lombardo, Ruderman, and McCauley 1987).

Too often, leaders do not recognize blind spots early in their careers and therefore don’t address them before they move up the career ladder (McCall and Lombardo 1983). It’s also the case that leaders, once they reach higher level positions, often remain unaware of blind spots because they are less likely to receive honest and direct feedback (Sala 2003).

The results from this study reveal that blind spots do not vary dramatically across four leadership levels (individual contributor, supervisor, manager, and executive). The most prevalent blind spots include Making Tough People Calls, Demonstrating Personal Flexibility, and Creating the New and Different (see Figure 1). For the executive level, Creating the New and Different was less of an issue and instead, Getting Work Done Through Others emerged as a common blind spot.

### Figure 1

<table>
<thead>
<tr>
<th>Most common blind spots</th>
<th>Percent of leaders for whom it is a Blind Spot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making Tough People Calls</td>
<td>17%</td>
</tr>
<tr>
<td>Demonstrating Personal Flexibility</td>
<td>16%</td>
</tr>
<tr>
<td>Creating the New and Different*</td>
<td>12%</td>
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</tbody>
</table>

* At the executive level, the third most common blind spot is Getting Work Done Through Others which is present for 13% of executives.

**Making Tough People Calls**: People decisions require the ability to accurately identify others’ strengths, weaknesses, and potential. It takes knowledge of what skills are most important in different circumstances, careful observation of human behavior, and courage to make the call. Hire or not hire? Promote or let go?

It is not surprising that seventeen percent of leaders have a blind spot in Making Tough People Calls. Several myths and misperceptions underlie this blind spot. Many leaders assume that past performance or a set of
experiences qualifies a person for an assignment. Although those are indicators, they are not predictors of future performance. What is important is whether the candidate learned from those experiences and can bring those lessons to a new role (De Meuse, Dai, and Hallenbeck 2010; Eichinger, Lombardo, and Capretta 2004; Hallenbeck and Eichinger 2006). Leaders also assume that they are rational decision makers. In reality, people employ common short-cuts, biases, or heuristics when making judgments. For instance, a leader may erroneously assume that a candidate who is an excellent writer also is a great presenter; this is called the halo effect. The similar-to-me bias can nudge leaders toward hiring or promoting people who possess traits similar to themselves (Posthuma, Morgeson, and Campion 2002). Without being aware of these common pitfalls, leaders risk making subjective or incomplete people decisions.

**Demonstrating Personal Flexibility:** Personal flexibility is the core of one’s ability to grow and improve. People with this trait not only hear and respond to feedback but actively seek it. They also pick up on clues from other people or the situation and adapt their approach as needed.

Why do sixteen percent of leaders struggle to see this as an area that needs improvement? Because they—understandably—resist change. Leaders are comfortable with who they are and what they do. They have been rewarded and promoted based on their skills, habits, and demeanor. When behaviors are reinforced, it becomes difficult to make a case for change, even when those behaviors have outlasted their usefulness. Change involves risk. It requires letting go of the known, and entering into ambiguity. But the alternative to change is stagnation. And that risk can be much greater.

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**The consequences: a blind spot in Making Tough People Calls**

Here is one example of a leader who is unaware of her blind spot in making people decisions:

Hanging up the phone, Liz shook her head in dismay. One of her key customers was upset about not getting his requested materials on time. Liz’s assistant, Marisa, had dropped the ball—again. Liz didn’t understand why Marisa wasn’t performing. Everything was there on paper. She had the right education and a solid, varied work history. Back when Liz interviewed Marisa, she remembered how engaging Marisa had been, how energized about her own work experience and the possibility of joining Liz’s company. That kind of positive energy was important to Liz and she felt a connection with Marisa right away. One thing Marisa had said during the interview really stood out for Liz: Marisa had said that, when assigned a new task, she always made a list or outline of the deliverables to help keep her on track. That really resonated for Liz as she used exactly that approach in her own work. As it turned out, Marisa did indeed make lists for her work but she was continually overwhelmed by the volume of tasks and couldn’t seem to get organized. And, while Marisa was certainly busy, her time was too often spent in prolonged chats with co-workers. Because Liz fails to realize that she used faulty judgment when selecting Marisa for the job, she doesn’t take responsibility for learning what to do differently the next time there is a position to fill.
Creating the New and Different: This leadership characteristic involves a certain amount of speculation, ability to embrace ambiguity, and willingness to take smart risks and fail. It is part inspiration, part curiosity, and part persistence. The ability to create and manage innovation keeps a company competitive and provides solutions that fill a need—often a need that people didn’t even know they had.

The data indicate that more than one out of every ten leaders have a blind spot in this area. These leaders may like to believe that they can brainstorm, embrace off-the-wall concepts, and let go of past successful formulas, but that is not always the case. At the end of the day, these individuals struggle with ambiguity and find it too easy to stay rooted in the realm of the pragmatic, the realistic, the sensible. Past success is a powerful draw and a frequent enemy of the new and different.

Underestimating your weaknesses

As careers progress and roles change, weaknesses that used to be tolerated become highly problematic. When those problems aren’t recognized and addressed in a timely manner, leaders find themselves in trouble (Lombardo and Eichinger 1989).

When leaders are self-aware, such “staller” characteristics are like speed bumps: They slow progress but don’t throw you off course. Without self-awareness, stallers can represent a career-ending detour. Figure 2 shows the three negative characteristics that are underestimated most frequently by business leaders.

Without self-awareness, stallers can represent a career-ending detour.

<table>
<thead>
<tr>
<th>Most underestimated problem areas</th>
<th>Percent of leaders who underestimate this problem area</th>
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<tbody>
<tr>
<td>Doesn’t Inspire or Build Talent</td>
<td>14%</td>
</tr>
<tr>
<td>Too Narrow*</td>
<td>13%</td>
</tr>
<tr>
<td>Doesn’t Relate Well to Others*</td>
<td>11%</td>
</tr>
</tbody>
</table>

* At the executive level, an even high percentage of executives underestimate the problem areas of Too Narrow (18%) and Doesn’t Relate Well to Others (14%)

Doesn’t Inspire or Build Talent: As leaders move up the ladder, developing a team becomes critically important and failure to build a team becomes a show stopper. Leaders who struggle in this area are unable to knit together
a cohesive, motivating vision for others to follow. They overlook opportunities to build key talent, under-leverage their team’s ability, and undermine other people’s potential contributions. The inability to inspire or build talent is exemplified in the micro-managing boss who doesn’t empower and utilize the talent on the team but rather saves the best projects for him- or herself.

Fourteen percent of leaders have a blind spot in this area. There are clear root causes that contribute to the problem: lack of patience, short-term focus, prioritizing immediate results over a strategic focus on people. The best leaders know how to cultivate talent by articulating their vision and expectations and then delegating while providing the right amount of support.

Too Narrow: Some managers are the go-to expert in one particular area, and are handsomely rewarded for that. While this serves them well early in their career it can become problematic when a new leadership role requires a broader range of skills. Being too narrow can manifest itself as over-relying on one skill, or as an unwillingness to learn and incorporate new skills. In a rapidly changing world, the result quickly becomes obsolescence.

For thirteen percent of leaders (eighteen percent of the executive level), being too narrow is more of a problem than they realize. Why do leaders rely on a single strength? Why do people stop learning? Perhaps they go on autopilot. Perhaps it’s a lack of confidence or curiosity. No doubt it’s easier to stay comfortable than risk learning something new. Mastering a new skill requires perseverance through tough spots. It also requires a willingness to be humble, to look stupid, to make mistakes, and to fail. The question is: Would leaders rather fail because they’re learning, or fail because they’re not learning?
Doesn’t Relate Well to Others: Leaders who have built a solid track record of performance early in their career likely focused on acquiring technical skills, mastering their job and getting results. Weaknesses such as lack of composure, intolerance, and poor interpersonal savvy lie somewhat dormant—until demands suddenly change. When that happens the inability to build relationships overshadows everything else and causes derailment.

Many leaders do not relate well to others but are unaware of their problem. In fact, eleven percent of leaders (fourteen percent of the executive level) have a blind spot in this area. Maybe they believe they have the best ideas and the right answers and do not see the need to listen to others and incorporate other points of view. The bottom line is they show an inflexibility, an unwillingness to seek out or value alternative points of view, and a lack of openness to feedback. This might be because they are perfectionistic, judgmental, close-minded, or just plain stubborn. After acknowledging and accepting this as a serious issue, leaders can begin to appreciate other people’s opinions and feedback to neutralize the effects of this derailer.

**Undervaluing your strengths**

Hidden strengths are skills that leaders underestimate or under-rate compared to how others see them. The one benefit of this situation is that such leaders are more likely to see the need to change their behavior and make efforts toward improvement (Ashford 1989; Atwater and Yammarino 1992; Church 1997; Van Velsor, Taylor, and Leslie 1993). But because under-raters are not aware of certain strengths, they may be less likely to fully utilize them. Or, they may not seek out challenges because they lack confidence. While the implications are not as drastic as blind spots, hidden strengths can prevent leaders from reaching their full potential.

Self-awareness is a key factor associated with high performance and potential and an indicator of long-term career success.

<table>
<thead>
<tr>
<th>Most common hidden strengths</th>
<th>Percent of leaders for whom it is a Hidden Strength</th>
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<tbody>
<tr>
<td>Managing Up</td>
<td>26%</td>
</tr>
<tr>
<td>Understanding the Business</td>
<td>17%</td>
</tr>
<tr>
<td>Making Complex Decisions*</td>
<td>11%</td>
</tr>
</tbody>
</table>

* For high level executives, the third most common hidden strength is Being Organizationally Savvy which is present for 17% of executives.
Managing Up: Leaders who manage up relate effectively to executives when positioning themselves, their careers, their ideas. They have the ability to garner the support of bosses and senior management, and to influence career trajectories. Managing up is a hidden strength for twenty-six percent of leaders. Interacting with senior leaders and promoting oneself to higher-ups can induce fear and shake confidence. But a lack of confidence is not the same as a lack of ability. Most leaders do very well managing up.

Understanding the Business: Knowing the competitive landscape, having expertise in a particular function, and a broad understanding of business principles is key to getting a seat at the leadership table, to being credible, and remaining relevant. Most leaders are, in fact, quite skilled in this area. However, seventeen percent significantly underestimate their ability to understand the business. In this case, it could be that leaders are setting the bar fairly high for themselves. The business landscape is becoming more and more complex and, as leaders gain more experience and in-depth knowledge, they may also recognize how much more there is to learn.

Making Complex Decisions: The most complex problems do not have a textbook answer. Leaders need to be able to glean from existing data, but also apply their wisdom and sound judgment. Still, leaders often find themselves navigating in uncharted territory, which requires intelligence, flexibility, and problem solving strategies. For eleven percent of leaders, making complex decisions shows up as a hidden strength. It’s possible that while appearing calm and analytical, these leaders struggle internally in landing on a solution. But as difficult as it is to make complex decisions, most leaders are good at it.

The road to self-awareness

Leaders need a reality check. They can begin externally–by observing others’ reactions and subtle cues that shed light on their own strengths and weaknesses. Or they can reflect on internal thought patterns or beliefs, which might illuminate opportunities to change old behaviors. Ideally, a blend of outside input, inside reflection, and a chance to test discoveries will create a cycle of ever-deepening self-awareness.

Increasing self-awareness–and thus preventing or recovering from career derailment–is possible at any leadership level.
others, even archrivals. Getting feedback can be an informal, daily practice and it doesn’t cost anything.

Leaders can work with human resource professionals to establish a feedback-rich culture. Institutionalizing feedback as a key component of the supervisor-employee relationship sets the expectation that employees and their managers will regularly ask for and receive candid feedback. This should all be done with a positive intention: to guide and support people toward job success.

Another effective way to increase self-awareness is through feedback instruments such as multi-rater 360° assessments, which ask the boss, peers, direct reports, customers and self to rate an individual on a set of skills. Multi-rater assessments enable leaders to compare their self-perceptions with others’ perceptions. Leaders typically have several blind spots the first time they receive 360° feedback. The second time, leaders tend to modify their ratings and view themselves more accurately. By simply becoming aware of the discrepancy, a leader steps onto the road to greater self-awareness and, ultimately, greater effectiveness.

Increased self-awareness has career benefits. Leaders who are self-aware balance self-confidence and humility. They carefully assess situations and their own ability to deliver. They are more likely to put themselves in a position where they will be successful and less likely to set themselves up to fail inadvertently.

Increased self-awareness also benefits the organization. Leaders who are self-aware are more likely to be high-performing, to meet their business goals, and save on turnover costs. And, self-aware leaders are not only realistic about their own strengths and weaknesses, but also the organization’s. This puts them in a better position to assess the organization honestly and accurately as they make decisions about new products or potential acquisitions (Goleman 2004).

With risk comes reward. And ultimately, the price for lack of self-awareness is too great— for leaders and for organizations.

Becoming more self-aware may not be comfortable, particularly when confronting blind spots. But with risk comes reward. And ultimately, the price for lack of self-awareness is too great—for leaders and for organizations.
References


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