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## Adversity: What Makes a Leader the Most

By David L. Dotlich

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# Adversity: What Makes a Leader the Most

*Every leader goes through passages, significant or even transformative personal and professional life experiences. Some passages are positive; others are upsetting, even damaging. For an organization, learning how to help a leader - or potential leader - negotiate these passages will deliver lasting and satisfying benefits. As this author states, it will help an organization better recruit, measure and develop people to become leaders of others.*

By David L. Dotlich

David L. Dotlich is President of the Mercer Delta Executive Learning Center (formerly CDR International), a consulting firm that specializes in executive development. He is the coauthor (James L. Noel, Norman Walker) of *Leadership Passages: The Personal and Professional Transitions that Make or Break a Leader* (Jossey-Bass, 2004). This article is based on the book.

Great leaders are lauded for their successes. But, paradoxically, what makes good leaders great are the trials and tribulations of failure. Very often, the lessons learned from confronting fear and uncertainty, and from experiencing frustration, transform good leaders into great ones. Today, leaders who have endured adversity are most likely to be the ones with the resilience and resolve to succeed.

When we think of business careers, we assume that great leaders develop and rise to the top in a hierarchical progression. Modern organizational life exists to celebrate success and deny failure - no one ever notes a significant setback or mistake on their

resumé. But the fact is, successful careers are not successful continuously. There are ups and downs, twists and turns, detours and digressions, some triggered by professional events and some by personal ones. And even though it may be embarrassing or painful to discuss how they stumbled, an overwhelming majority of leaders privately admit that that's when they learned the most.

We call these adverse and diverse experiences "passages," because they take you from one place to another: You see the world and yourself differently after you've gone through the events and emotional states that define each passage. What differentiates these experiences from ordinary difficulties or hurdles is the three elements they all have in common:

- While they are inevitable, they are random and unpredictable. Adding to the confusion is the fact that you can't predict how you will respond or where you will end up after you go through the passage. And the more significant the event, the more unpredictable your response and the results. The only certainty is that the way you respond will define your present and future career.
- These passages are emotionally and cognitively intense. They test and push you. You will have to call on resources you didn't know you possessed, rely on skill sets you previously ignored, assess your priorities and re-evaluate your basic values.
- As a result, your sense of yourself will change in some fundamental way. Who you are, what you're capable of doing and your

place in the world will all shift.

Based on interviews with more than 75 managers, including leaders from Johnson & Johnson, Novartis, GE, Bank of America, Arthur Andersen, Medtronic and other companies, as well as years of coaching senior executives at top companies around the world, we have identified the 13 most common passages in the life of a leader. Some passages are associated with positive career moves or work events; others have to do with unhappy developments in your personal life. Some present an opportunity for pushing the boundaries of your comfort zone and enriching your experience; others are common but no less upsetting challenges. One thing, however, is guaranteed: Every leader is likely to experience some or all of these passages over the course of his or her career.

### Thirteen passages in the life of a leader

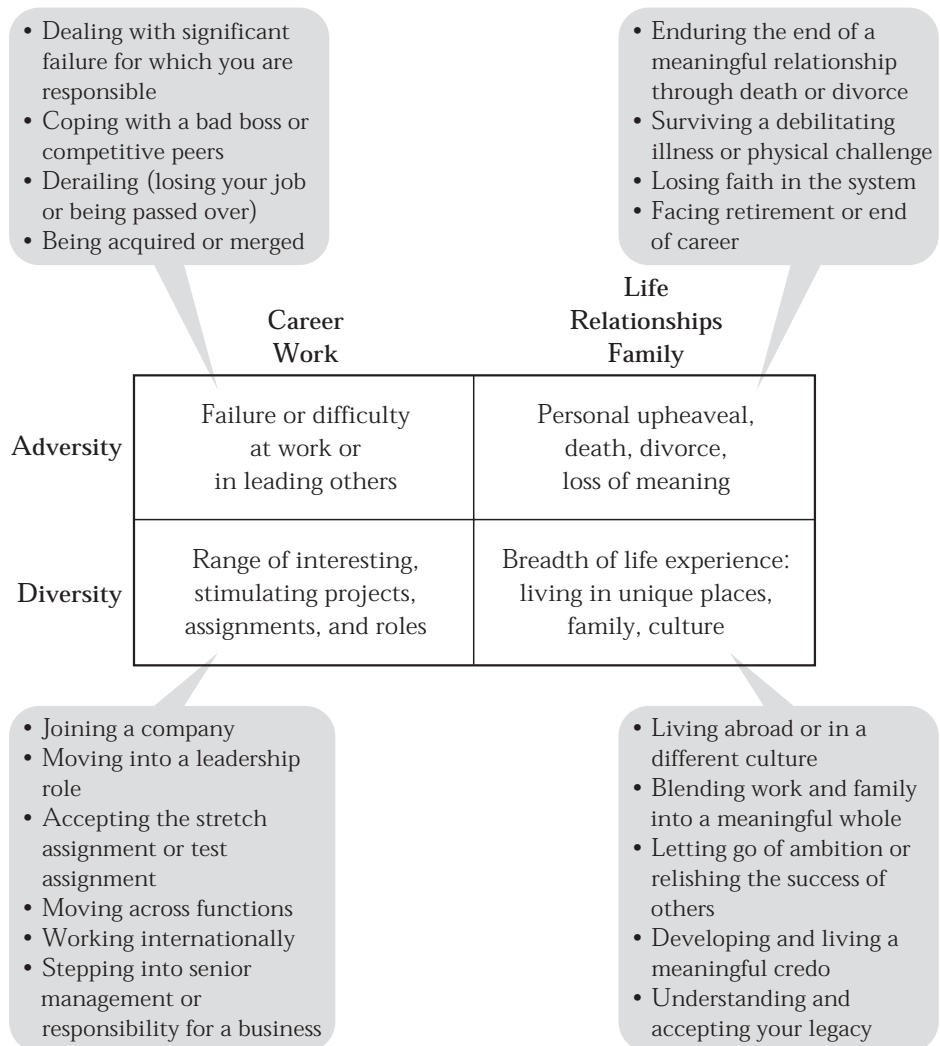
The passages can be organized according to the matrix in figure 1.1.

As "bad" as some of these passages may sound, it is not the event itself that derails a career, but how you react to it. It is how you handle working for a bad boss, being fired or being acquired that determines whether the impact is positive or negative, and whether you become a stronger leader or remain the same. Similarly, passages such as obtaining your first leadership position would seem to provide great opportunities; however, some people learn and grow because of their approach to the opportunity, while others

merely get a new job.

Because the results of a passage depend on the person, the most important factor in transforming a passage into a positive leadership development experience is self-awareness. Leaders who do not succeed tend to be people who lack self-awareness. Researcher and author Daniel Goleman described this basic truth when he identified emotional intelligence as a crucial component of effective leadership. Ineffective leaders don't understand their own motivations or acknowledge their weaknesses; as smart and skilled as these people may be, their

Fig. 1.1 - Leadership Learning



lack of self-knowledge derails them, especially when they face difficult people or challenges. High-performing leaders, however, are aware of their strengths and understand their weaknesses, and see themselves as continuously learning, adapting and responding to both positive and negative circumstances.

Making sense of the significant passages of life and career requires time and space for reflection. Recalls General Mills vice-chairman Ray Viault, "Following my divorce from my first wife and a career setback, I went through a whole process of 'What am I trying to do? Where am I going? What is important? What is not important? How am I going to behave?' I literally sat down with a piece of paper and worked through all of that and decided that this is the way I'm going to lead my life. It was like a second birth. Socrates said it all when he wrote, 'Know thyself.' Until you really know yourself, you can never reach down and grab all the strength that's within you."

Because of the orientation and imperative for action found in most companies today, there are few opportunities for leaders to step back, reflect, and understand their inner motivations and strengths. People simply don't have a chance to think deeply about what's happening and how it affects who they are. In most places today, someone who is observed thinking is suspect. Consequently, leaders are encouraged to persevere through any personal setback or challenge; consequently, they remain oblivious to their impact. That's not only a waste of an important leadership development experience, it's actually detrimental to the development of good leaders.

Leaders who are not in touch with who they are and what they feel are less effective. They may reject feedback, fail to see potential or actual negative consequences of their actions, respond poorly to stress, or miss important relationship signals from others. Perhaps most significantly, they don't deal well with change. As Viault points out, only when

leaders understand themselves and acknowledge their contributions and limitations do they demonstrate resilience and the ability to adapt.

Reflection is the well-kept secret of effective leadership. Although some people are naturally more introspective than others, everyone can improve his or her ability to reflect, and therefore to grow and learn. Here's a quick exercise: Consider *how* you recently experienced a particular passage. Based on this passage, answer the following questions:

- When you were going through this experience, did you have much time to step away from it and think about what was occurring?
- After the events had wound down, did you reflect on what had taken place? Did you put this event into the larger context of your work or personal life and attempt to figure out its meaning in the greater scheme of things?
- Did you engage at least one other person, besides your spouse or partner, in significant dialogue about this passage? Was this conversation confined to what happened and what you might do about it, or did you talk about deeper issues-how you feel, your fears, your expectations?
- If the event had an adverse effect, did you admit to yourself or others how you may have failed or come up short?
- Is there anything you learned from this passage that motivated you to reassess certain assumptions, made you aware of a certain vulnerability, or prepared you to handle a similar passage better in the future?

### **Becoming a leader: Navigating life's passages**

While reflection is the main component of the navigation system you need to move through life's passages, it is not the only component that makes a passage meaningful. There are five components in all. (We can't really call them "steps," because

they're not necessarily linear and because they're all part of moving through a passage.)

These are: acknowledging that a passage is occurring and that it is significant; reflecting on why it is occurring; making sense of the passage as a positive or adverse experience; integrating the lessons of the passage into your life; and, finally, taking action to do things differently in the future. Being aware of and employing all five components as you go through a passage will enable you to emerge fundamentally changed.

But how do these passages make you a more effective leader? Let's consider an example. Today, we are continually seeing three conditions that leaders in large, global companies typically encounter and must master

- They must create conditions for growth.
- They must take an enterprise perspective.
- They must, in some way, make a merger or acquisition successful.

### **Building trust**

For all three of these situations, the common denominator for leadership success is trust. Creating an environment in which innovation and growth can flourish starts with the ability to have an honest and open dialogue about balancing risk and reward, about the advantages and disadvantages of different courses of action. Harnessing the power of the enterprise requires building a bridge of trust and respect across different and often separate functions or business units so that everyone works together for one common goal. Lastly, to create the conditions for productive work when you're working with a newly acquired team or function, or reporting to a new, unknown boss, or integrating two departments, requires the ability to engender trust. It has become the leadership "coin of the realm."

The ability to create trust collapses time in building relationships. And given the tight time frame that most companies operate in today, it's a

necessity. There are several ways to build trust. One way is to fight a battle together. Another way is to open up about who you are -- about the battles you've fought in your personal and professional life--the defeats as well as the victories, and the lessons you've learned from both.

Hierarchy often seems to minimize the vulnerability of the person at the top of the pyramid. Paradoxically, it actually makes leaders *more* vulnerable because it distances them from the rest of the organization, from the people who might come up with innovative ideas and whom you have to rely on to implement them.

Revealing your humanity helps to reduce the impact of hierarchy. That's another situation in which adversity can become an advantage. By being able to recognize and respond to others' vulnerabilities, leaders create a stronger context in which they can communicate throughout the hierarchy.

Observes Joseph Berardino, the former CEO of Andersen Worldwide, "I think leaders who do not expose themselves to their people, who don't make themselves vulnerable to their people, can't effectively lead because people aren't going to think you are real."

### **The passage as a facilitator of leadership development**

"The best developer of a leader is failure," says Richard Branson, chairman of Virgin Airlines. Business history is full of examples of leaders who learned from their failures and bounced back to become more successful than before. After Steve Jobs was fired from Apple Computer, he returned to his entrepreneurial roots and re-emerged at Pixar, where he created new products with new technology. When he came back to Apple, he had a new view of the market; with products like the iPod, he redefined the industry. Jeffrey Katzenburg, too, suffered a huge disappointment when he didn't become the CEO

of Disney. But he created a different-and successful-business model at DreamWorks. Jamie Dimon was exiled from Citigroup, reappeared as the CEO of BankOne, and now has returned to Wall Street as the vice-chairman of Chase.

These examples are notable because the leaders experienced crushing adversity at the peak of their careers, yet they came back to scale still higher peaks. That said, it's almost always better to experience adversity earlier in your career than later. You're laying the foundations for future wisdom and have more time and opportunities to apply it.

We worry when companies anoint highly talented young people and put them on a fast track for promotion. They may move around the company gaining experience of the organization, but they don't stay in one job long enough to experience failure. Instead, we believe that companies should recognize and treat professional passages as important experiences-exercises, even-for developing better leaders.

In many companies today, leadership development tends to be managed in a fairly narrow way. Attributes of leadership are identified, usually based on performance competencies of current high-visibility leaders. Leadership development aimed at this target is then undertaken in a classroom-oriented, skill-based, cognitive environment.

But when competencies define selection and promotion, individuals who become leaders may be strong performers but not strong leaders, only because the depth of experience is often not defined by competencies and leadership models. For example, you may be very good at sales, manufacturing or finance, or have succeeded at a series of positions, but still lack the empathy, wisdom and maturity required of leaders. In some cases, a leader can embody a company's leadership competencies and still not be a leader others want to follow.

In many fast-moving, successful companies, strong, successful leaders who fail a challenge present a real dilemma to the organization. Although failure is a powerful teacher, it can also throw sand in the gears of succession planning. The paradox is that even though Bob's failure may make Bob a stronger leader, it may also make Bob seem weaker in the eyes of everyone else. Rarely is this issue addressed during succession planning. We don't hear people ask, "But what did he really learn from that experience of failing at X?" or "How will she now be more effective because of her failure?"

Even more important, the life events that shape people-divorce, death, living cross-culturally, personal transformation- rarely enter the discussions that constitute leadership reviews. Companies act instead as if the personal life of a leader doesn't exist.

### The organization as a facilitator

How can organizations facilitate leadership learning and growth in the passages? We offer four suggestions:

- **Expand the view of potential leaders.** Those in charge of core people processes must assess and develop the whole person. This means hiring individuals who have more than the right education, background or core competencies. Hiring decisions should also factor in the diversity and adversity each candidate has experienced, along with exploring how or whether they have helped him change or grow. As one CEO told us, "If I want to find a global leader, I look for the kid who backpacked around Europe in his 20s, not necessarily the one who went from his BA to an internship at IBM." Similarly, a stronger candidate may not have a string of successes on her resumé, but may have been through an acquisition, divestiture, change of direction or even significant failure. Not surprisingly, many

smart companies moved quickly to pick up former Arthur Andersen partners, with the correct view that the implosion of that firm produced even smarter professionals.

A broader view of experience will lead companies to ask different questions during succession planning. The goal will be to determine what passages people have been through and what they've learned from these experiences. If they encountered a career roadblock, what did they do about it? Do they feel their work style or sensitivities contributed to their experience? What did the experience teach them about how not to lead? Answers to questions like these are much more insightful about the whole person

be outwardly successful in a given passage but still end up "losing," because they learned little or nothing from the experience. Conversely, the developmental paradox also implies that you can fail in a passage yet still experience high learning and growth. You can, for example, gain insight into your derailment behaviours and work to modify them, increasing your awareness the next time you are in a similar situation as well as motivating you to change attitudes and behaviours.

We realize there is little margin or room for failure in today's competitive business environment. What many companies don't realize, however, is that by viewing leadership failure in a broader fashion, they increase the odds for future success.

A common dilemma leaders must grapple with is how to promote talented people into stretch assignments without risking the business. The question is, How far can people be pushed? Frequently, our advice is, "As far as possible." Good developers find a way to orchestrate learning

opportunities and harvest the learning that occurs from negative as well as positive circumstances.

In succession planning, performance reviews and other assessments, it's tempting to make quick judgments about people based on their successes and failures. We're not suggesting that anyone should discount performance but that more productive, open-ended conversations will factor in answers to deeper, more probing questions such as

**Fig. 1.2 Leadership Learning**

Personal Growth and Learning	High	Win by losing	Win-Win
	Low	Lose	Lose by winning
		Low	High
		Success with Passage	

than questions such as, What skills did you learn in your last job that will help you perform well in this one?

- **Don't allow success or failure to define leadership development.** The best argument for why organizations should heed this advice is what we call the developmental paradox, illustrated by the matrix in figure 1.2.

As the matrix suggests, some people may

these:

- What did this person learn when he succeeded or failed?
  - How has he changed because of the experience?
  - What else do we know about this person's life that has contributed to her learning?
  - Given this experience, what are the areas for future growth?
- **Make every open position a leadership development opportunity.** Currently, companies are focusing on experience as the best developer of people. While the recognition that leadership development must take place outside the classroom is positive, many companies simply give people jobs and let them sink or swim. We're suggesting that they provide support and guidance to those entering these passages in the following ways:

- Offer regular 360-degree feedback and talks with supervisors to express concerns, ask questions and monitor progress.
- Encourage reflection around new experiences.
- Challenge people to take some risks; push them out of their comfort zones.
- Use coaching to help people talk and receive advice about issues they may not feel comfortable talking to colleagues or bosses about.

Comments Viault, "There ought to be an opportunity when someone is working on a particular issue for them to come in and say, 'You've had lots of different experiences; you've been around in the world longer. I'd like to be able to pick your brain but not feel compelled to do what you tell me. Let me take the best and leave the rest.' That is a valuable thing in a reporting relationship that rarely gets used."

- **Catalyze professional passages through leadership development programs.**

Organizations should take advantage of programs that prompt them to struggle with significant failures, stretch assignments, new leadership roles and other passages. Companies such as Dell, Johnson & Johnson, Washington Mutual, Novartis and many others use Action Learning programs, whose essence is providing people with challenging real-world assignments that are packed with adversity and diversity.

Novartis uses Action Learning as the basis for its first-time manager program. These first-time managers pick an issue they're struggling with in their new jobs and work on these issues in teams over a four-day period. The intensity of these periods, during which participants attempt to create strategies to deal with their dilemmas, is comparable to what is felt during a passage. More than 4,000 Novartis managers have gone through the program, providing the company with a method of developing meaningful leadership on a large scale.

The immediate benefits of using the lessons of personal and professional passages to develop leaders include reducing the risk of great leaders leaving the company, increasing leadership bench strength and diversity, preventing organizations from firing leaders at times of maximum learning, and identifying and defusing ticking time bombs. But the deeper benefit of recognizing the significance of these passages is that it humanizes the system. A broader understanding of leadership effectiveness will be less driven by competency models and more focused on a holistic view of how leaders develop and learn. That, in turn, will lead to more intelligent and sensitive choices in how we recruit, measure and develop people to become leaders of others. ■