What We Know About Leadership

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This article reviews the empirical literature on personality, leadership, and organizational effectiveness to make 3 major points. First, leadership is a real and vastly consequential phenomenon, perhaps the single most important issue in the human sciences. Second, leadership is about the performance of teams, groups, and organizations. Good leadership promotes effective team and group performance, which in turn enhances the well-being of the incumbents; bad leadership degrades the quality of life for everyone associated with it. Third, personality predicts leadership—who we are is how we lead—and this information can be used to select future leaders or improve the performance of current incumbents.

A very smart political scientist friend used to say, "The fundamental question in human affairs is, who *shall* rule?" We think the fundamental question is, "who *should* rule?" Leadership is one of the most important topics in the human sciences and historically one of the more poorly understood; it is important for two reasons. First, leadership solves the problem of how to organize collective effort; consequently, it is the key to organizational effectiveness. With good leadership, organizations (governments, corporations, universities, hospitals, armies) thrive and prosper. When organizations succeed, the financial and psychological well-being of the incumbents is enhanced.

Second, and more important from a moral perspective, bad leaders perpetrate terrible misery on those subject to their domain. Consider the career of Foday Sankoh, the former dictator of Sierra Leone, who died in July 2003. Sankoh was born in 1937 and grew up in a Sierra Leone dominated by a small, corrupt urban elite whom he deeply resented. He joined the Sierra Leo-

nean army but was sent to prison for 7 years in 1971 for taking part in an attempted coup. After his release, he went to Libya to train with other West African revolutionaries; there he met Charles Taylor (the recently deposed dictator of Liberia), who became Sankoh's major ally. Sankoh founded the Revolutionary United Front to overthrow the Sierra Leonean government and take over the country's diamond mines.

Sankoh was bright, charming, and charismatic, and he immediately attracted a large popular following, especially among the teenage underclass. He promised to reform education, health care, and other public services and to distribute the diamond revenues. Instead, he used the revenues to buy arms (from Charles Taylor) and political support. He paid his soldiers irregularly because he expected them to live by looting and even by cannibalizing victims of the army. New recruits were sometimes required to murder their own parents, which toughened them and made it hard to return home. His young recruits, deprived of parenting and raised in chaos, were notoriously savage and specialized in amputating appendages, which they kept in bags. Those with the most body parts were rewarded. By the end of the 1990s, Sierra Leone was, according to the United Nations, the poorest country on earth. To stop the slaughter and ameliorate the misery, the United Nations, after several false starts, intervened in 2000. Sankoh was taken captive by an emboldened mob that had been fired upon by his bodyguards. He was subsequently indicted

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by an international court for crimes against humanity. While in prison, he "lost his mind," had a stroke, and died of a pulmonary embolism, leaving his impoverished country and its mutilated citizenry finally in peace. Sadly, the moral to this story—that bad leaders cause much misery—is all too common.

This article tries to make three points. The first is that leadership matters; it is hugely consequential for the success of organizations and the well-being of employees and citizens. Second, when conceptualized in the context of human origins, it becomes clear that leadership is an adaptive tool for individual and group survival. We believe that, in essence, leadership primarily concerns building and maintaining effective teams: persuading people to give up, for a while, their selfish pursuits and pursue a common goal. Our final point is that the personality of a leader affects the performance of a team: Who we are determines how we lead.

Conceptualizing Leadership

We first began studying leadership in the mid-1980s, and we quickly discovered that the literature contained few defensible generalizations other than such nuggets as leaders seem to be somewhat taller and a little bit brighter than their subordinates (Stogdill, 1948). Since then we have been assembling a perspective on leadership that makes sense to us. The following is a review of our perspective.

Conceptualizing History

There are two major viewpoints regarding the principal dynamic in history and human affairs, and they derive from two distinct causal perspectives. The first is the tradition represented by Hegel, Marx, Durkheim, and modern-day sociologists (and social psychologists, although they do not realize it); this tradition assumes that there is a tide running in human affairs, a tide defined by history or the economy—by large impersonal forces outside human control—and individuals are merely floating on the tide. Many of us have the illusion that we control our own destiny, but what individual actions brought about the worldwide depression of the 1930s that swept the Nazis into power in

Germany? In this Marxist view, people are merely the creatures of their circumstances.

The second view is represented by Sigmund Freud, Thomas Carlyle, and Max Weber, who argued that, from time to time, shrewd, talented, and charismatic figures emerge in society, captivate and energize a significant following, and then change history. Although writers such as Herbert Marcuse (1969) have tried to integrate the views of Marx and Freud, the history of social theory over the past 100 years has been the dialectic exchange between these two perspectives.

We adopt the currently out-of-vogue view that history is the history of social movements led by individuals, for better or worse (as described in the preceding). That is, we favor explanations based on concrete personalities rather than abstract social forces.

Defining Personality

Personality concerns two major elements: (a) generalizations about human nature (what people are like way down deep) and (b) systematic accounts of individual differences (which differences are important and how they arise). With regard to generalizations, the pioneers of personality psychology (e.g., Freud, Jung, Adler, Horney, and Erikson) argued that the most important generalization we can make is that everyone is somewhat neurotic, which means that the most important problem in life is to overcome one's neurosis. However, that generalization is contradicted by the data; for example, the base rate of neuroticism is too low to be a generalized characteristic (Renaud & Estes, 1961). Moreover, the "good life" involves more than the absence of pathology (Seligman & Csikszentmihalyi, 2000).

On the other hand, a review of sociology, anthropology, and evolutionary psychology suggests an alternative generalization that, in fact, is two related generalizations. First, people always live in groups; we evolved as group-living animals. Second, every group has a status hierarchy; there are people at the bottom, in the middle, and at the top, and everyone knows who is where. This suggests that the most important problems in life concern getting along with other people and achieving some measure of status. We refer to these concerns as "getting

along" and "getting ahead," and individual differences in these capabilities predict a wide range of occupational outcomes (see J. Hogan & Holland, 2003). It is also worth noting that effective leaders are skilled at building relationships and acquiring status.

To understand personality, the concept should be defined from two perspectives: (a) how a person thinks about him- or herself (i.e., a person's identity) and (b) how others think about that person (i.e., a person's reputation). A person's identity concerns his or her most deeply held beliefs, whereas a person's reputation is an index of his or her success in life. Identity is hard to study, and we do not know a great deal about it. In contrast, reputation is easy to study and vastly consequential.

Our research indicates that it is important to distinguish two aspects of reputation, which we call "the bright side" and "the dark side." The bright side concerns the initial impression we make on others—it reflects our social performance when we are at our best—for example, in a job interview or on a first date. The five-factor model (Wiggins, 1996) is a taxonomy of the bright side; it reflects how observers perceive and describe others in the early stages of a relationship (McAdams, 1995). The dark side reflects the impression we make on others when we let our guard down or when we are at our worst, such as when we are stressed, ill, or intoxicated. The bright side concerns the person you meet in an interview; the dark side concerns the person who actually comes to work. Dark side tendencies typically coexist with well-developed social skills that mask or compensate for them in the short run. Over time, however, dark side tendencies erode trust and undermine relationships. Both the bright side and the dark side of reputation can be studied through observer descriptions, and most of the major outcomes in life (jobs, promotions, relationships) depend on reputation. Moreover, effective leaders have distinctive reputations (as described subsequently).

The Leadership Literature

Although the leadership literature is immense, it can be effectively sorted into two categories that we call *the troubadour tradition* and *the academic tradition*. The troubadour tra-

dition is by far the larger and more popular literature. It consists of such works as *Leadership Secrets of Attila the Hun* (Roberts, 1990) and the self-serving and account-settling memoirs of former CEOs and politicians. Despite its popularity, the troubadour tradition is a vast collection of opinions with very little supporting evidence; it is entertaining but unreliable.

In contrast, the academic tradition is a collection of dependable empirical nuggets, but it is also a collection of decontextualized facts that do not add up to a persuasive account of leadership. This is the result of two unfortunate trends in earlier leadership research. The first concerns the fact that leadership researchers have historically ignored personality (Bass, 1990), and they have done so despite evidence that personality has effects on leadership (see, for example, Mann's, 1959, conclusions as compared with the reanalysis of his data by Lord, DeVader, & Alliger, 1986). Second, researchers have routinely defined leadership either as standing out in a crowd or as occupying a senior position in an organization. Both definitions overlook the fundamental essence of leadership.

Leadership Effectiveness

Leadership is usually defined in terms of the people who are in charge of organizations and their units; by definition, such people are leaders. But reflect for a moment on the skills needed to successfully negotiate the status hierarchy of a large bureaucratic organization. Think about the people who are in charge of the organization where you work and try to find examples of real leadership. The people who rise to the tops of large organizations are distinguished by hard work, intelligence, ambition, political skill, and luck but not necessarily by talent for leadership.

As an alternative way to conceptualize leadership, think for a moment about human origins. People evolved as group-living animals, because there is safety in numbers. Over the 2 million years of human prehistory, the various hominid groups were in competition for the control of resources, and the competition was typically quite savage. For example, when Genghis Khan invaded Persia, he killed every inhabitant (de Hartog, 2000). People are natu-

rally selfish and inclined to pursue their short-term self-interest. Leadership involves persuading people to set aside, for a time, their selfish pursuits and work in support of the communal interest. In the context of the violent tribal warfare that characterized most of human history, leadership was a solution for group survival; leadership is a collective phenomenon (Avolio, Sosik, Jung, & Berson, 2003, p. 287).

In our view, then, leadership should be defined in terms of the ability to build and maintain a group that performs well relative to its competition. It follows that leadership should be evaluated in terms of the performance of the group over time. Our view is a radical departure from the conventional wisdom of leadership research. Most studies define leadership in terms of emergence—the person in a group of strangers who exerts the most influence—or in terms of ratings of an individual "leader" by more senior "leaders." Although very few studies have used indices of group performance as the criterion for leadership,[1] we believe this is the most appropriate way to define and evaluate leadership. With this definition in mind, we turn to a discussion of what we know about leadership.

What We Know About Leadership

The foregoing is the framework in terms of which we conceptualize leadership. The remainder of the article concerns the dependable facts, what we know about leadership that is empirically true. We think we can summarize what we know in terms of seven points.

Competencies

Our first point concerns competency models. The competency movement began with the work of David McClelland (1973), a personality psychologist with practical interests. McClelland's model was designed to identify competencies that were specific to a particular job in a particular organization, with no intention of generalizing. The modern enthusiasm for competencies seems to have taken off after the publication in 1982 of a book by McClelland's colleague, Boyatzis, partly as a result of the book's appeal and partly as a result of widespread dislike of traditional methods of job

analysis as applied to managerial work. The competency movement spread rapidly and quickly became chaotic and idiosyncratic. Our first point is that every existing competency model can be captured with the domain model proposed by Hogan and Warrenfeltz (2003). The model appears in Table 1.

In brief, this model identifies four broad classes of managerial competencies: (a) intrapersonal skills (regulating one's emotions and easily accommodating to authority), (b) interpersonal skills (building and maintaining relationships), (c) business skills (planning, budgeting, coordinating, and monitoring business activities), and (d) leadership skills (building and motivating a high-performance team). We would like to highlight three points about this domain model. First, it is developmental: Intrapersonal skills develop first, probably in the preteen years; interpersonal skills develop next, probably during the teenage years; business skills develop when a person enters the workforce; and leadership skills develop last. Second, the model is a hierarchy of increasing trainability, with intrapersonal skills being hard to train and leadership skills being the easiest to train. Third, the model is comprehensive; every existing competency model can be organized in terms of these four domains.

In addition to having a taxonomy of competencies, we also have very good measures of the key elements in these domains. There is solid meta-analytic evidence showing that measures of core self-esteem and measures of integrity predict occupational performance in the .30–.50 range (Judge & Bono, 2001; Ones, Viswesvaran, & Schmidt, 1993). Similarly, measures of interpersonal skill correlate in the .50 region with performance in customer service and sales jobs (Frei & McDaniel, 1998; Vinchur, Schippmann, Switzer, & Roth, 1998). We can also predict business skills using measures of cognitive ability with equally good results (Schmidt

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[1] For example, in one of the first meta-analyses of leadership, Lord et al. (1986) remarked that most leadership researchers "have over generalized results from leadership perceptions to the topic of leadership effectiveness" (p. 407). Although researchers are beginning to realize the importance of defining leader effectiveness in terms of team or unit performance, much work remains to be done on this topic.

Table 1
The Domain Model of Competencies

Domain	Definition and sample competencies
Intrapersonal	Internalized standards of performance; able to control emotions and behavior (courage and willingness to take a stand; career ambition and perseverance; integrity, ethics, and values; core self-esteem and emotional stability; patience; tolerance of ambiguity)
Interpersonal	Social skill role-taking and role-playing ability; talent for building and maintaining relationships (political savoir faire, peer and boss relations, self-presentation and impression management, listening and negotiating, oral and written communications, customer focus, approachability)
Business	Abilities and technical knowledge needed to plan, budget, coordinate, and monitor organizational activity (business acumen, quality decision making, intellectual horsepower, functional/technical skills, organizing ability, priority setting, developing effective business strategy)
Leadership	Influence and team-building skills (providing direction, support, and standards for accomplishment; communicating a compelling vision; caring about, developing, and challenging direct reports; hiring and staffing strategically; motivating others; building effective teams; managing diversity)

& Hunter, 2004). Finally, we can predict various aspects of leadership performance with validities as high as .50 using multivariate regression equations of normal personality (e.g., Hogan & Hogan, 2002; Judge, Bono, Ilies, & Gerhardt, 2002). All of this means that we have the assessment tools needed to identify potential leaders; regrettably, these tools are rarely used in selecting corporate executives (DeVries, 1993).

Implicit Models of Leadership

Earlier we stated that discussions of personality should distinguish between identity and reputation. Our second point is that we now have a very clear view of the reputational elements of leadership. Specifically, the literature on implicit leadership theories suggests the characteristics people look for in their leaders; this research also tells us which of the positive attributes listed by C. Peterson and Seligman (2004) define effective leaders in the eyes of the led. In order of importance, the four themes that appear regularly in this literature—the leadership virtues—are integrity, decisiveness, competence, and vision (e.g., Kouzes & Posner, 2002; Lord, Foti, & DeVader, 1984).

Credibility as a leader depends vitally on perceived integrity: keeping one's word, fulfilling one's promises, not playing favorites, and not taking advantage of one's situation. The most important question we ask of potential leaders is, "Can we trust you not to abuse the privilege of authority?" A meta-analysis conducted by Dirks and Ferrin (2002) showed reliable correlations between trust in one's supervisor and a range of positive leadership outcomes, including improved job performance, job satisfaction, and organizational commitment. Like Caesar's wife, people in leadership positions must avoid even the appearance of impropriety.

In addition, good leaders make good decisions in a timely way. In times of crisis and uncertainty, the most effective leaders make prompt decisions (Vroom & Jago, 1988; Yukl, 1998, chap. 11). Naval historians are astonished at the quality of Horatio Nelson's decision making under the almost unimaginably difficult and confusing conditions of a sea battle (Pocock, 1987). But decisiveness is also important under normal conditions. Mintzberg (1973) observed that managers are involved in decision making all day long, and the quality of their decisions accumulates.

Good leaders are also competent; they are a contributing resource for their groups. In hunter-gatherer tribes—which are ferociously democratic—the head man is usually distinguished from the group by superior hunting ability and a broader moral perspective (see Boehm, 1999). Expertise is needed for legitimacy and respect from the team (French & Raven, 1959); the fact that colleges and universities are typically led by failed academics partially explains problems with faculty morale.

Finally, good leaders are able to project a vision, to explain to the group the purpose, meaning, and significance of its key undertakings. Napoleon noted that "leaders are dealers in hope"; we would add that vision is their currency. In addition, vision facilitates team performance by clarifying roles, goals, and the way forward (House, 1971). George H. W. Bush is by all accounts a decent and likable man, but he is utterly pragmatic in his thinking; before the 1992 election, he complained to his staff that he did not understand "this vision thing," which, of course, is not what people want to hear from potential leaders.

Good to Great

Most business books are empirical nonsense, but Collins's (2001a) book, *Good to Great*, seems to be an exception. He and his staff searched databases for the Fortune 1000 companies to identify companies that had 15 years of performance below the average of their business sector and then 15 years of sustained performance significantly above the average of their sector. They found 11 companies that fit this profile. The next question was, what distinguished these 11 companies? Their somewhat reluctant conclusion was that the distinguishing feature was a new CEO who took charge of the organization and then improved its performance.

These 11 CEOs all shared the same two characteristics (above and beyond the four elements described earlier; Collins, 2001b). First, they were modest and humble, as opposed to self-dramatizing and self-promoting. Second, they were phenomenally, almost preternaturally, persistent. These findings were a jolt to the business literature (which had been promoting the cult of the charismatic CEO), but we think they make sense in terms of the data provided by

ethnographic studies of leadership (Boehm, 1999). In hunter-gatherer groups, the head man is modest, self-effacing, competent, and committed to the collective good. And if he is not, he gets removed, sometimes quite violently.

Personality and Leadership

In the best study yet published on the links between personality and leadership, Judge et al. (2002) conducted a meta-analysis in which they examined 78 studies of the relationship between personality and leadership. They organized personality in terms of the generally accepted taxonomy of reputation, called the five-factor model (Wiggins, 1996); this is a taxonomy of the bright side of personality. The dimensions of the five-factor model are Extraversion, Agreeableness, Conscientiousness, Emotional Stability, and Openness. (Emotional Stability and Conscientiousness reflect the first element of the domain model shown in Table 1, intrapersonal skills; Extraversion and Agreeableness concern the second domain, interpersonal skills; and Openness, which is related to vision, anchors the fourth domain, leadership skills.)

Judge et al. (2002) classified their leadership criteria in terms of both emergence and effectiveness. Their results showed that all five dimensions were related to overall leadership (emergence and effectiveness combined), with true correlations of .24 or greater for each, except for Agreeableness (.08). The multiple R value for all five dimensions predicting emergence was .53, and it was .39 for predicting their criterion of effectiveness (see Hogan & Hogan, 2002, and Lord et al., 1986, for similarly strong relationships between leadership and personality).

Does Leadership Matter?

It is useful to know that personality predicts indices of leadership effectiveness, but does leadership actually matter in terms of the performance of an organization? And, if it does, then what are the mechanisms? The answer to the first question is yes; the relevant data come from studies of the economic utility of senior managers. For example, Joyce, Nohria, and Roberson (2003) reported that CEOs account for about 14% of the variance in firm perfor-

mance. To put this number in perspective, industry sector accounts for about 19% of that variance (McGahan & Porter, 1997). In addition, Barrick, Day, Lord, and Alexander (1991) showed that, relative to executives with average performance, high performers provide an additional $25 million in value to an organization during their tenure (see also Day & Lord, 1988, and Thomas, 1988, for evidence regarding the financial impact of leaders on organizations).

Concerning the question of how leaders influence the performance of their organizations, the general model is that leader personality influences the dynamics and culture of the top management team, and the characteristics of the top management team influence the performance of the organization. Two very interesting articles provide data to support these themes. In the first, R. S. Peterson, Smith, Martorana, and Owens (2003) used data from CEOs of 17 very large corporations (e.g., IBM, Coca-Cola, Disney, Xerox, CBS, Chrysler, and General Motors) to show that CEO personality powerfully affects the dynamics and culture of the top management team, with correlations in the .50 range for most hypothesized relationships between personality and various aspects of team functioning (e.g., cohesiveness, corruption, and risk tolerance). Moreover, the characteristics of the top management team were substantially correlated with business outcomes such as income and sales growth, return on investment, and return on assets.

In the second article, Harter, Schmidt, and Hayes (2002) reviewed the literature on employee satisfaction and showed that satisfaction means, in essence, satisfaction with supervisors. That is, how employees view their supervisors is the primary determinant of their overall satisfaction. Then, in a meta-analysis, including

198,514 employees from 7,939 business units, they showed that employee engagement and satisfaction, at the business-unit level, correlated .37 and .38, respectively, with a composite index of business-unit performance that included turnover, customer loyalty, and financial performance.

Putting these various studies together, we see that (a) personality predicts leadership style (who we are determines how we lead), (b) leadership style predicts employee attitudes and team functioning, and (c) attitudes and team functioning predict organizational performance. This model linking leader personality to organizational performance is portrayed in Figure 1.

Managerial Incompetence

Although the literature on managerial competence is sparse and fragmented (but growing), the literature on managerial incompetence is remarkably coherent. The problem is very important; survey after survey shows that 65%–75% of the employees in any given organization report that the worst aspect of their job is their immediate boss. Estimates of the base rate for managerial incompetence in corporate life range from 30% to 75%; a recent review reported the average estimate to be 50% (DeVries & Kaiser, 2003). Historically, managerial incompetence has been conceptualized in terms of not having the characteristics needed for success, that is, too little of the right stuff. We believe that failure is related more to having undesirable qualities than to lacking desirable ones, that is, having the wrong stuff.

Bentz (1985) pioneered the study of managerial incompetence with an interview study of failed managers at Sears; he noted that virtually all of them had a "personality defect" of some
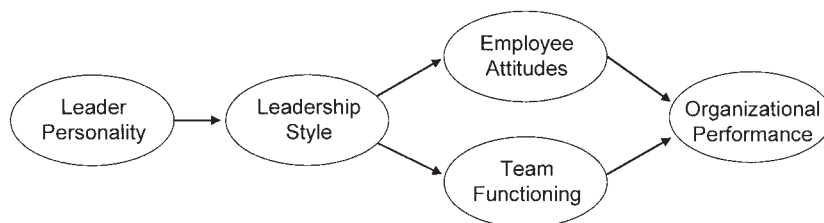

Figure 1. How leader personality affects organizational performance.

sort. Bentz's findings were then replicated by researchers at the Center for Creative Leadership (McCall & Lombardo, 1983) and others. Leslie and Van Velsor (1996) summarized the literature on failed managers in terms of four themes: (a) poor interpersonal skills (being insensitive, arrogant, cold, aloof, and overly ambitious), (b) unable to get work done (betraying trust, not following through, and being overly ambitious), (c) unable to build a team, and (d) unable to make the transition after a promotion.

After reviewing this literature, Hogan and Hogan (1997) proposed that the standard personality disorders, as described in the *Diagnostic and Statistical Manual of Mental Disorders* 4th edition (*DSM–IV*; American Psychiatric Association, 1994), provide a taxonomy of the most important causes of managerial failure. Personality disorders are not forms of mental illness; they are dysfunctional interpersonal dispositions that (a) coexist with talent, ambition, and good social skills and (b) prevent people from completing the essential task of leadership: building a team. These dysfunctional dispositions are what we described earlier as the dark side of personality. Hogan and Hogan developed an inventory of the 11 key dimensions of the dark side using the *DSM–IV* Axis II personality disorders as a guide. The inventory is intended to predict managerial failure, and subsequent research shows that it does (Hogan & Hogan, 2001). This taxonomy is presented in Table 2.

There are three points to note about these dark side characteristics. First, they are hard to detect, for two reasons. On the one hand, they coexist with well-developed social skills (Hogan & Hogan, 1997, 2001). On the other hand, these tendencies, although flawed, are intended to make a positive impression on others, and they do in the short run. For example, people with high scores on the Bold scale (narcissism) initially seem confident and charismatic. Over time, however, these features turn into a sense of entitlement and an inability to learn from mistakes. Paulhus (1998) reported that, in an unstructured group task in which the participants are strangers, narcissism predicts making a strong initial impression and being nominated as a leader but subsequently being rejected by the group as a result of arrogance and high-handedness. Indeed, Baumeister and

Scher (1988) reported that the distinguishing feature of most forms of self-defeating behavior is the pursuit of short-term gains that carry significant long-term costs (see Table 2 for other examples of this dynamic).

Second, although high scores on the 11 dark side dimensions shown in Table 2 are associated with negative consequences in the long run, low scores are not necessarily desirable either; this is what makes personality psychology so interesting. Low levels of dutifulness suggest problems with authority; low levels of imaginativeness suggest lack of vision; low levels of boldness suggest indecisiveness; and so on. Optimum performance is associated with more moderate scores. Kaplan and Kaiser have applied this reasoning to executive assessment; their data clearly show that there is an optimal level for most managerial behaviors (e.g., Kaplan & Kaiser, 2003).

The third point concerns how executive selection decisions are made (Sessa, Kaiser, Taylor, & Campbell, 1998). Most formal selection tools are rarely used. Former subordinates—those who are best able to report on a person's talent for leadership—are almost never consulted. Often new executives are recruited from outside the organization, making it even more difficult to evaluate the candidate appropriately. The most common selection tool is an interview, and the dark side tendencies are designed to create favorable immediate impressions; narcissists and psychopaths excel during interviews. We speculate that many executives are hired for the very characteristics that ultimately lead them to fail.

Organizational Effectiveness

The professional literature in psychology has very little to say about the determinants of organizational effectiveness. Perhaps the best-known treatment of the subject is provided by Katz and Kahn (1978). After noting how complicated the subject is, Katz and Kahn suggested defining organizational effectiveness idiographically, in terms of how efficiently an organization converts its resource inputs into outputs. This definition is internally consistent but ignores the fact that organizations are in competition with one another.

Table 2
Dimensions of Managerial Incompetence

Dimension	Axis II disorder	Definition	Short-term strength(s)	Long-term weakness(es)
Excitable	Borderline	Moody, intense, easily annoyed by people and projects; fails to follow through	Energetic and enthusiastic	Displays outbursts and emotional volatility
Cautious	Avoidant	Reluctant to take risks as a result of being criticized	Makes few mistakes	Indecisive and risk averse
Skeptical	Paranoid	Cynical, mistrusts others' intentions, argumentative and combative	Insightful about organizational politics	Mistrustful, vindictive, litigious
Reserved	Schizoid	Aloof and uncommunicative, insensitive to others' feelings	Tough and resolute under pressure	Uncommunicative and insensitive to morale issues
Leisurely	Passive–aggressive	Overtly cooperative, privately procrastinating, stubborn, resentful of requests for increased performance	Charming with good social skills	Displays passive–aggressive meanness
Bold	Narcissistic	Excessively self-confident; exhibits grandiosity and entitlement; unable to learn from mistakes	Courageous, confident, charismatic	Unable to admit mistakes; sense of entitlement
Mischievous	Antisocial/psychopathic	Excessively takes risks and tests limits; bright, manipulative, deceitful, cunning, and exploitive	Willing to take risks, charming	Lies, defies rules and authority, exploits others
Colorful	Histrionic	Expressive, animated, and dramatic; wants to be noticed and the center of attention	Entertaining, flirtatious, engaging	Impulsive, attention seeking; manages by crisis
Imaginative	Schizotypal	Acts and thinks in creative but sometimes odd or eccentric ways	Displays visionary outside-the-box thinking	Fanciful; displays over-the-top vision, erratic decision making
Diligent	Obsessive–compulsive	Meticulous, precise, perfectionistic, inflexible, intolerant of ambiguity	Hard working; has high standards; self-sacrificing	Overcontrolling, rigid, micromanaging
Dutiful	Dependent	Conforms and is eager to please superiors	Team player; considerate; keeps boss informed	Indecisive, overly concerned about pleasing superiors

Our final point does not concern a reliable empirical generalization about leadership; rather, it proposes a model for conceptualizing organizational effectiveness. However, organizational effectiveness is an organic part of any discussion of leadership when leadership is seen as a collective phenomenon, a resource for the performance and survival of a collectivity. In our view, organizational effectiveness can be conceptualized in terms of five components.

The first component of organizational effectiveness is talented personnel. Other things being equal, a more talented team will outperform a less talented team. Talented personnel are identified through good selection methods and recruited through good leadership. The second component of organizational effectiveness is motivated personnel: people who are willing to perform to the limits of their ability. Other things being equal, a motivated team will outperform a demoralized team. The level of motivation in a team or organization is directly related to the performance of management (Harter et al., 2002).

The third component of organizational effectiveness is a talented management team, with talent defined in terms of the domain model presented in Table 1 (and incompetence defined in terms of the taxonomy presented in Table 2). The fourth component is an effective strategy for outperforming the competition. This is where many organizations have problems. An effective strategy depends on systematic research and a deep knowledge of industry trends. But business managers do not enjoy research (otherwise, they would be in the research business), and people who enjoy research do not talk frequently with business managers. As a result, business strategy is often developed on an ad hoc basis by top management teams (think about the strategy that has been instituted at your place of employment and how it was developed).

The final component of organizational effectiveness is a set of monitoring systems that will allow senior leadership to keep track of the talent level of the staff, the motivational level of the staff, the performance of the management group, and the effectiveness of the business strategy. It is the responsibility of the senior leadership in an organization to put these five components in place. Ultimately, then, good leadership is the key to organizational effectiveness. Consequently, every organization makes hiring mistakes, every organization alienates at least part of its workforce, every organization has its share of bad managers, many organizations pay only lip service to strategy formulation, and many organizations fail to monitor their own performance in these key areas. Thus, every organization has its inefficiencies. As Pericles said to the elders of Athens on the eve of their cataclysmic war with Sparta, "I care less about the Spartans' strategy than I do about our mistakes."

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