RECOVERING FROM LEADERSHIP MISTAKES

by Mitchell Kusy and Louellen Essex

Leadership mistakes are now more acutely open to public scrutiny than at any other time in history. When leaders from political, corporate, religious, and nonprofit environments are challenged by conditions requiring them to operate with lightning speed, to do more with less, and to satisfy a diverse range of stakeholders, errors come to the forefront more quickly than ever.

Are you a leader who is open about your mistakes? Or are you more covert about them? Our research has discovered more positive results for leaders in the former camp. And if you are a leader who addresses mistakes openly, do you know how to recover from them? If so, you're in a prized lot. Our recent study of leadership failures indicates that the best leaders do make mistakes; what distinguishes the successful ones from the unsuccessful is that the former know how to recover.

Mistake recovery is the new leadership competency. Previous studies, articles, and books have maintained that the only thing failed leaders need to do is pull themselves up by their bootstraps, learn from their mistakes, and get on with their lives. Our work indicates otherwise (see sidebar, "Research on Leadership Mistakes"). Successful leaders actually use mistakes as key résumé builders to improve their organizations as well as their own careers.

Leaders who reveal certain shortcomings—their human-ness, if you will—are more likely to be successful in the long run. This phenomenon has been called the "strategic pratfall effect." An example is Ann Landers, whose popularity increased once she announced that she was getting a divorce. Communication experts and public relations folks say she appeared "more human."

Psychologists have found that people have a tendency to dislike those who are perfect because these are the characteristics we most seek in ourselves. Consider JFK, whose peak in public estimation did not follow his successful treatment of the Cuban Missile Crisis. In fact, it did not even follow his assassination! He was regarded as most effective after his mistreatment of the Bay of Pigs offensive, in which he failed but assumed responsibility for this failure. Experts have evaluated this as one of the hallmarks of Kennedy's career. More recently, Martha Stewart's mistake recovery is a good example of the strategic pratfall effect: she used prison as a stepping-stone to get her previously successful career back on track.

Mistake Recovery and Its Six Myths

From our analysis, we uncovered several myths that appear to dominate common sentiment related to leadership mistakes and the recovery processes.

Myth 1: Low-profile leaders are more likely to admit mistakes than high-profile ones.

Before our research it was thought that leaders lower on the organizational ladder, because they had the least to risk, might be more apt to admit their mistakes. This is not necessarily the case. In our interviews with leaders, we discovered that high-profile leaders were far more robust in what they related—some being on the verge of tears as they described an error and what it did to themselves, their organizations, their communities, and their families and friends.

Myth 2: Learning from failure alone produces success.

The belief that learning from failure alone is what poises one to succeed is just that—a belief. Learning must translate into real behavioral changes—it is never enough to simply state what has been learned along the way.

An apology can do more harm than good.

Mistake recovery is the new leadership competency.

Myth 3: All mistakes are recoverable.

Fatal errors include abrogations of trust that compromise a leader's integrity and repeated mistakes that brand the leader as incompetent. From these two fatal errors, a comeback is rare, if not impossible. We have discovered that once leaders break trust in ways that compromise their own integrity, a successful recovery is highly unlikely. Likewise, once labeled incompetent, there is little a leader can do. In these circumstances, the best strategy is to leave the organization.

Myth 4: Don't wear mistakes on your shirtsleeves.

Despite the common belief that leaders should avoid letting people see their mistakes, we found just the opposite. Leaders who exposed their vulnerabilities were far more likely to recover.

Myth 5: Mistake recovery is generic.

Mistake recovery is not generic; each of the seven types of mistakes has its own specific recovery mechanism. (See sidebar, "Seven Critical Mistakes.") Some of the seven recoverable critical mistakes may appear intuitive; others may require a bit more reflection. Because each of the seven mistakes is associated with very specific recovery steps, it is beyond the scope of this article to explore them all. For leaders interested in these rebound steps, we invite you to see the complete review in our book, *Breaking the Code of Silence*.

Myth 6: Admitting a personality flaw is an effective recovery.

Admitting a personality flaw is not an effective recovery mechanism. The fact that you are shy or ag-

RESEARCH ON LEADERSHIP MISTAKES

Our research methodology took several twists and turns as we searched for leaders who would give us their real-life stories on their leadership failures and subsequent rebounds. First, we extracted the themes of what other researchers and authors had found. From this, we discovered that making mistakes, learning from the experience, and moving on is a critical cycle for promoting individual and organizational risk taking. But we found little data to guide leaders in knowing exactly what to do (beyond learning from the mistake) when failure knocks on their doors.

Second, we learned from our own clients. Over a two-year period from 1999 to 2001, we interviewed more than 200 of our successful client leaders about leadership failure and recovery. From this group, we began to get a focused perspective of critical mistakes and associated recovery strategies. They taught us that not all leaders learn from their mistakes nor recover from them. From these interviews, we learned that the secret to capitalizing on the failure appeared to be in applying the right strategy immediately following a specific situation.

Third, we interviewed 40 individuals from a variety of organizations: small, medium, and large in size; for-profit and nonprofit. The leaders we selected were those with outstanding successes. We asked them if they had made a critical mistake, whether they recovered from it, and if so, how. In addition, we interviewed 20 experts whose titles included executive coach or outplacement consultant, and who were either in independent practice or worked for a consulting organization. Their interview questions were parallel to the leader interviews, with the exception of one perspective: we asked the coaches about the leadership mistakes and recovery patterns of their client leaders.

gressive, for example, is no excuse. People want to hear about what you are going to do differently, not your excuses based on your assessment of your own personality!

The Power of the Apology

The art and science of the apology is a practice that everyone seems to know a lot about, but very few appear to execute successfully! When the consequences of poor decisions injure the staff you lead or the public you serve, an apology is in order. Not just any apology will do, however. Without sincerity and careful thought, an apology can do more harm than good.

In December 2002, for example, U.S. Senate Majority Leader Trent Lott apologized for remarking on national TV that the nation "wouldn't have had all these problems" if Senator Strom Thurmond had been elected president in 1948 on the segregationist Dixiecrat platform. He said, "I take full responsibility for my remarks. . . . I only hope that people will find it in their hearts to forgive me for that grievous mistake." His apology, viewed as weak and lacking any attempt at rectification, was not accepted, and he eventually announced his resignation as majority leader of the U.S. Senate for the 108th Congress.

Other lackluster apologies that just didn't cut it include one from Gary Hart, after his presidential bid collapsed in 1987 over a tryst with Donna Rice: "I am . . . deeply sorry . . . I exercised bad judgment, but . . . not as bad as some others." President Richard Nixon, in his 1974 resignation speech, stated: "I regret deeply any injuries that may have been done. . . . I would say only that if some of my judgments were wrong . . . they were made in what I believed . . . to be in the best interest of the nation." These apologies didn't work because the audience to whom they were directed just did not believe that they were sincere. Too weak and lacking any statement of corrective action, the words fell short in winning over the confidence of the people who were offended.

SEVEN CRITICAL MISTAKES

Our interview analysis found that seven critical mistakes came to the forefront. In addition, each blunder was associated with a set of unique, and quite specific, recovery strategies. The Rapid Rebound Matrix provides a description of the seven mistakes and related recovery mechanisms.

RAPID REBOUND MATRIX

Mistake Type	Rebound Strategies
1. **Engagement Gridlock:** Failure to use staff talent	**Rebound with rapid reinvesting:** • Immediately clear your calendar. • Listen intensely, separating your feelings from facts. • Fight hard to regain staff confidence by responding to feedback, then immediately acting.
2. **Misaligned Inertia:** Failure to align goals with strategic initiatives	**Rebound with rapid redirecting:** • Recognize and admit you're heading in the wrong direction. • Present facts about what's not working and why. • Protect staff from penalties.
3. **Political Misread:** Failure to accurately assess political dynamics	**Rebound with rapid repositioning:** • Profile key individuals. • Build your alliances. • Look to a future project and give credit away.
4. **Too Much Too Soon:** Failure to assess readiness level for a given assignment	**Rebound with rapid reinventing:** • Decrease interactions with those you've alienated. • Seek advice on position success factors. • Use 360-degree feedback to gain perspective and use a mentor.
5. **Miscued Decision Making:** Failure to use information effectively or apply the right process to make a sound decision	**Rebound with rapid redesigning:** • Acknowledge and take full responsibility. • Apologize. • Assemble a SWAT team to analyze what went wrong and problem solve.
6. **Stifled Communication:** Failure to create a work environment where staff communicate openly	**Rebound with rapid releasing:** • Immediately assess your response style to staff mistakes; avoid blaming noncommunicators. • Meet with your staff to acknowledge the problem and present your plan for change. • Develop a process that includes more checks and balances; reward those who reveal problem areas.
7. **Bungled Hiring:** Failure to bring the right talent into the organization	**Rebound with rapid revamping:** • Revisit the new hire's performance with the hiring team; • Have an honest conversation with top leaders who supported the hire. • Differentiate between a wrong hire and poor performance management on your part. • Remove the bad hire and, if appropriate, help the individual find a better fit.

This matrix indicates the concrete nature of each of the recovery strategies. We have found that the hallmark of a successful leader is resiliency—as defined by a precise series of strategic actions. Successful leaders not only pull themselves up by their bootstraps when mistakes are made, they also have concrete recovery actions for each of these seven critical mistakes.

In Western society, the typical way people apologize is as follows:

Offer a statement of regret.

Follow the statement of regret by saying "but" and offering some sort of justification or explanation.

Unfortunately, following the actual apology with the word *but* makes the whole statement appear insincere—almost implying that the speaker really doesn't believe the apology. And the statement following the *but* becomes regarded as the excuse. Since it's the last thing the listeners hear, people tend to remember the excuse and forget the apology. In the Gary Hart example, what came after the *but* indicated a tone that was more tongue-in-cheek than an indication of true remorse. As for Nixon, although he did not directly use the word *but*, some have interpreted his "if some of my judgments were wrong" as indicating he thought they might not have been wrong, and so perceive an understood "but" at the beginning of the phrase.

To be effective, an apology must include four essential parts:

- An acknowledgment of the mistake made, framed in the past.
- A statement of how your action affected others.
- A statement of regret.
- An announcement of specific actions you will take to rectify the situation.

Clearly state the mistake made. Henry Paulson Jr., chairman and CEO of the Goldman Sachs Group, provides a strong example of how to execute a successful apology. According to *Chief Executive,* during a question-and-answer session at a Salomon Smith Barney conference, he said, "I don't want to sound heartless, but in almost every one of our businesses, there are 15 to 20 percent of the people who really add 80 percent of the value." His remarks angered staff who felt he was suggesting most of them were not important to the company's success. Acting immediately, Paulson sent a voice mail message to all of Goldman's 20,000 employees apologizing for his "insensitive" and "glib" remarks. He knew he couldn't wait until the upcoming town hall employee meeting. He took full responsibility by acknowledging that what he said was offensive and "totally at odds with the way I really think about people here." He spoke sincerely and displayed humility, vowing to not make the mistake again.

People tend to remember the excuse and forget the apology.

A question in many people's minds is whether you understand just how your action affected them. We suggest starting the empathy statement with "I." Then, you simply add the typical "I'm sorry" or "I apologize" to the previous statement.

Indicating how you will rectify the situation is by far the component that is missing in most apologies. In deciding what you can do to rectify the situation, consider that your solution must satisfy the offended party. It can't always be what's easiest for you.

Resiliency Is the Hallmark of Success

The hallmark of a successful leader, as our research has indicated, is resiliency—indicated by a precise series of strategic actions. It is about vulnerability and taking advantage of the fact that leaders are human, make mistakes, and course-correct along the way. Unsuccessful leaders fall short in not seriously giving merit to their critical mistakes. Yes, many say they will "reform" or "try to do better" next time. But this is not enough. Successful leaders not only pull themselves up by their bootstraps when they make mistakes, they also have concrete recovery actions for any one of the seven critical mistakes outlined here. What will your specific recovery actions be the next time you make one of these mistakes?

Dr. Mitchell Kusy is an international consultant, professor in the Ph.D. Program in Leadership and Change at Antioch University, and a fellow of the University of Minnesota, Carlson School of Management. A 2005 Fulbright Scholar and 1998 Minnesota Organization Development Practitioner of the Year, he previously directed the leadership development area at American Express Financial Advisers and now consults with Fortune 500 and nonprofit organizations.

Dr. Louellen Essex is an organization development consultant and a fellow of the Executive Development Center, University of Minnesota, Carlson School of Management. Her clients include Fortune 500 corporations, government agencies, and health care organizations. She is a recipient of the American Society for Training & Development Professional Excellence Award for her work in management development.

Kusy and Essex are co-authors of "Breaking the Code of Silence: Prominent Leaders Reveal How They Rebounded from Seven Critical Mistakes" and "Fast Forward Leadership: How to Exchange Outmoded Practices for Forward-Looking Leadership Today."