



The Five Temptations of a CEO

About the Authors

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The Summary

Being the CEO of an organization is one of the most difficult career challenges a person can face. But, it is not a complicated one. Some might disagree with this statement, especially if they are struggling, and point at things like strategic errors, marketing problems, competition, and technology failures. But, those are only symptoms of their troubles.

All chief executives who fail make the same basic mistakes; they succumb to one or more of five temptations. It's not easy, but it isn't complicated. Part of the problem is that it is easier for executives to look at things they are more comfortable with—financial statements, marketing reports, product development schedules, etc. It is harder to look at their personal leadership issues rather than the details of their business; however, in the long term, they are putting the success of their organizations at risk because they are unwilling to face, and overcome, the five temptations of a CEO.

The First Temptation

The first temptation every CEO faces is the temptation to put protecting their status or position over producing results.

The most important principle an executive must embrace is a desire to produce results. As obvious as this sounds, it isn't universally practiced by top executives. Many put something else ahead of results on their list of priorities. As soon as they do, they have fallen prey to the first temptation.

Most executives are result maniacs before reaching their ultimate jobs. Once they "arrive" though, many of them change their focus to preserving their status. That happens because their real purpose in life has always been personal gain, and with nowhere to go but down, it makes sense that they will do what is required to protect their place.

This affects CEO's decision-making; they begin to make decisions that protect their ego, reputation, or position, and avoid making decisions that might damage them. They reward people who support them, rather than those who contribute to the results of the company.

In contrast, the best CEO's are driven by the need to achieve something. Achievement, not ego, motivates them. Think of it this way: if you asked the President "what was the greatest day of your career?" what would a great president say? Imagine if he said it was the day he was elected. That would make sense, in a way, but it would be pretty sad. Chances are, he ran for president because he wanted to make a difference—he wanted to *accomplish* something. Being elected just gave him the opportunity to do it.

In the same way, no coach would say his best day was getting hired. His goal is to win games, and ultimately to win championships. His position gives him an opportunity, but it isn't an end in itself.

That doesn't mean people can't feel good about obtaining a position, getting a raise, or reaching a milestone. Of course they can. However, the temptation is to make that the end in itself, instead of seeing it as an opportunity for accomplishment.

How do you know if you are vulnerable to the first temptation? Here are a couple tip-offs that you might be at risk:

1. Are you often thinking about the "next step" in your career? That's a possible indicator that you are viewing success in terms of career advancement rather than current performance.
2. Do you worry about how much public recognition you are receiving? Human nature enjoys getting recognition, but it is dangerous to focus on it. All CEO's have, at some point, gotten short shrift for their accomplishments. Ironically, the most effective CEO's often don't value getting recognition that much. It isn't as satisfying as actually accomplishing something, regardless of who gets the credit.

CEO's must ultimately judge their performance on the bottom line—are they getting results? It is common for executives to justify their own performance even when the organization they are leading is failing. While there may be many factors that contribute to this, the bottom line is that the CEO is ultimately responsible for the results of the company, and that is the true measuring stick.

The Second Temptation

The second temptation is to choose popularity over accountability. Much has been written about the need to hold people accountable; however, it often isn't done. Holding people accountable is not an easy thing to do.

It is understandable to want to be liked, but it can be a dangerous problem for a CEO. Being at the top of an organization is lonely. Most CEO's spend the bulk of their time with their direct reports, who are often the same age and in the same season of life as the CEO. Most CEO's become friends with their reports and develop a sense of camaraderie around their responsibilities. Because of this, when it is time to hold those same people accountable, or when it is time to tell one of them that they are not meeting expectations, the CEO often bails out.

Unfortunately, as soon as that happens, the accountability within the organization is threatened. The slightest reluctance to hold someone accountable for their behaviors and results can cause an avalanche of negative reaction from others who perceive even the slightest hint of unfairness or favoritism.

So, given the consequences, why would the CEO bail out? Because they don't want to upset those closest to them. Ironically, they might not hesitate to fire them if they are not

performing adequately, but too often they don't walk through any kind of process that holds people accountable *as they go*. They don't give them honest, constructive feedback along the way.

Imagine this scenario: your new head of marketing isn't providing the quantity or quality of leads that you are looking for. What do you do? Often, you might mention it to him, and encourage him to do better. You might remind him that things need to improve. You might even give him feedback on the ads he is running. But if things didn't improve, you fire him.

The problem is, he would probably feel like that decision came out of nowhere. Holding people accountable means giving them clear targets to shoot for, so they know exactly what is expected of them. It also includes knowing what the consequences are if they don't hit those targets. That can feel like threatening them: "If you don't perform, you're fired." It seems mean. However, if that is what is going to happen, they need to know. You do them no favors by being "nice" and then firing them for not producing.

What makes that difficult is continuing to work with them. It is challenging to have an honest talk with someone about expectations and holding them accountable for accomplishing them, and then continue to work next to them day by day. It is easier to avoid the conversation, or just let them go and not have to deal with the awkwardness.

Both are examples that flow from wanting to be liked. A good CEO needs to make it his goal to be respected more than liked (you won't be liked anyway if you ultimately fail).

The Third Temptation

The third temptation is the temptation to choose certainty (that is, being certain you are correct) over clarity.

Everyone wants to be right—that is a natural, human desire. However, some executives fear being wrong so much that they wait until they are certain about something before they make a decision. In a world of imperfect information and uncertainty, guaranteeing that our decisions are correct is impossible. Still, executives with a need for precision and correctness often postpone decisions and fail to make clear to people what is expected of them. They provide vague direction to their people and hope they figure out the right answers as they go (and the odds of that happening are slim).

It also often results in a lot of time wasted. They create a climate of excessive analysis and over-intellectualization. Valuable time is spent on minutiae instead of on larger, more important issues (which often just receive a few minutes at the end of a staff meeting).

What a company needs is *clarity*, and it is the CEO's job to provide it. Clarity about important things, like why the company is in business, what its goals are, the roles and responsibilities

of people in the organization to meet those goals, and the consequences for success and failure.

In other words, basic things like vision, mission, values, and goals. Simple things that are often neglected. More executives know about the importance of having a vision than actually have one. More can do a seminar on goal-setting than actually set goals with their direct reports *and* hold them accountable for them. If an executive is spending his time trying to achieve certainty, trying to guarantee that his decisions aren't wrong, he will never be able to provide that kind of clarity. He will fudge, because of fear that he is wrong.

Note: fear of being wrong will result in being vague. The more clear you are, the more clear it will be if you are wrong. Some CEO's avoid that risk by avoiding clarity (in the name of "being sure").

So what happens if you are wrong? What happens when you make the inevitable wrong decision? Sometimes it becomes apparent that a wrong decision was made as new information becomes available. In that case, change your plans and explain why—and be absolutely clear about the new goals and plans. It is the CEO's job to risk being wrong. The cost to you of being wrong is your pride. The cost to your organization of not taking the risk—of not being clear—is paralysis.

The temptations all begin to connect. You want to avoid being wrong because you want to protect yourself, your position, or your ego (temptation #1). Staying vague (temptation #3) makes it hard to hold your subordinates accountable, because it isn't really fair when you haven't been clear, and that can make them not like you (temptation #2).

The Fourth Temptation

The fourth temptation is the desire for harmony. While it is natural for people to want harmony, it is like cancer to good decision-making. Good decisions require good information, which most often comes from the people around the CEO—if they are honest and forthcoming.

Harmony, by definition, restricts conflict. But conflict, at least "productive ideological conflict" is necessary for good decisions to be made. This is the kind of conflict that isn't aimed at other people, but that comes when there is a passionate exchange of opinions around an issue. Without this kind of conflict, decisions are often not the best. The best decisions are made only after all knowledge and perspectives are out on the table. Not everyone's opinions can be agreed with, but they can be considered. And when everything is considered, the chances of good decisions are much greater—as is the likelihood that people will have confidence in those decisions.

One tip-off that this may be a problem is the nature of your meetings. If they are boring, and people lament having to be at them when there is "real work" to be done, there is a problem.

Productive executive staff meetings should be exhausting, inasmuch as they are passionate, critical discussions. Pleasant, or boring, meetings indicate that there is not a proper level of honest, constructive, ideological conflict taking place. It's there, but it probably isn't being allowed to surface.

Some CEO's, and leaders in general, just aren't comfortable with conflict, feeling somehow it is "wrong" or inappropriate. They try to steer people away from passionate, heated conversation, sometimes out of fear that someone is going to get hurt or look bad. That could happen, but if it is clear that arguing *about ideas* is OK, or even good, the likelihood of that happening is minimized.

Ironically, what can seem "loving"—making sure people aren't hurt or don't look bad—actually can undercut the whole organization. It just means different people are hurt when the organization isn't able to operate at its best (usually people who aren't in the room at the time).

Where there is not room for honest, even passionate, disagreement, at least two negative consequences can be found. First, it is much harder to make good decisions, because people are not bringing all the issues to the table...possibly out of fear of disrupting the harmony. But without all the information, good decisions become difficult, if not impossible. Second, when people are not allowed to fully address their issues, problems, objections, etc. they are very unlikely to "buy in" to whatever decision is made.

And *that* actually makes it harder to hold them accountable! When you know they haven't bought in to a decision, emotionally it is just harder to hold them accountable for executing it.

The Fifth Temptation

The fifth temptation is choosing invulnerability over trust.

Even CEO's who resist the temptation to protect their status, to be popular with their direct reports, to make correct decisions, and to create harmony sometimes fail. Why? Because even though *they* are willing to cultivate productive conflict, *their people* may not be willing to do so. Why not? Because the CEO gives in to the final temptation: the desire for invulnerability.

CEO's are relatively powerful people. Being vulnerable with their peers and reports is not a comfortable prospect. They mistakenly believe that they lose credibility if their people feel too comfortable challenging their ideas. No matter how much a leader encourages productive conflict, it won't happen if people don't feel it is safe to engage in that way. The end result is that people will try to infer the leader's opinion and line up with it.

Think of it this way- Ultimately, it all boils down to trust. And before your people will trust you, you have to trust them—you have to be vulnerable. Your vulnerability makes it safe for people to be honest. People who trust each other aren't worried about holding back their opinions or their passions. They say what they think and know that they aren't going to be penalized.

People don't trust other people because they are afraid of being burned. When a leader is vulnerable, he or she is opening themselves up to being burned—they are going first. And they may get burned, but then they learn that it's not fatal. Fear is at the root of a lack of trust—fear of being wrong, fear of being unpopular, fear of losing your status, etc.—and the only way to deal with that fear is to attack it head on, by choosing to trust. Trust your people with your ego and your reputation. As a CEO, this is the greatest level of trust you can give. Your people will return it with respect and honesty, and with a desire to be vulnerable among their peers.

No one likes to admit being wrong, but some people hate it. Great CEO's don't lose face in the slightest when they are wrong, because they know who they are, they know why they are the CEO, and they realize that the organization's results, not the appearance of being smart, are their ultimate measure of success. They know that the best way to get results is to put their weaknesses on the table and invite people to help minimize them. Overcoming this temptation requires a degree of fear, and pain, that many CEO's are unwilling to embrace. But for those who do, the impact is profound.

Conclusion

The greatest challenge of being a CEO, or any leader for that matter, is to avoid getting trapped by the daily complexities and details of our "business." To rise above that challenge, we must learn to resist the five temptations we have outlined here, and embrace different, healthier behaviors. These behaviors are difficult to master; not because they are complicated, but because each presents us with a corresponding temptation, a natural tendency toward human frailty. These may not seem like problems in our personal lives, but that isn't our focus. In our roles as leaders, they are poison. The best CEO's recognize this, address the issues (difficult as they are) and rise above them. They end up performing better and leading healthier, more productive organizations.



From the Pastor's Perspective

Reading *The Five Temptations of a CEO* was eye-opening. I've certainly had to face all of them, and most pastors I know struggle regularly with one or more.

The thing that stood out to me was not one particular temptation; it was, more, how often our leadership is reactive and even fear-based. Fear underlies each of the temptations.

We want to be liked (popular) so we don't hold people accountable. I know few pastors who actually hold people accountable—who will sit down and talk with people who don't follow through on what they say. We don't want people to get mad at us, or risk them leaving the church. So, we don't hold them accountable.

We don't provide clarity to our people because we are afraid we'll get it wrong—we are afraid we will "miss God." And since most of us haven't heard God audibly about the direction for the church, we are vulnerable to someone challenging us with "Did God really say...?" And since we are afraid of being proud, we are unable to respond. Yet, what our people need is for us to say, "To the best of my ability, this is what I believe God is saying...." And then lead there.

Likewise, we fear conflict. The church is supposed to be peaceful; if God is actually leading us shouldn't there be harmony and unity? Truth be told, God's leading often doesn't come that way. It's much messier than we like to acknowledge. But, we avoid letting people have strong opinions and express them passionately because we are afraid someone will get hurt or feel bad. In the end, we don't lead as effectively—and the state of our churches shows it.

My conclusion is that most of us are pretty codependent, and it undercuts our leadership. At one point in the book, Lencioni comments that if the CEO is 95% healthy, and there are other issues in the organization, he would invest in dealing with the other 5% of the leader's issues first. In light of the above, that makes sense to me—the health of the leader is going to determine his or her ability to deal with the various temptations.

My take-away from the book is to spend the time to take an honest look at my leadership. For me, temptation #2—choosing popularity over accountability—is the biggie. I like to be liked! I also realize I can get better at giving clear direction, so that there is something to actually hold people accountable for.

So...what is your biggest temptation? And what are you going to do about it?