The 6 Qs of Leadership—
A blueprint for enduring success at the top

Robert W. Eichinger, CEO and Michael M. Lombardo, Director of Research, Lominger Limited, Inc.

There appear to be six major building blocks to long-lasting success in managers and executives:

- IQ – Intelligence Quotient – how bright you are.
- TQ – Technical/Operational Quotient – how able you are to get things done.
- MQ – Motivational Quotient – how driven you are to achieve and grow.
- XQ – eXperience Quotient – how many of the requisite kinds of experiences you have had.
- PQ – People Quotient – how well you handle yourself and work with others (sometimes referred to as EQ).
- LQ – Learning Quotient – how deftly you adopt new skills, behaviors and beliefs.

This blueprint for prevailing at the top is critically important to organizations because we know for sure that leadership makes a difference. Day and Lord (Journal of Management, 1986) found that executive leadership quality explains as much as 45 percent of an organization’s performance.

In another study of managers and executives reported by Zenger and Folkman (The Extraordinary Leader, 2002), the top 10 percent out-produced the bottom 10 percent by 500 percent. In net profit terms, the bottom 10 percent lost $1,176,454, while their upper 10 percent colleagues gained $4,516,974—big difference.
In the last decade, one-third of Fortune 500 CEOs lasted fewer than three years. Failure rates among top executives range from 30 to 75 percent. Over half of first-time general managers stumble, some never to recover.

While companies are cognizant of this slippery slope, they seem powerless to reverse the slide by producing better leaders. When a McKinsey study (The War for Talent, 2001) asked whether executives thought their companies developed people well, only three percent said yes.

Why this leadership failure at the top, which we call derailment? Why do people who have been successful, sometimes spectacularly successful over long periods of time, fail—seemingly overnight? These derailing executives, including a number of CEOs of large organizations (Charan, Why Executives Fail, 1999), were very successful in their early and middle careers. Accomplishment after accomplishment. Promotion after promotion. Raise after raise. Then they were elevated to even bigger and more challenging jobs. They hit these jobs running at full speed with great confidence and enthusiasm as they had before, but this time they hit a wall; and, most curiously, never recovered. They were dead in the water, unable to find the new swimming stroke they needed to propel themselves again.

These rising stars seemed to have everything going for them—brains, talent, and a command of the company’s goals, strategy, and operations. Why then, 10 or 20 years down the road, did they plateau? Or get fired or demoted? Why did the corporate investment in them not pay a larger return? Many researchers have looked at the issue over the last few decades, and have found a consistent pattern of answers.

**FIVE FATAL FLAWS**

Zenger and Folkman (2003) identify five fatal flaws that lead to failure as a leader.

1. **Inability to learn from mistakes (LQ).**
2. **Lack of core interpersonal skills (PQ).**
3. **Lack of openness to new or different ideas (LQ).**
4. **Lack of accountability (TQ).**
5. **Lack of initiative (MQ).**

Finkelstein (Why Smart Executives Fail, 2003) cites seven habits of spectacularly unsuccessful executives. According to the author, these executives:

- See themselves and their companies as dominant.
- Identify so completely with the company that no clear boundaries exist between personal and company interests.
- Think they have all the answers (LQ).
- Eliminate anyone who isn’t 100 percent behind them (PQ).
- Are obsessed with company image.
- Underestimate major obstacles (LQ).
- Stubbornly rely on what has worked for them in the past (LQ).
In our own research (Lombardo and Eichinger, 2002) over the past ten years, we have identified five traits of executives whose careers stall. These characteristics are:

- Don’t relate well to others (PQ).
- Are self-centered (PQ).
- Don’t inspire or build talent (PQ).
- Are too narrow (LQ and XQ).
- Don’t deliver results (TQ).

Dan Goleman (Fortune, October 1998) points out that people are promoted for technical/operational (TQ) and intellectual (IQ) reasons, but fail for emotional ones (PQ). Their IQ and TQ are sterling, but their PQ is rusty, warped, or seriously deficient.

Research studies of derailment started in the ’80s. V. Jon Bentz (1985) reported on a 30-year study of executives at Sears. What he found was a common portrait of failure, shared characteristics of former heroes gone bad after many years as shining stars. Their past success, it turns out, was their Achilles heel. Having been lauded on their way up for their strengths, they capitalized on them, to their ultimate demise. For some their assertiveness morphed into aggressiveness; for others their creativity dissolved into disorganization; and for others their action orientation precluded thinking strategically when it became necessary.

Success went to their heads and they no longer felt they had to pick up new behaviors or skills (LQ). Look how far they had progressed just as they were! Thus, when new jobs involved competencies they didn’t already have, they were felled—examples of the Peter Principle.

They relied on what had worked before (low LQ). “Executives coming off a string of successes are particularly prone to underestimating current obstacles,” writes Finkelstein. “In business and in leadership, the past does not ensure the future. In fact, the future depends on embracing the new: new understanding, new solutions, new mastery. Those who learn to do this well will most likely succeed.”

In addition to having been lulled by past successes to let their learning agility (LQ) grow dormant, why else do previously successful people fail?

Some stayed too close to their experience base. They stuck with the same types of jobs (or were asked to stick with them), coming straight up the hierarchy until they hit the dreaded T job. Inevitably if people succeed long enough (the I), they eventually gain a job containing functions or businesses they know little about (the crown of the T), a job calling for breadth of background they don’t have. In the Center for Creative Leadership’s continuing studies, derailers lacked requisite breadth of experience (XQ) or failed to learn from the experiences they had (LQ).

Another reason is that they lack the necessary technical/operational (TQ) skills—and can’t get things done when it counts. They may lack the disciplined administrative skills, sound judgment, or ability to spot emerging trouble that is required in their new positions or under changed circumstances.

Thirdly, they are likely to have low people-relating skills (PQ). They can’t build a team or maintain productive relationships with others. Derailed leaders might be overly reactive, impatient, or unable to delegate, engage, or motivate. Perhaps they have an overriding personality defect—a rough interpersonal style, a need to see everything in black or white, or a tendency to become unraveled under the kind of stress experienced at the top.

So, four of the six quotients play out in failure at the pinnacle. However, all six of the Qs are cornerstones of success. Let’s look at each of them in turn.
IQ is a clear indicator of success. It predicts how far up the career ladder people can go. The smarter, the higher. Top management and executive jobs require the processing of a lot of information at high speeds, much of it incomplete. It requires a prodigious memory. It requires making connections others have not made before. It involves spinning future scenarios of possible outcomes. It requires crafting competitive-edge strategies that will win out over competitors. As much as 25 percent of success at the executive level can be attributed to intelligence.

Typical executives are strong in a number of competencies related to IQ, such as intellectual horsepower, problem solving, and learning on the fly. IQ is also valuable because it leads to analytical skill and acquiring new technical knowledge.

Fortunately, IQ is easy to assess. IQ correlates closely with grades in school and scores on qualifying tests like the SATs or the GREs. Organizations hire for IQ by selecting top graduates from the best schools. Moreover, since there are many opportunities for high-IQ work in most businesses, it continues to be easy to assess in the workplace.

IQ is a key factor in promotion decisions. Therefore, most top managers and executives have IQ aplenty; there are few dumb CEOs (Charan, 1999). People who have enough intelligence to handle information, multi-task, and project into the future with little concrete data can do well. An IQ of 120 and above is what it takes. So the lack of IQ rarely shows up as a reason for derailment at the top. Low IQ would show up prominently only if we were studying lifelong success and achievement across the general population.

An empirical investigation examining the results of many studies conducted over the past 85 years found that IQ accounts for about 25 percent of the variance in job success (Hunter & Hunter, 1984; see also Schmidt & Hunter, 1998 and Schmidt, 2002 for further commentary and results from this research). This line of research also has found that the relationship between IQ and performance increases as the complexity of the job increases. Thus, IQ becomes relatively more important for performance as individuals progress into more complex leadership positions.

In related research, Simonton (1987; see also Most, 1990) found that while intelligence is certainly related to success in careers that require leadership, too much intelligence could actually hurt performance. He argues that the most effective people are “somewhat smarter than the average for their group, but not too much smarter.” So, while it may be true that the smarter one is, the higher they can go in their careers (i.e., the more complex leadership positions they can assume), too much intelligence relative to others can actually be detrimental to success.

While 25 percent represents a significant portion of the variance in performance, it also means that three-fourths of performance is accounted for by factors other than intelligence.

REFERENCES


**TQ — Technical / Operational Quotient**

TQ is also a large contributor to success at the top. It’s what allows leaders to manage ideas and projects, handle operations, and understand the technical parts of their jobs. Typically, most top managers and executives do just fine in the TQ department. It’s also easy to recognize and assess. We promote for it. We reward for it. So, most of the people who get to the top echelons have demonstrated it in the past.

However, as we noted earlier, unlike IQ, which is relatively constant within a person, the lack of TQ can lead to derailment among senior managers. Ways in which low TQ might show up include a lack of initiative, accountability, or follow-through; overdependence on a single competency, or key skill deficiencies.

Along with XQ (Experience), TQ (Technical – Operational Skills) is one of the most often used measures to screen candidates for hire and promotion. Think about it, how many times have you asked someone in an interview to comment on the results they obtained? Alternatively, how many times have you been asked to describe the outcome of your efforts and decisions in a particular job or position? In addition, much effort in hiring and staffing is spent on ascertaining how technically qualified a person is, relative to others. Although LQ, PQ and IQ are relatively more important for managerial success than TQ (with the possible exception of managerial jobs that have a significant technical component), without TQ, even the most learning agile, people oriented and intelligent executive will hit a wall in their careers. Similar to IQ however, TQ tends to have less variance among successful managers. Those without it would not have made it to the upper ranks in the first place. You need it to get there but after that it differentiates less. Those with it, however, are not guaranteed of success. As a factor in success and failure, TQ interacts with other Qs to produce outcomes.

In research by Sternberg, Wagner, Williams and Horvath (1995), the best predictor of level attained was a measure of learning from experience; second best was IQ. Technical skills lagged behind the other measures. Even when technical/functional skills and intellectual ability are significant, research shows that other skills are much more important—Time Management, Planning, Perseverance, Process Management and Developing Direct Reports are the top five in one study (Clark & Clark, 1994). Howard (1986) reports that grades in school (learning technical skills and knowledge) are significant predictors of success for jobs with a high technical component.

Research by Citrin and Smith (2003) as well as McCall, Lombardo and Morrison (1988) has shown that successful managers tend to spend at least the first five years of their careers focusing on the development of a distinctive technical competency. This suggests that TQ is particularly important early on in careers.
Research reported by Lombardo (2004) shows that technical/functional competence is one of the top 8 competencies (out of 67) that differentiate superior and average performing managers and executives. This research suggests that technical/functional skills continue to be important throughout managerial careers.

While there is not consensus as to the relative contribution of TQ to managerial success, many studies show a positive relationship between TQ and managerial performance. Perhaps TQ takes on more importance early on in the careers of managers, but it also plays at least some role in differentiating superior performers throughout the career life cycle.

REFERENCES


**MQ – MOTIVATION QUOTIENT**

MQ refers to having the motivation to lead, achieve, and sacrifice for one’s career. Long hours. Assignments in remote locations. Weekend time spent working or traveling to meetings. Not much balance between life and work. It usually means taking the job home with you. It involves the willingness to work hard and the longing to get ahead. It also relates to the need to win.

They need to be the best. It speaks to the joy of success and achievement. MQ also translates to the compulsion to thoroughly learn the job, the technology, and the industry in order to perform. It shows itself as perseverance and a drive for results. It’s another prerequisite for success at the top; without it you wouldn’t do what’s necessary to climb to the top.

Normally, top managers and executives have sufficient MQ to succeed. They needed it to get there, and once at the summit their motivation doesn’t diminish. So, low motivation does not show up in the research as a reason for derailment.
Pinder (1998) defines motivation as, “the energy a person expends in relation to work” (p.1). Motivation has been one of the most frequently studied topics in psychology. There are a number of theories on the topic of motivation, all with their own trail of research to support their assertions. However, two things appear to be consistent across all research (Mitchell & Daniels, 2003). First, motivation varies across and within individuals. Some people are more motivated than others, and the level of motivation for an individual today may be different for the same individual tomorrow. Second, motivation combines with ability to produce behavior and performance. If this were not the case, those with equal levels of ability would tend to behave and perform in the same manner. We know this is not the case.

Goals are the major psychological mechanism associated with motivation (Mitchell & Daniels, 2003). Research has shown that motivation is goal-directed. We are motivated to do something. Locke and Latham (1990) offered a summary and review of the research on goal setting and its effects on motivation. Based on persuasive evidence from over 20 years of research, they conclude that difficult and specific goals lead to higher levels of performance than goals that are more vague or “do your best” goals. However, in order for goals to lead to increased levels of motivation and hence performance, one must be committed to the goal (Erez, 1977). For some, the general need to achieve and be successful is a goal that garners both commitment and motivation.

Some of the earliest work in the area of motivation flowed from McClelland’s (1961) theory on the need for achievement (Nach). Those with a high need for achievement are more motivated to achieve success and avoid failure. McClelland and colleagues conducted hundreds of studies and found that those with a high need for achievement will more actively pursue challenging goals. Those with a low need for achievement will avoid such challenges, mostly to avoid failure.

McClelland has reported time and again that those with a high achievement motivation will pursue stretch goals (goals with an equal chance of success and failure), while those low in achievement motivation will stay in their comfort zone and pursue goals they are virtually guaranteed to achieve.

In the work context, those with a low need for achievement will be less likely to pursue projects and assignments that will develop the competencies necessary to advance in their careers, while those with a higher need for achievement will more actively seek out key developmental opportunities.

Research by Spencer and Spencer (1993) found that the need to achieve (motivation to perform) is the competency that most strongly sets apart superior from average executives and managers.

Lombardo and Eichinger (2003) report that the best predictors of actual promotion were competencies measuring learning agility (see the LQ section) and drive for results (achievement motivation or Nach).

In the AT&T Managerial Assessment Project, Howard and Bray (1988) report that advancement was mostly related to early signs of the three abilities – administrative (see the TQ section), interpersonal (see the PQ section), and cognitive (see the IQ section) – AND to motivation (MQ), especially the drive to succeed (achievement motivation or Nach).
Additionally, Howard and Bray (1990), reporting on this same study, describe how successful managers’ need for advancement declines with age, while the need for achievement increases. This is consistent with the various motivation theories supporting the notion that motivation is a dynamic construct within individuals.

REFERENCES


**XQ – EXPERIENCE QUOTIENT**

XQ represents the experiences one needs to build TQ, PQ, and LQ, and to a lesser extent, MQ, and even some IQ. People, no matter how much talent they have, don’t come to organizations ready to handle everything. They must gain the necessary XQ along the way to build the other Qs in sufficient quantities to succeed.

Bray and Howard at AT&T (*Managerial Lives in Transition*, 1988) studied thousands of employees, assessing many variables, to determine their potential for advancement. The results were kept secret in file cabinets. The employees were rated on a five point-scale in terms of how much potential they had for advancement in the future.

Years later, the researchers looked at the progress these employees had made and found a surprising result: A greater percentage of the “low potential” people were promoted than their “high potential” counterparts if—and only if—they had worked in developmental jobs or for developmental bosses. The right kinds of experiences trumped early competencies and characteristics.
When researchers at the Center for Creative Leadership (The Lessons of Experience, 1988) studied the nature of such experiences and why they were developmental, they concluded:

- Certain types of experiences, across all organizations, were more developmental than others.
- People learned the same kinds of lessons from the same experiences, regardless of industry differences.
- Some people learn much more from experience than others.
- Learning to benefit from experience is teachable.

There are four major groupings of learning experiences: key jobs, important people, hardships, and training (books, interactive media, and workshops—especially those that dealt with a matter at hand).

The types of jobs that contributed most were:

- Starting something from scratch.
- Fixing something that is broken.
- Assignments outside one’s home country.
- Switching from line to staff or staff to line.
- Making big leaps in scope (complexity) or scale (size).
- Handling various types of projects, such as product launches, acquisitions, or reorganizations.

They also found that one of the worst things one can do is to become very good at one thing, e.g., troubleshooting fix-its, then get put in a string of assignments that capitalize primarily on that skill. This led to narrow perspective (lack of XQ) and skills, and to derailment.

**PEOPLE CONTRIBUTE TO XQ SUCCESS**

Important people also contribute. Good bosses and mentors are obviously significant, but so are bad bosses, who teach how not to be, what not to do, and how to survive terrible situations. People are more likely to learn things like compassion and integrity (PQ) from the bad bosses than the good ones.

*Other experiences that contribute to XQ success...*

Hardships are essential, whether they take the form of terminations, business mistakes, demotions, lousy jobs, or personal traumas. Real development involves pressure, emotional heat, and having a lot at stake. Training, where people needed to know something right now, in order to achieve, was also a frequent event. This is where many people gained fresh self-confidence and problem solving skills.

Experience matters. “We found that every leader had undergone at least one intense, transformational experience...a crucible...that was at the heart of becoming a leader,” Bennis and Thomas wrote in *Geeks and Geezers: How Era, Values, and Defining Moments Shape Leaders* (2002). The lack of XQ contributes to derailment, especially as it interacts with TQ and PQ. The usual symptoms of lack of experience are a narrow perspective, limited skill set, and an interpersonal style lacking sophistication.
Compared with the research on the relationship between intelligence (IQ) and job performance, fewer studies have examined the relationship between job experience and managerial success. This is true despite experience being one of the most frequently used inquiries to screen candidates for hire and promotion.

One of the first arguments made for the influence of experiences on managerial success came from a long-term study at AT&T (Bray, Campbell & Grant, 1974). Bray et al. assessed thousands of managers on literally hundreds of variables, including IQ and personal adjustment. Predictably, it was found that those who were smart (IQ) and who were better at dealing with ambiguity (LQ) tended to make more career progress over an eight-year period. Surprisingly however, those who were initially categorized as having low potential were often more successful than high potential individuals, IF they had been exposed to certain developmental jobs and bosses. So experience trumped potential. After an eight-year period, the low potentials were promoted at a higher rate than the high potentials, when their developmental experiences were noticeably better.

Several years later, the Center for Creative Leadership (CCL) began a long term research program designed to determine what it is about experience that makes it such a powerful developmental force. As a result of interviewing hundreds of executives in different companies, researchers (McCall, Lombardo & Morrison, 1988; Morrison, White and VanVelsor, 1992) isolated the key experiences needed to succeed as an executive. The researchers concluded that it is critical for executives to gain a wide variety of experience, with this diversity in assignments being related more to moves across “problem domains” as opposed to number or frequency of positions or promotions. The researchers found that successful executives had a strong and similar pattern of learning from key job assignments. The CCL work determined that developmental learning occurs primarily through work experiences, less in formal training programs, and that successful corporations emphasize job challenge for developing managers (McCauley, Ruderman, Ohlott, & Morrow, 1994).

Research by Yukl (1994) further supports the findings from the CCL work, as well as the AT&T research. Specifically, Yukl reported that many of the skills learned by corporate managers are based on experience more than formal education. He argues “managers are more likely to learn relevant leadership skills and values if they are exposed to a variety of developmental experiences on the job, with appropriate coaching and mentoring by superiors and peers” (p. 456). Similarly, Locke and Latham (1990), in an examination of their High Performance Cycle, found that success was the result of having high challenging goals (see MQ), coupled with high expectations, feedback, adequate levels of ability, and relatively few constraints in the work environment.

Thus, the work by CCL, Yukl and Locke and Latham supports the original notion put forth in the AT&T studies that challenging work experiences are crucial to managerial success and development.

One of the earliest empirical investigations of the relationship between job experience and job performance (McDaniel, Schmidt & Hunter 1988) found that for all levels of job experience and for both low- and high-complexity jobs, there is a positive correlation between job experience and job performance. In other words, the more experience one has, the better performers they tend to be. Additional research by Mumford, Marks, Connelly, Zaccaro & Reiter-Palmon (2000) and Lyness & Thompson (2000) report on the positive influence that key experiences have on the development of managers.
The latter article demonstrates how level of position and compensation are related to breadth of experience, and developmental assignments are strongly related to career success. Richardson (1992) reported that one of the best ways to develop an executive’s skills is to continually provide demanding jobs.

While the literature clearly supports the notion that experience is a key component to managerial development and success, we cannot determine from the research exactly how much of the variance in managerial performance is accounted for by experience.

However, such a quantitative descriptor is less informative considering that the impact of experience on managerial success is probably more qualitative. Consider that, whereas everyone has a certain level of IQ upon which to be compared, not everyone is exposed to the same experiences. Additionally, we know from the research on learning agility (see LQ) that the amount of variance accounted for by experience is likely to vary for individuals. Specifically, those who are more learning agile tend to derive more and deeper learnings from experience than those lower in learning agility. Thus, the same experiences for one high in learning agility may lead to 30 percent of the variance accounted for in their future performance, while for one low in learning agility it may only account for little variance.

Suffice it to say that experience is one of the key ingredients for building managerial success, but the relative contribution of experiences is likely to vary widely across individuals.

REFERENCES


Relating to and working through people (PQ) is another key to staying at the top with an unblemished reputation. PQ has three aspects to it, and each aspect includes both understanding the effects of different types of behavior and acting in accordance with that understanding.

**THE FIRST ASPECT OF PQ IS SELF-MANAGEMENT...**
This starts with being self-aware—knowing your strengths and weaknesses and being able to use the former to address, or compensate for, the latter. The more self-aware you are, the more successful you will be; and conversely, a lack of self-awareness has a high correlation with being shown the door.

People with low self-awareness generally consider themselves to be better at the targeted leadership behaviors than other people think they are, particularly in PQ areas like sizing up people, dealing with crises, and delegation.

Self-management also includes seeking and acting on feedback and understanding how your actions, beliefs, values, and intentions are seen by others, and then taking the necessary steps to ensure that they are all viewed in a positive light. It also involves having integrity, remaining unbiased, and not being governed by one’s personal passions.

**THE SECOND ASPECT OF PQ IS OPENNESS TO OTHERS...**
It’s sensing what different individuals and groups are motivated by and tailoring your communications and behavior accordingly. It’s encouraging dissent; and it’s being genuinely interested in people’s perspectives and integrating them into your decisions. People with high PQ also attribute credit where credit is due.

**THE THIRD ASPECT OF PQ IS INTERPERSONAL EFFECTIVENESS—WORKING WELL BOTH WITH AND THROUGH PEOPLE...**
High PQ people are inspirational, create shared meaning, and can motivate people to work together to turn visions into reality. They are the type of people whom others want to follow anywhere and everywhere. They handle conflicts well, not letting them fester, and ensuring the outcomes are viewed as win-wins. They are fun to work with, slipping in humor during even the most trying situations. They are also good at building the kinds of high-performing teams and organizations that are necessary to be competitive in today’s multivariate world.

PQ is a component of perennial success and is responsible for as much as a quarter of it among the top ranks.

Unfortunately, most executives don’t have enough PQ, and many promising careers derail due to this deficit. In fact, most research indicates that low PQ is the most prevalent reason for the downfall of formerly promising leaders.

According to our data collected on executives over a decade (Lombardo and Eichinger, 2003), PQ is responsible for six of the top ten reasons for derailing, including overmanaging, insensitivity, defensiveness, arrogance, the failure to build teams, and lack of composure.

PQ related skills also rank among the lowest in the toolbox of leader competencies, as measured on the results of 360s administered to managers and executives over the same period of time. These weak competencies include patience, understanding others, self-knowledge, conflict management, and listening. One way or another, the derailed leaders’ strategies for getting ahead, getting along, and managing people alienate others.
THREE PQ PERSONALITY FLAWS

1. In their “Gathering Potential to Derail Checklist” (2003), Kaplan and DeVries describe PQ personality flaws in three ways. The checklist is based on Hogan and Hogan, 2001. Those who “move against people” are driven by a need for recognition. Abrasive, arrogant and self-promoting, they are often too forceful and have bold visions that may be unrealistic. They may be described as too colorful, eccentric, charming and charismatic, but these same qualities backfire when the pressure is on.

2. Their second category of PQ-flawed executives are those who “move away from people.” They are described as excitable, skeptical, cautious, reserved or leisurely. Often found hovering on the periphery, these laissez-faire types fail to assert themselves or tap into the potential of others; they are driven by a need for independence. In a pinch, they are indecisive, insensitive, or even combative.

3. Their third group is composed of those who “move toward people.” These are the people-pleasers, those driven by the need for acceptance. Diligent and dutiful, they are too often enabling and seldom forceful enough; they’ll play it safe rather than challenge the organization to new heights. Pushed to the wall, they may become martyrs who are intolerant of ambiguity and rigid in their stances.

What is the cause of this epidemic of low PQ? The typical organizational career path. We all start out as individual contributors, managing only ourselves, while cooperating with other colleagues. Those of us who are the brightest (IQ), perform the best (TQ), and are motivated to achieve (MQ) are given promotions to higher level supervisory jobs (XQ) whether or not we have the PQ necessary to effectively manage others.

In those early supervisory and managerial jobs, it is easy to get by without enhancing PQ skills because the premium is still on the IQ and TQ aspects of the work. People with underdeveloped PQ do too much of the work themselves (don’t delegate) and micro-manage (don’t empower). They try to be successful by being super individual contributors instead of learning how to work effectively with people (PQ) and assimilating new ways of being successful (LQ).

Also, since it is easier to pick up the technical aspects of new jobs than the PQ aspects, even some of our stars avoid focusing on interpersonal issues, since it feels like taking precious time away from “the real work.”

However, as people move into upper management and executive ranks and are managing hundreds of people, PQ starts to matter a lot. Doing it by yourself is no longer a viable option. Peer relations become more important. Direct reports are also talented executives, with distinctive competences of their own. That’s where PQ comes into play. As Robert Hogan has said many times, almost all derailment can be described in terms of personality.

The two main components of PQ are personality and what is known in today’s academic and popular literature as EQ (Emotional Quotient) or EI (Emotional Intelligence).

Goleman (1995) broadly defined emotional intelligence as the ability to motivate oneself and to persist in the face of frustration, the ability to control impulses and delay gratification, the ability to regulate one’s moods and keep distress from hampering the ability to think, to empathize, the ability to recognize one’s own feelings and those of others, and the ability to manage emotions well within oneself and one’s relationships.
Emotional intelligence has also been defined more simply as the awareness and ability to control one’s emotions as well as understanding the emotions of others (Caruso, Mayer, & Salovey, 2001). Caruso and colleagues have asserted that developing others is a primary skill of emotionally intelligent managers, implying that those who do not possess adequate EQ will not be good at developing others.

In 1996, a sample of employers said the three most highly sought after skills in new hires were oral communications, interpersonal abilities and teamwork abilities. In a study of 181 competency models, Goleman (1998) found that “67 percent of the abilities deemed essential for effective performance for managers were emotional (interpersonal) competencies.” And, compared to IQ and technical expertise, emotional competence mattered twice as much.

Accurate self-assessment was the competency found in virtually every “star performer” in a study of several hundred knowledge workers at companies such as AT&T and 3M. Since high potentials are the most self-aware, reviewing consistency between self and others’ ratings would be helpful in identification of high potentials (Kelley, 1998). Among several hundred managers from 12 different organizations, accurate self-assessment was the hallmark of superior performance (Boyatzis, 1982). Boyatzis asserts that those who accurately self-assess are aware of their abilities and limitations, seek out feedback and learn from their mistakes, and know where they need to improve and when to work with others who have complementary strengths. Shipper and Dillard (2000) and Lombardo and Eichinger (2003) offer additional support for the findings regarding the accuracy of self-appraisals. Concerning derailment, Lombardo and Eichinger (2003) found that the higher the self-rating in relation to those of others, the more likely one is to be fired.

Research by Lombardo and McCauley (1988) found that factors for derailment are clustered into six flaws: problems with interpersonal relationships; difficulty molding a staff; difficulty making strategic transitions; lack of follow-through; over dependence on a mentor or boss; and strategic differences with management. They concluded that interpersonal flaws “are more likely to affect a person’s ability to handle jobs requiring persuasion or the development of new relationships.” Similarly, Lombardo and Eichinger (2002) report that, when people get terminated, it’s usually for one of three reasons: They have poor work relationships; they can’t get the work out; or they are nonstrategic. McCall and Lombardo (1983) in a study of what derails previously successful people stated, “The most frequent cause for derailment was insensitivity to others.” Other reasons included being arrogant, betrayal of trust, and over managing, all of which are related to PQ.

Continuing research by Robert Hogan (2001,2004) details common personality flaws and their impact on failure. In his 2004 study he states flatly that there is no difference in intelligence or personality patterns across levels, that good managers differ from the poor in consistent ways, and that personality factors are much better predictors of performance than cognitive ability.

Taken together, these findings suggest that as individuals progress in their careers, the ability to get things done (TQ) with and through others (PQ) becomes more and more important. As IQ becomes relatively less of a differentiator in managerial success given that most managers possess at least a threshold level of IQ (see IQ section), PQ takes on increased importance as one moves into more complex managerial positions.

While there are no studies pointing to IQ as a factor in derailment, the literature abounds with examples of where the lack of PQ leads to the demise of previously successful managers.
There are a number of commercially available instruments for assessing EQ. While detailed coverage of each is beyond the scope of this article, interested readers are encouraged to consult the following sources for detailed descriptions of the measures and psychometric properties of some of the more popular instruments: Bar-On, 1977; Mayer, Salovey, & Caruso, 2000; Schutte, Malouff, Hall, Haggerty, Cooper, Golden, & Dornheim, 1998.

REFERENCES


LQ – LEARNING QUOTIENT

LQ is being able and willing to derive meaning from all kinds of experience. It’s figuring out what to do when you don’t know what to do.

“Learning to learn is key to becoming a leader,” wrote Bennis and Thomas in Geeks and Geezers (2002). “The ability to learn is a defining characteristic of being human; the ability to continue learning is an essential skill of leadership. When leaders lose that ability, they inevitably falter. When any of us lose that ability, we no longer grow. Leaders create meaning out of events and relationships that devastate non-leaders...they look at the same events that unstring those less capable...and see something useful. The signature skill of leaders is the ability to process new experiences... and to integrate them into their life.”

Although they may appear to be similar, LQ and IQ are not related in studies of managers. You can be a paragon in one and a flop in the other. Most typical executives have lots of IQ but not enough LQ.

LQ is soft learning and IQ is hard learning. Learning new ways to think, solve problems, behave, and manage is primarily LQ. Learning new technical skills and acquiring product and industry knowledge is primarily IQ.

Bob Sternberg et al.’s (1990,1995) research at Yale demonstrated the disconnect between how well someone deals with real-life problems (street smarts) and IQ. They also found that LQ has more to do with success than IQ. In a more recent book, Dynamic Testing (2003), he makes the case for modifying college admissions tests (the same SATs that companies later use in hiring decisions) to reflect this finding.

LQ has a PQ component to it. However, it is not related to traditional personality measures, since it is more of a skill set than a personality characteristic.

WHAT PEOPLE WITH HIGHER LQ DO WELL

When we studied LQ in 10 companies, we found that learning agility was randomly distributed, with no relation to age, gender, or years of experience. Those with higher LQ did five things particularly well:

1. They dealt well with complexity and ambiguity and made fresh connections to solve difficult problems.
2. They knew themselves well and handled tough situations deftly (PQ).
3. They liked to experiment and deftly handled the personal consequences of introducing new and different ways of doing things.
4. They motivated teams and used personal drive and presence to deliver results, even in first-time situations.
5. They were creative, childlike in their curiosity and imagination. They proactively seized opportunities and adapted well to new situations. Business is no different from Darwin’s biological world: The adaptive are the fittest to survive.

LQ determines as much as 25 percent of success at the top management and executive levels. Some executives have it but many don’t. Those who have it have been shown to perform better after promotions than those who don’t (Lombardo & Eichinger, 2003).
One company experienced the usual 50-percent-failure-in-five-years rate when they brought executives in from the outside. Their recruiters interviewed intensely and made the usual assessments, based mostly on IQ, XQ, and TQ. Frustrated with the failure rate, they decided to add a new dimension; they asked a headhunter experienced in LQ to screen final candidates for learning agility. Their five-year success rate soared to over 90 percent.

As McCall and Lombardo (1983) pointed out, derailment is partly about not learning new things. For whatever reasons, derailed leaders quit learning; considered themselves infallible, became legends in their own minds; couldn’t make transitions to new responsibilities or ways of behaving; or relied on what worked in the past, becoming victims of their own success. All a lack of LQ.

FOUR DESTRUCTIVE PATTERNS RELATED TO LACK OF LQ
Finkelstein identified four destructive behavior patterns, related to lack of LQ, in the executives of companies that took a dive:

1. Flawed mind-sets—executives not open to new ways of thinking—threw off the company’s perception of reality.
2. Delusional attitudes—executives who “knew it all”—kept this inaccurate perception in place.
3. Weak communications—executives who didn’t care about sharing knowledge—stood by while processes for handling crucial information broke down.
4. Poor learning skills—executives adverse to feedback—didn’t look for input and/or rejected any dissident input they did receive so they didn’t correct their course.

Continuing our story about why all of this happens, Finkelstein (and many others) pointed out that most executives who derail at the top do so during four major types of transitions: creating new ventures; dealing with innovation and change; managing mergers and acquisitions; and responding to new competitive pressures. Many fail because they underestimate the difficulty of the transition, aren’t good with people, or don’t learn new skills.

What’s common to these transitions? The situations require different skills to be successful than the ones used getting there. In a study of what made the difference between those who made it through these transitions with flying colors versus those who did not (McCall et. al.) the difference was obvious: The successful regarded every new assignment as a new challenge, requiring new approaches and possibly new skills. The future derailers placed new assignments in old categories, relying on their formerly successful ways to carry them through. So, lack of LQ comes to play most frequently during transitional assignments when past skills are no longer the ones needed to do well. People who detect the need for new behaviors and are able to deploy new approaches effectively succeed. Those who don’t, derail.

The good news is this case is two-fold.

First, learning agility can be assessed by observation, formal assessment, and interviewing protocols.

Secondly, most people can be taught to be better learners.

Most executives who derail at the top do so during four major types of transitions: creating new ventures; dealing with innovation and change; managing mergers and acquisitions; and responding to new competitive pressures.
Years of research by Robert Sternberg and colleagues (see Sternberg, Wagner, Williams, & Horvath, 1995; Wagner & Sternberg, 1990) has consistently found that learning new behavior (LQ) is a more powerful predictor of level attained than IQ. Sternberg’s research has also shown that scores on a measure of learning from experience were unrelated to IQ scores and that the best predictor of level attained were measures of learning from experience.

Concurring with Sternberg’s work, Lombardo and Eichinger (2003) found that those with higher scores on a measure of learning agility perform significantly better once promoted. This research also determined that the best predictors of actual promotion were competencies measuring learning agility and drive for results (achievement motivation; see the MQ section).

In a study that related learning agility, IQ, and Big Five personality measures to job performance and measures of promotability (Connolly & Viswesvaran, 2002), learning agility was by far the most related to performance ($r = .37$ for LQ vs. .14 for IQ and -.15 to .17 for personality factors) and promotability ($r = .40$ for LQ vs. .10 for IQ and -.03 to .10 for personality factors). In this study, neither IQ nor personality had any significant relationships with performance or promotability, whereas LQ had a highly significant correlation ($p < .01$) with both criterion measures. Additionally, as compared to LQ, IQ and personality added very little to the regression equations.

Another study that included tests for intelligence, personality, cognitive ability, preference for innovation, job satisfaction, and orientation in interpersonal relations found that the test of tacit knowledge (experience learned) was the single best predictor of performance (.61 correlation vs. .38 for IQ) (McCaulley & Brutus, 1998).

In studies conducted over the course of about a decade in the 1970s and 1980s at the Center for Creative Leadership (CCL) on leadership success and failure (McCall, Lombardo, & Morrison, 1988; Morrison, White and VanVelsor, 1992) it was concluded that what separates the “right stuff” executives from the average is an ability to “make the most of your experience” (p. 122). In a companion study by McCall & Lombardo (1983), one of the key reasons cited for derailment was being blocked to new learning.

Follow-on work conducted at CCL has shown that one’s ability to learn from experience can be enhanced through focused training and effort.

There are several instruments available for assessing learning agility. While coverage of each is beyond the scope of this article, readers can consult the following sources for more in-depth descriptions of some of the instruments, each with documented evidence of validity: Spreitzer, McCall, & Mahoney (1997); Sternberg, Wagner, Williams & Horvath (1995); Lombardo & Eichinger (2000).
While we can say with little doubt that individuals differ in their level of learning agility and that learning agility has some influence on managerial success, the literature is still in dispute over the degree of predictive validity of learning agility. Estimates of the percent of variance accounted for in performance range from a low of 15 percent to a high of 37 percent. There is also some debate in the literature over the construct validity of measures of learning from experience. Specifically, reported correlations between measures of cognitive ability and LQ have ranged from a low of .08 to a high of .58. Correlations between IQ and LQ tend to be low in management jobs, however. Such conflicting findings suggest more research is needed to further examine the predictive and construct validity of LQ, especially as compared to IQ or cognitive ability. The research to date appears promising for LQ. For purposes of this analysis, we have picked 25% as a middle estimate until more research is reported.

REFERENCES


THE RESULTING PICTURE OF PREVAILING SUCCESS

When we recruit, hire, and promote, we focus primarily on intelligence, technical/operational skills, motivation, and experience—IQ, TQ, MQ, and XQ—which are indeed all related to success. We underweight LQ and PQ, which don’t matter as much early in careers or in a company’s lower ranks.

Executives who can’t manage people (PQ) or learn new ways of doing things (LQ) are those most likely to derail at the top, regardless of their previous success, and especially in times of transition when stress and stakes are high. XQ is a wild card: people may not have breadth in their experiences or fail to learn from them (Lack of LQ and PQ). TQ also registers as a reason for derailment but probably because of the lack of the others.

<table>
<thead>
<tr>
<th>Qs</th>
<th>Career Success</th>
<th>Career Failure</th>
</tr>
</thead>
<tbody>
<tr>
<td>IQ</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>TQ</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>MQ</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>XQ</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PQ</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>LQ</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Three of the Qs account for most of the failures at the top.

In the end, constructing executive landmarks who fulfill their potential as effective and enduring organizational leaders involves all six Qs.

Four of the Qs account for most of the failures at the top. All six Qs are observable and measurable and five of the Qs can be enhanced. (IQ is largely innate.)

Analogizing enduringly successful leaders to architectural masterpieces, we would say that IQ is the prerequisite foundation. XQ and MQ build TQ and PQ, especially in those that have LQ. However, missing adequate LQ makes additional XQ marginal—like bricks without mortar.

Another way to look at the 6Q model (figure 1) is that the basic raw ingredients of success are sufficient IQ and MQ—smart and motivated enough—a long with sufficient LQ to learn from experience (XQ). Assuming that the experiences are relevant and powerful enough, people should be able to learn the TQ and PQ skills (but not the personality part) necessary for success—which involves getting significant work done with and through others.
However the way it seems to be working now (figure 2) is that people who aspire to top management have sufficient IQ and MQ – bright and motivated enough - and have some amount of LQ – the ability and willingness to learn. They have experiences that lead to better TQ than PQ. Either they don’t have enough PQ experiences or they don’t learn the PQ part of the experiences. They end up with a strong results and customer orientation and are good with things, ideas, projects and processes and are less skilled in the people (PQ) aspects of getting the work out. They tend to be super individual producers more than agile managers of people.

So, what would be our recommendation to build leaders that endure, as do architectural masterpieces?

Our blueprint includes the following seven components:

1. Educate managers and executives about the existence, and contributions of all 6 quotients, or building blocks for long-lasting success.

2. Work to deemphasize the focus on IQ, TQ, and MQ. Although these may be easy to assess and are likely to be correlated with performance up through the managerial ranks, they are not the distinguishing characteristics of those who succeed over time at the executive level.

3. Instead, put more emphasis on LQ, XQ and PQ throughout employees’ careers. Integrate these values solidly into the culture and ensure that the recognition and reward systems are aligned.

4. Systematically assess LQ much earlier in people’s organizational tenure so that more realistic high-potential designations and more meaningful career paths can be developed.

5. Allocate resources to enhance LQ for those who score in the top third, or even half, of the possible range so that they are fully equipped to learn the lessons that are ensconced in all the experiences and challenges they encounter.

6. Focus on the aspects of PQ that doom or enhance careers – having an acceptable interpersonal style and neutralizing dysfunctional personality patterns.

7. With XQ, you can’t learn from experiences you’re not having. Variety of experience gives the opportunity to gain breadth of skills.