



# Base Rates of Derailment Characteristics in America

Hogan Research Division

Organizations speculate about the cost of bad managers. Adjusted for inflation, a 1988 estimate of \$500,000 per manager becomes \$1 million in 2010. Other estimates range from \$1.5 – \$2.7 million for each failed senior manager, though these estimates ignore the costs of golden parachutes, severance, missed objectives, and a disengaged workforce.

More troubling, research suggests that 50% of managers will fail, and at least half of those will be fired. Organizations recognize this talent crisis as evidenced by the fact that the leadership development and coaching industry exceeds \$2 billion annually. Much of this work is focused on mitigating personal characteristics that can impact performance.

## THE “DARK SIDE” OF PERSONALITY

Dark side or derailing personality characteristics may lead to maladaptive behaviors that emerge from stressful events, or a lack of vigilance. Developed to assess these dark side personality characteristics, the Hogan Development Survey (HDS) measures 11 dysfunctional dispositions that negatively influence the ability to get along with others and get ahead in careers. For our comparisons, base rates of derailment risk are defined as the percentage of each group scoring between 90 and 100 on each HDS scale. These scores define the “high derailment risk” range.

The 11 scales measured by the HDS, associated with long-term detrimental effects on performance and leadership, include:

**Excitable** – Being moody and inconsistent; being enthusiastic about new people or projects and then becoming disappointed with them.

**Skeptical** – Being cynical, distrustful, overly sensitive to criticism, and questioning others’ true intentions.

**Cautious** – Being resistant to change and reluctant to take reasonable chances for fear of being evaluated negatively.

**Reserved** – Being socially withdrawn and lacking interest in or awareness of others’ feelings.

**Leisurely** – Being autonomous, indifferent to other people’s requests, and becoming irritable when they persist.

**Bold** – Being unusually self-confident and unwilling to admit mistakes, listen to advice, and unable to learn from experience.

**Mischievous** – Being willing to take unnecessary risks and test the limits.

**Colorful** – Being expressive, dramatic, and wanting to be noticed.

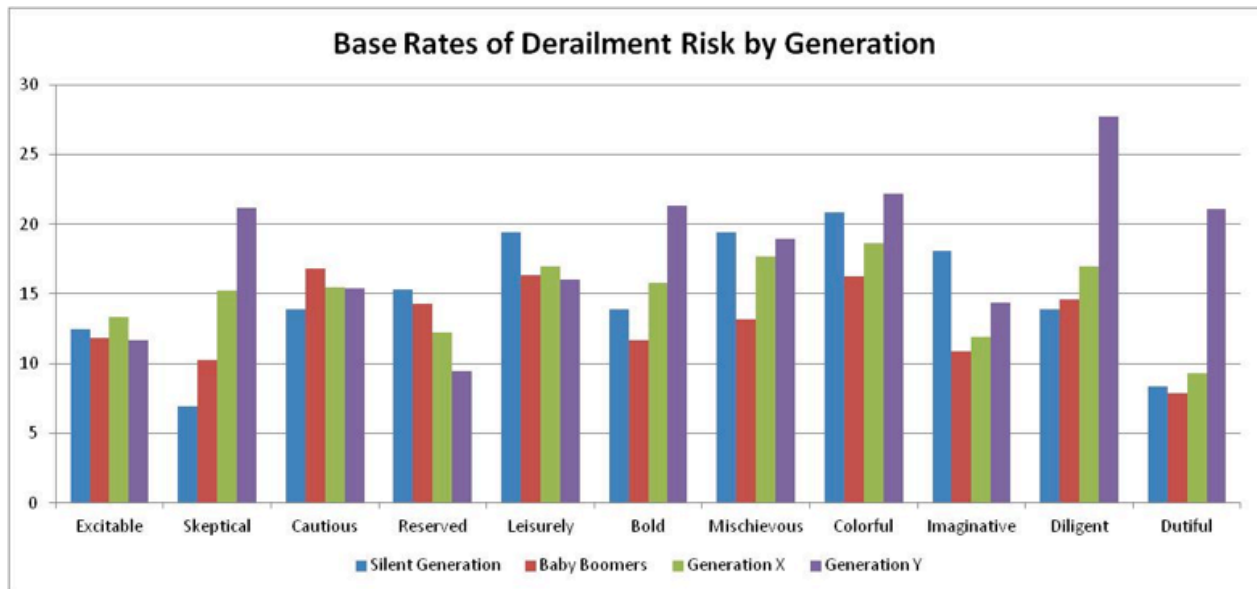
**Imaginative** – Being unusually creative and eccentric in thoughts and actions.

**Diligent** – Being careful, precise, and critical of others’ performance.

**Dutiful** – Being eager to please, reliant on others for support, and reluctant to take independent action.

## Generation

We compared derailment risk base rates for U.S. managers and executives across the “silent generation” including those born 1925 – 1942; “baby boomers” born 1943 – 1960; “generation X” born 1961 – 1981; and “generation Y” born 1982 – 2004.



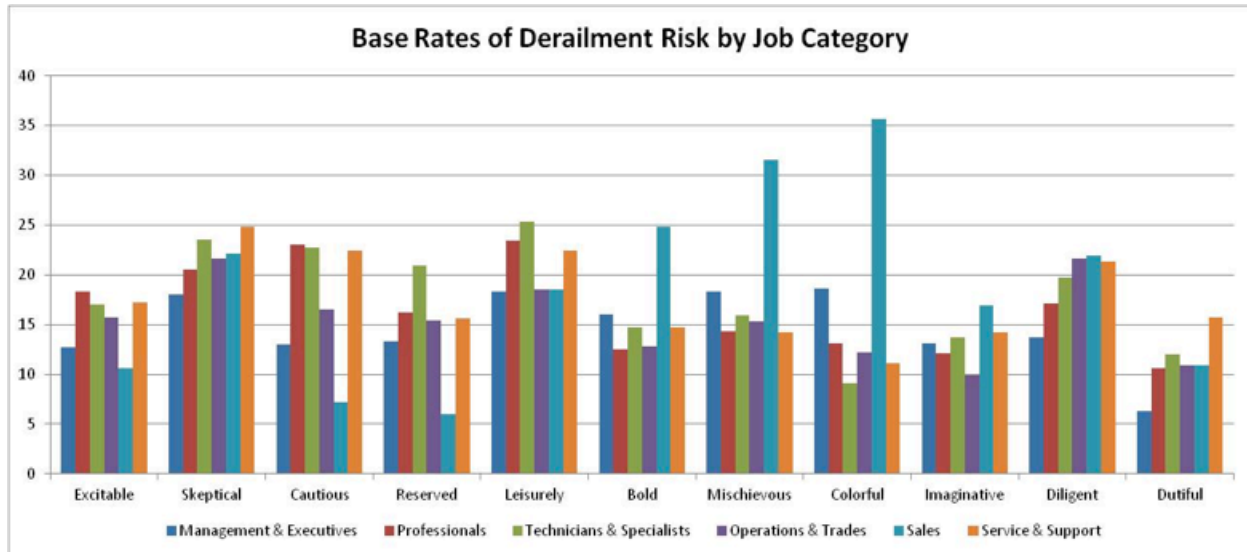
Managers from generation Y had the most derailment risks; they are likely to be perfectionists and micromanagers. They are also most likely to be viewed as cynical, arrogant, impulsive, dramatic, and ingratiating to those above them. This pattern indicates that the behaviors that may lead younger employees to advance quickly – attending to details, recognizing problems in processes, displaying confidence, and drawing attention to oneself – are also most likely to derail younger managers when overused.

In contrast, members of the silent generation are least likely to expect perfection or mistrust others. Interestingly, they are at highest risk of derailing due to passive-aggressive tendencies, breaking or bending rules, and drawing attention to themselves. These results indicate that many highly experienced managers enjoy attention and feel they can cut corners and avoid spending time on people or activities they deem unnecessary.

Finally, baby boomers and members of generation X show consistent HDS scale score patterns. Both are least likely to defer to others, and members of generation X are slightly more likely to question others, seek attention, bend rules, and overestimate themselves. In general, however, results for these groups are near managerial averages across HDS scales.

## Job Category

We compared base rates of derailment risk for American employees across (a) management and executives, (b) professionals, (c) technicians and specialists, (d) operations and trades, (e) sales, and (f) service and support job categories.



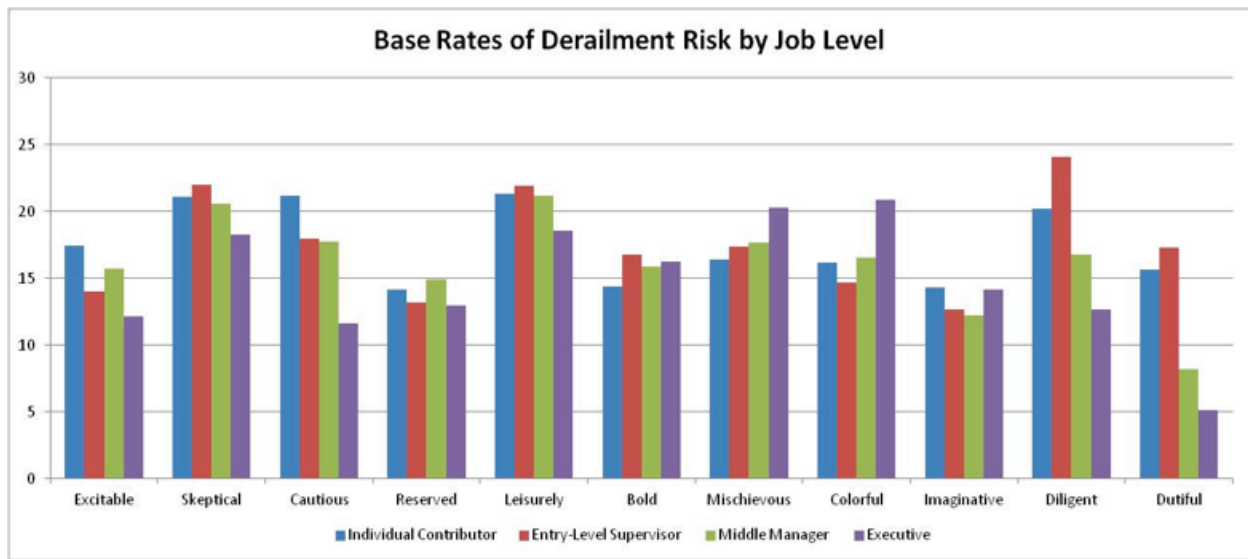
For tendencies to move against others, employees in sales jobs show elevated derailment risks. Individuals in these jobs are likely to be viewed by others as overly confident, risky, dramatic, and creative. In other words, the same characteristics that make salespeople successful can also lead to their derailment when relied on excessively.

To a lesser extent, managers and executives follow the same pattern as salespeople. Although their base rates are lower than other job categories for many scales, managers show elevated risks for overconfident, impulsive, and attention-seeking behavior. These results suggest that managers enjoy taking risks and being the center of attention.

Finally, we noted interesting results for service and support personnel. Responsible for providing protective and personal support services, these employees had elevated risks for mistrusting or deferential behavior. Although these results may appear contradictory, service and support employees may benefit from deferring to clients and customers who they may not trust. If overused, however, these behaviors may lead service and support employees to derail.

## Job Level

For our final comparisons, we examined derailment risk base rates for (a) individual contributors, (b) entry-level supervisors, (c) middle managers, and (d) executives.



Compared to management, individual contributors show elevations in tendencies to either retreat from others or build alliances in response to stress. They are most likely to be viewed by others as resentful, hesitant to act, cynical, perfectionistic, or emotionally volatile. In moderation, these attributes may be viewed as independence, vigilance, insight, structure, and enthusiasm. If left unchecked, however, excessive reliance on these tendencies may lead individual contributors to derail.

In contrast, entry-level supervisors are at the highest risk for micromanaging others, questioning others' motives, procrastinating with unpleasant tasks, and conforming to their supervisors. This pattern of results suggests a tendency among inexperienced managers to build alliances with others and seek approval from above. Although these behaviors may prove beneficial in many circumstances, excessive use of these behaviors can have negative consequences.

Finally, middle managers and executives show consistent patterns in derailment risks across HDS scales. Middle managers are more likely to retreat from others or attempt to build alliances in response to stress, whereas executives are more likely to use persuasion or manipulation against others. Together, this pattern of results illustrates various responses to stress across job levels – individual contributors retreat, entry-level supervisors build alliances, and executives use persuasion and manipulation.

## Summary

When managers and other employees derail, the broader units in their organizations suffer. Because personality impacts managerial effectiveness and employee performance, I/O professionals should consider both “bright side” and “dark side” behaviors that facilitate or inhibit performance. We examined the most likely derailment risks for specific groups, as well as the differences in derailment risks across groups, to facilitate mitigation through coaching and leadership development.

Specialists in leadership development and coaching can use this information to tailor their interventions to specific groups by considering the prevalence of dark side characteristics within demographic or occupational groups. Given the significant consequences of leadership and job performance and the considerable resources organizations invest in developing and coaching employees, the importance of studying derailment – especially identifying its causes and preventing its occurrence – cannot be overstated.