leadership is inextricably intertwined with who we are—we lead from the inside. Who we are informs our moral compass, our ability to listen, to make wise judgments, to persuade and inspire others to follow, and perhaps most important, as Winston Churchill admonished, to tirelessly persevere in the pursuit of the ultimate goal.

The self is the centerpiece of leadership. In a 2012 interview with the New York Times, Steelcase CEO James P. Hackett stated, “I’ve met just about every CEO who runs a big company. The ones I’m most impressed with do not seem packaged. But they have this sense of peace, this self-awareness, that says, ‘I understand who I am.’”

It was just such factors that were identified by twenty-five experienced and successful CEOs of multibillion-dollar organizations when we asked them, “What does a business leader need to do well to be effective?”

After analyzing their 442 comments and 178 individual ideas, we employed qualitative factor analysis to summarize our findings by identifying six critical competencies for effective CEOs. The six critical competencies are self-awareness (understanding of the “self”), having a moral compass, being an effective listener, possessing good judgment, being a persuasive communicator, and leading with tenacity (see Table 1).

Based on these insights, we constructed the concentric circle “Heart of Leadership Model” to visualize our findings (see Figure 1).

1. Self-Awareness

Effective leadership is deeply rooted in knowing yourself and understanding all that implies. Approximately half of the CEOs pointed to self-awareness as being at the core of everything they do. Some of the forty-two comments included knowing who you are, being consistent with your values, being honest with yourself, and trusting your instincts. A study of more than forty thousand leaders published in the Gallup Management Journal also indicated that a leader must be clear on his strengths and
weaknesses: “Knowing who they are—and who they are not.” Drawing from his own experience, the late Steve Appleton, CEO of Micron Technology, Inc., told us, “Really good leaders have to have the ability for introspection. They have to be able to look at themselves, to see if there are gaps, and if there is something that they don’t know or understand.”

Knowing yourself and listening to that inner voice can be the CEO’s most important competitive advantage. In late 1997, after a series of highly successful acquisitions, John Mackey, co-CEO and founder of Whole Foods, was presented with the opportunity of acquiring Amwin, a mail-order supplier of health supplements, which would provide the platform for Whole Foods to emerge in the Internet world. The handling of this acquisition mirrored those Whole Foods had successfully taken on in the past. The leadership team was in agreement, they gave themselves plenty of time to fully evaluate the options, and Mackey even relocated to Boulder, Colorado, for a year to take charge. The entire analysis indicated this would be a big win for the company.

Despite how sensible the deal seemed, or how great it looked on paper, Mackey’s intuition kept telling him otherwise. Mackey recalls, “I think my little voice was telling me not to do this deal and I overrode that because on paper, it seemed to make sense, and I just didn’t understand. It was like, we’re not paying a high price, good sales, good growth, good prospects, it’s got intellectual capital. We brought in the investment bankers, and they ran all kinds of numbers. The rational mind is a great example of overriding that little inner voice because I really wanted to do the deal and I just reasoned if we have problems, we’ll deal with it, and we can fix it.” Whole Foods proceeded with the decision to acquire Amwin.

As it turns out, all the strengths Mackey and his team saw ended up being the biggest weaknesses of the deal. By overriding his self-doubt and going against his instincts, Mackey took on a whirlwind of unforeseen problems that they were not equipped to fix, meanwhile dealing with the merging of different cultures, finding a replacement for Amwin’s founder, and a sudden saturation of the competitive environment. Ultimately the deal cost Whole Foods $100 million. Had Mackey paid attention to his gut instinct, this setback may have been avoided.

The Whole Foods story was consistent with many of the examples of unsuccessful decisions that other CEOs
shared during their interviews. As promising as the data may appear, the CEO should be wary of overriding the accumulated unconscious wisdom contained in his or her intuition.

2. Having a Moral Compass

Understanding yourself builds the foundation for possessing good judgment, but 72 percent of the CEOs agreed that the direction in which those instincts take us, our moral compass, is critical in successful leadership. David Parker, COO of the Archstone Partnerships, stated that having a moral compass precedes making effective decisions: “You have to have high principles and standards about making the right decisions.” Seventeen other executives supported this with fifty-five comments encompassing honesty, integrity, and trustworthiness, each one reflecting the importance of getting things done the right way.

Bill Amelio, CEO of CHC Helicopter and former CEO of Lenovo, explained that if he is going to bring someone on board, the person must be trustworthy, stating, “Trust and confidence are critical.” He further explains that “if you work for me, I’m not going to be able to watch what you do all day. . . . I’ve got to trust you.” CEOs must not only base their decisions on doing the right thing, they must also surround themselves with individuals who possess an equally strong moral compass.

3. Being an Effective Listener

The CEOs in our sample agreed that it’s critical to be an effective listener. Listening is key to developing relationships, decision making, and problem solving. More than 75 percent of interviewees cited being an effective listener as a fundamental part of being a successful leader; this encompasses more than just hearing the words a person says, it includes listening to everything that is going on. The sixty-four comments included knowing people, truly valuing them, listening, developing trustful relationships, and having empathy. Pier Luigi Foschi, chairman and CEO of Carnival Asia, told us that “in managing people, you have to be able to value them.” This becomes the first step in getting your team interested and engaged in your mission as a leader. Listening not only builds the foundation for the future, but it is also the key in solving problems. Jeff Zucker, president of CNN Worldwide, told us, “You have to be a good listener” and “You’ve got to be able to identify good people.” It is only with that understanding and connection that a leader can move forward with the full support of his or her team. CEOs who fail to actively listen to their teams and to the environment are destined to miss the critical links that drive success.

4. Possessing Good Judgment

Who you are—your life journey and its interpretation, your personality, and your values all play roles in making decisions. Indeed, judgment was the most frequently mentioned factor that our research pinpointed. But, alas, man does not prosper by judgment alone.

The overall consensus was that without good judgment, a leader is unlikely to be successful. Judgment, it appears, was a necessary—but not sufficient—competency. The hundred comments shared by CEOs describe judgment in part as willingness to take risks intelligently, ability to face issues, and collecting and synthesizing information and data.

In order to make effective judgments, Micky Arison, chairman of the board of Carnival Corporation, believes the individual must be “smart in that they’ve learned from their life experiences.” Ray Stata, co-founder and chairman of the board of Analog Devices, Inc., puts it this way: “Part of the package is judgment. It’s listening to a whole bunch of things and coming up with a conclusion that is in the right direction and respected by others. This is judgment.”

5. Persuading: Being a Good “Visionator”

More than three-quarters of our interviewees agreed that the work of a leader is not only to possess good
judgment and make effective decisions, but to be able to communicate decisions persuasively as they communicate their vision. Being a persuasive communicator goes beyond rote communication to encompass elements of inspiration and motivation. Sixty-one CEO comments describe this trait as the ability to define vision, to articulate, establish a connection with people, and to motivate and inspire. Peter Drucker believed that listening and communicating are two of the three critical competencies of a leader, as he mentions in his book, *Managing the Non-Profit Organization*. Cesar Conde, president of Univision Networks, explains, “A leader has to be able to articulate vision or strategy and the direction they are going, because you can have the best idea or concept, and [if you] can’t articulate it, it’s not going to be any good.”

Connecting with people involves the complementary talents of being a persuasive communicator and being an effective listener when knowing your audience is crucial. Steve Appleton explained to us, “I have found that good leaders have to be adaptable in their approach, in their personality. Good leaders are like good actors in that they can adapt to the role. The way I approach one executive may be completely different than the way I approach another executive.” From a global perspective, Appleton highlights the differences in building persuasive relationships between people of different cultures, telling us, “You have to recognize cultural differences and value differences and how you approach people, because [people] are very, very different.”

6. Leading with Tenacity

Even the most skilled and experienced CEOs make mistakes. When we asked the twenty-five CEOs in our sample to tell us about major judgment lapses, twenty-one out of twenty-five readily explained how lack of knowledge regarding the relevant business, personal factors, or failure to rely on their intuition led them to make significant errors. The key, they said, was to persevere and work hard in the face of adversity. That is why tenacity is the sixth essential talent of the CEO. Roughly 15 percent or sixty-seven comments illustrate the importance of being tenacious, as well as that of other traits such as persistence, intensity of effort, hard work, and drive. During his interview, John Dasburg, the chairman and CEO of ASTAR Air Cargo, Inc., talked to us about hiring and promoting people. “I want to see how hard they work. There are a lot of people out there that I’ve had working for me along the years that have been brighter than me . . . but who just ran out of steam around three in the afternoon.”

One of the best examples of tenacity in our research comes from a first-person experience of one of the authors while serving as president of Florida International University (FIU) in Miami and his quest to establish a law school there. He recounts the trajectory.

In 1988, the proposal for a College of Law was presented to the state university system’s governing board. We were literally laughed out of the room and no consideration was given to our proposal. In 1993, during the planning process for the next five-year cycle, we tried again and secured only one vote (out of thirteen) from a good friend, Regent Perla Tabbares Hantman from Miami. In 1998 we were poised to try again, but board chairman Dennis Ross from Tampa requested that we postpone until the next year, because 1998 was a gubernatorial election year and our law school project could become embroiled in gubernatorial politics. We complied.

When we tried for the fourth time we achieved three votes in favor, in part by linking with Florida A&M’s similar goal of establishing a law school. One group that was solidly behind us was our south Florida legislative delegation that pleaded with the board to approve our proposal. State Representative Alex Villalobos said, “Today, we appear before you as plaintiffs, tomorrow when you seek approval of your budget, the tables will be reversed.” Notwithstanding the not-so-veiled threat, our law school was not approved, nor was the law school of historically black Florida A&M. The vote was ten to three.

The following year, 2001, with our encouragement, a coalition of south Florida and north
Florida legislators dissolved the Florida Board of Regents. Henceforth universities would be governed by individual boards of trustees, not by a statewide board.

Our new local board promptly and unanimously approved our proposal for a law school, and with a political push from our delegation led by one of our state senators, Mario Díaz-Balart, the Florida Senate voted 40–0 to approve, the House 120–0. The governor signed the bill. FIU had a law school. Last year, the FIU law school led all Florida law schools in bar passage rate.

This twenty-three-year process exemplifies what we think CEOs meant by tenacity.

**Outliers**

The six competencies we identified encompass 88 percent of the comments mentioned during the interviews. The remaining 12 percent—fifty-three comments—include humility, health, balance, ambition, and intelligence. Although these other comments totaled 12 percent, no single subgroup or idea accounted for more than 2 percent. A possible conclusion for the lack of significance given to these important traits during the course of the interviews is that at least some—for example, intelligence and education—may be assumed by the CEOs. When providing their responses, the executives may consider at least some of these to be prerequisites in advancing to the high ranks of the corporate world and may not have felt the need to mention them.

**Improving Your Leadership Quotient**

The good news about our results is that all of the six competencies can be improved. There are a number of initiatives one can undertake to improve self-awareness: personality tests, 360-degree evaluations, life journey and values exercises. Similarly we can hone our moral compasses by discussing cases in which moral values play a part, by doing action-oriented exercises, role-playing, and having wise mentors. Listening and communicating can be improved by deliberate practice and coaching. Each of the competencies serves to strengthen and leverage judgment. Judgment can also get better with experience and feedback from mentors. The best leadership development programs seek to develop executives in some, if not all, of these areas.

Tenacity may be the most difficult competency to improve because tenacity is both a learned behavior and also part of your intrinsic personality. The place to start is by getting a measure of your tenacity. Tenacity, as described here, is similar to the “grit” construct proposed by Professor Angela Duckworth from the University of Pennsylvania. Duckworth has developed a twelve-item grit scale published in the *Journal of Personality and Social Psychology* that ranks grit on a 1–5 scale.

The good news is that whatever your starting point, you can get better. Grit gets better with practice, especially deliberate practice; with self-coaching, self-analysis, or with the help of outside coaching. One approach is to set challenging goals and analyze how you go about achieving them. Why did you not try harder? What kinds of obstacles are difficult for you to bridge? Celebrate and reward yourself when you succeed. Ask your mentors for help.

**Conclusion**

We interviewed twenty-five successful executives about what is critical for leadership because we wanted to hear their firsthand accounts. We didn’t want idiosyncrasies—we wanted to know which themes would emerge regarding effective leadership. After carefully scrutinizing the interviews, a picture appeared that centers on six core competencies.

The six competencies can be organized around three themes: wisdom, persuasion, and resilience. To act in a wise manner, a leader must understand who she is, be comfortable in her own skin, have a clear and ethical sense of direction, be able to build relationships of trust with others, and to actively listen with an open mind. But, who is a leader without followers? A leader
must also inspire, visualize a compelling future, and gain the loyalty of others: to persuade. Last, leaders have to be able to rise from the ashes, to snatch victory from the jaws of defeat, to adapt, to persist: to be tenacious.

In their own words, CEOs believe in the effectiveness of wise, persuasive, and resilient leaders. Work on improving these six competencies and you will be vastly more effective. As Euripides once said, “Try first thyself and after call in God.”

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