HOGAN

Under Pressure

Stress in the C-Suite

Even before COVID-19, the cost of workplace stress was high: $500 billion to the US economy,[1] 550 million workdays per year,[1] 60% to 80% of all workplace accidents,[2] up to 90% of doctor visits,[3] and worst of all, 120,000 annual deaths.[4] To no surprise, the pandemic and its effects exacerbated job stress for many people. To name just a few, these include illness and lost loved ones, heightened racial, gender, and disability inequities, an overburdened healthcare system, a turbulent economy, supply-chain disruption, and shifting expectations around work.[5,6] Overall, a striking 94% of workers reported experiencing increased stress in 2021.[6]

In response to these phenomena and the resulting wave of quits many termed the Great Resignation, organizations began to prioritize employee well-being in ways they never had before. But as much as the literature has focused on workplace well-being, one group has been largely ignored: the leaders who are often held responsible for it.

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The pandemic turned the C-suite into a pressure-cooker environment. Tasked with crisis response in 2020, leaders have since faced a plenitude of difficult decisions and held more responsibility than ever, including for employee well-being. In their current roles, 96% of executives feel responsible for employee well-being, and 83% expect to become even more responsible in the next year or two.[7]

And their own well-being? For many, it was put on the back burner. Nearly nine in 10 executives say they need to work on it, even if it comes at the expense of career progression.[7] In fact, C-suite executives are so overwhelmed that almost 70% of them are considering resigning from their current jobs.[7] This is foreboding news for organizations.

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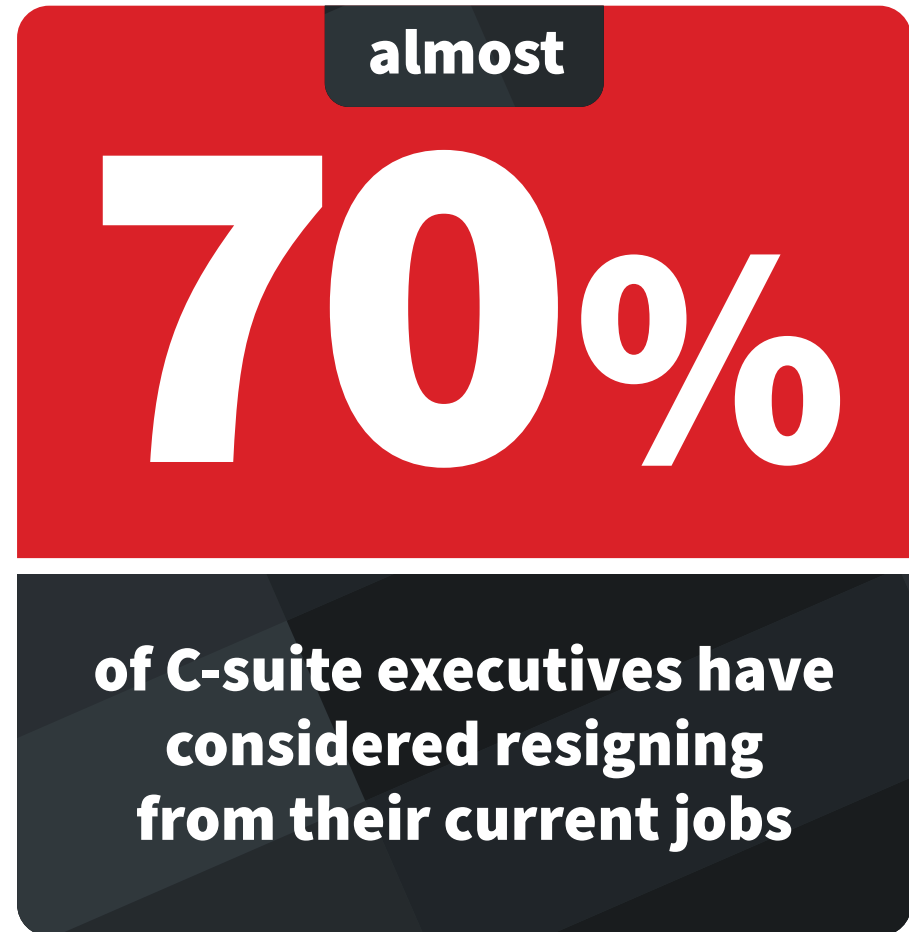
Meanwhile, the employment market is competitive, and executive search is booming. By Q4 of 2020, executive search firms saw revenues return to pre-pandemic levels.[8] In 2021, they had their most profitable year in the past three decades with revenue growth at 42% year over year.[8] In other words, leaders who are experiencing high levels of stress have both the motive and the opportunity to change jobs. For talent professionals, this poses numerous unique and pressing challenges:

▶ **How can we help leaders improve their well-being?**

▶ **How do we ensure healthy executive team dynamics?**

▶ **How will we retain leaders who may be considering a job change?**

▶ **How should we replace leaders who have already left?**

▶ **Is it even possible to effectively facilitate an executive team lift-out or combine teams as part of the M&A process while managing these other issues?**

▶ **How might we protect employees and the business from the effects of high levels of stress among leaders?**

Of course, stress is often multifactorial, especially during global crises, and no simple solution for improving well-being exists. Providing healthcare benefits (including for behavioral health), paid time off, and adequate resources for people to meet their job responsibilities should all be part of the organizational response. Diversity, equity, and inclusion measures are essential too. Some organizations have adopted more creative approaches to support work-life balance, such as flexible hours, remote or hybrid options, four-day workweeks, and policies about after-hours communication. But one factor often goes overlooked: **understanding the role of personality**.

Personality in the Workplace

Personality is the foundation of how individuals respond to increased stress and pressure in the workplace. It's the key to limiting the effects of leader stress on the business, and with this in mind, it can be used to create thoughtful, strategic plans for talent acquisition and development.

As an international authority in the science of personality, leadership, and job performance, Hogan specializes in helping organizations respond to complex talent management challenges with reliable, scientifically validated approaches. Using data-driven talent insights, Hogan helps organizations maximize the fit between applicant skills and job roles, improve retention, increase productivity, eliminate bias in hiring, ensure new hires are aligned with organizational culture, and inspire people to do their best.

![Under Pressure: Stress in the C-Suite]

Grounded in more than 40 years of psychological research, Hogan's comprehensive suite of talent acquisition and development solutions are based on three core personality assessments:

HPI

Hogan Personality Inventory (HPI)

A measure of personality characteristics needed for everyday job success, building effective teams, and developing future leaders.

HDS

Hogan Development Survey (HDS)

A measure of counterproductive personality characteristics that have the potential to derail otherwise successful and long-lasting leaders.

MVPI

Motives, Values, Preferences Inventory (MVPI)

A measure of core values and motivators that reflect job satisfaction, alignment with organizational culture, and future success within the organization.

Our personality assessments are the industry standard for predicting future job performance among working adults across industries and around the world. The Hogan Development Survey, in particular, has helped countless leaders and employees understand how stress impacts their behavior at work, then work on cultivating the strategic self-awareness to limit its detrimental effects. For savvy talent professionals, the HDS can help with mitigating the effects of widespread stress in the workplace.

The Dark Side of Personality in Leadership

The HDS is the only personality assessment that examines the dark side of personality. The dark side consists of 11 derailers, which are best thought of as coping behaviors or strengths that become weaknesses when they're overused during times of increased stress and pressure. Measured using percentiles on 11 scales, the derailers can be grouped into three general categories of stress response: *Moving Away, Moving Against,* and *Moving Toward*.

One good analogy is to consider how people might react if a bear were to enter the room. Some might be inclined to run away, others would try to fight the bear, and the rest might try to placate the bear by offering it some food. Regardless of how you think you would respond to the bear, however, you might not be correct. In fact, people you know personally or professionally might have a better idea of how you'd respond to the bear. That's because other people tend to be more objective judges of our behavior than we are.

For that reason, this assessment is validated using observer descriptions of behavior, which means it provides information about how others are likely to perceive someone, but it doesn't necessarily reflect that person's self-image. In other words, leaders often aren't aware that they're prone to these behaviors or that this is how others see their reputations. As you learn about each derailer, you'll see how that can be problematic for leadership performance.

Moving Away

The Moving Away derailers may seem different at face value, but they all share the flight response. In the workplace, people use these to manage feelings of inadequacy by avoiding connection with others.

▶ **Excitable**   Leaders who score high on the Excitable scale tend to be energetic and enthusiastic. When stressed, however, their behavior can become volatile. They might become frustrated, moody, or irritable easily. Prone to discouragement and giving up on people or projects, Excitable leaders might also seem to lose direction at times.

▶ **Skeptical**   Scoring high on the Skeptical scale means a leader is likely to be perceptive about the intentions of others. While generally a political advantage, this can turn into mistrust, cynicism, and negativity under stress. Sometimes quarrelsome or fault-finding, Skeptical leaders might also be inclined to hold grudges when they perceive that they've been mistreated.

▶ **Cautious**   Cautious leaders are careful and fastidious decision-makers, and they tend to be risk averse. When overused, their strengths can result in indecision, delayed action, and even avoidance if failure, criticism, or embarrassment seems likely.

▶ **Reserved**   While they tend to be invulnerable, independent, and task focused on a day-to-day basis, Reserved leaders can seem unsocial, unfeeling, and withdrawn when stressed. When they retreat, others might find them unapproachable.

▶ **Leisurely**   The Leisurely leader is likely to seem friendly, polite, and approachable at first. But this overt cooperation sometimes masks resentment and a private agenda. When derailing, these leaders are likely to feel their work is unappreciated. They can seem irritable, uncoachable, stubborn, and passive aggressive.

Moving Against

What the Moving Against derailers have in common is the fight response. When people use these behaviors to cope with self-doubt and stress at work, they tend to dominate and manipulate others.

▶ **Bold**

Fearless, confident, and self-assured, Bold leaders expect to succeed. Under stress, however, they may seem to have an unrealistic view of their abilities and talents and expect deference from others. This can lead them to appear arrogant, entitled, hypercompetitive, and even combative or intimidating.

▶ **Mischievous**

Mischievous leaders are charming, adventurous, and willing to test the limits. But limit testing can lead to unnecessary risk taking and deliberate rule breaking, adventurousness can become impulsivity and unpredictability, and charm and persuasion might veer into deception and manipulation.

▶ **Colorful**

Leaders who score high on the Colorful scale tend to be fun, entertaining, and comfortable in the spotlight. Inclined to seek leadership positions, they might self-promote to the point of seeming self-absorbed, dramatic, or attention-seeking. Their curiosity and enthusiasm for ideas can make them prone to overcommitment, boredom, and distraction.

▶ **Imaginative**

Imaginative people make strategic, creative, and innovative leaders. But their unconventional behavior might seem eccentric at times, and their confidence in their creative ideas can sometimes make those ideas hard to understand. Their curiosity and expansive thinking might also make them seem unfocused or lacking in follow-through.

Moving Toward

The Moving Toward derailers emerge when people try to manage their insecurities by building alliances.

▶ **Diligent**

Scoring high on Diligent means a leader is likely hardworking and detail oriented with high standards of performance. But when Diligent leaders aren't self-monitoring, they might refuse to delegate and seem micromanaging or even controlling. They can be meticulous to the point of inflexibility and perfectionistic to the point of seeming obsessive.

▶ **Dutiful**

To be Dutiful is to be compliant, respectful, loyal, and eager to please under typical circumstances. Then, when stress crops up, Dutiful leaders can be indecisive, ingratiating, and conforming. Their desire to preserve the status quo and gain approval can lead them to be overreliant on others and disinclined to stick up for their subordinates.

When these behaviors are consistently left unchecked, the consequences for both the leader and the organization can be far-reaching. Depending on the context, they're unproductive at best; at worst, they can derail leaders' careers, damage their reputations, alienate their teams, and hurt the bottom line.

Consider Carly Fiorina, ex-CEO of Hewlett-Packard, as just one example. A self-proclaimed "change agent," she was perceived by her subordinates as a self-promoting attention seeker.[9,10] Over her six-year tenure, HP lost more than half of its value and thousands of employees.[9] When HP's merger with Compaq didn't go as planned, Fiorina didn't respond well to the pressure. She ignored feedback from the board and refused to delegate responsibility.[9,10] When she was later fired, HP's market value increased by $3 billion on the same day, and it became clear that her reputation had been unfavorable among investors too.[9]

But this is just one example. Derailment is a surprisingly common side effect of leader stress, and it can happen to anyone because everyone has a dark side. Most people have two or three high scores on the HDS, and for those who don't, moderate scores are more meaningful in predicting derailers. Even before 2020 tilted the business world on its axis, the base rate of leadership derailment was 50%.[11] And now, with stress levels skyrocketing, leaders who aren't already experiencing derailment are certainly at risk of it.

Another Possible Stress Response

Leader stress becomes problematic for the business when the person experiencing it isn't paying attention to how their stress-induced behavior is affecting their relationships. Typically, this happens when a gap exists between how the leader sees themselves (identity) and how others see them (reputation). This is common: as many as 80% of senior leaders aren't aware of how their employees perceive their character.[12] Learning where the boundaries of this gap lie—that is, developing self-awareness—is the first step in learning to manage derailers.

This can be accomplished in a few different ways. For example, 360-degree assessments can give leaders direct feedback on how their employees and stakeholders perceive them at a particular moment in time. Personality assessments with strong evidence of predictive validity, such as the Hogan assessments, can offer even deeper insights into leader reputation. With these, leaders get a science-based perspective on how their unique strengths, derailers, values, and even unconscious biases are likely to show up in multiple contexts over time.

Leaders who are aware of their derailers can begin to pay attention to when specific behaviors emerge. For example, a leader who scores high on both Mischievous and Excitable might find that the two derailers have different triggers. Her Mischievous behaviors, such as limit testing and risk taking, might tend to appear only when she's bored. However, her Excitable behaviors, such as becoming easily frustrated and volatile, might be more likely to appear during times of stress or uncertainty. With this knowledge, she can work to modify her behavior strategically—perhaps by making time for a brief walk when she begins feeling Excitable. This is strategic self-awareness, the desirable response to work-related stress.

Let Us Help

Given that the decisions of a CEO alone can account for nearly half of organizational performance,[13] you shouldn't wait for this stressful era in business to pass. The rate of stress among leaders is too high to gamble with the fate of the organization. But you don't need to solve your talent challenges alone. Hogan has a decades-long track record of improving performance among leaders and their teams by helping organizations select, develop, and retain effective talent, improve leadership succession plans, and navigate transformations with ease. Not to mention, our world-class professional coaches are highly skilled at working with leaders from the world's largest companies to help them cultivate strategic self-awareness. Contact us today to learn more about how we can help you.

To learn more about Hogan, visit **hoganassessments.com** or call us at **+1.918.749.0632**

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