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LEADERSHIP

The Trickle-Down Effect of Good (and Bad) Leadership

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We know that emotions are contagious. Research by UC San Diego’s James Fowler and Harvard’s Nicholas Christakis has shown that happiness is contagious, for example. If you have a friend who is happy, the probability that you will be happier rises by 25%.

We also know that behaviors are contagious. Christakis and Fowler determined that if you have overweight friends, you’re more likely to be overweight yourself. If you quit smoking, your friends
are more likely to quit. Rose McDermott of Brown University found that divorce is contagious. She concluded that if you have a close friend who’s divorced, you are 33% more likely to split with your spouse.

We wanted to know how such “social contagion” affects leaders. We already know that good leadership creates engaged employees and that leaders influence a variety of outcomes such as personnel turnover, customer satisfaction, sales, revenue, productivity, and so on. But if you’re a good leader, do you make the people around you more likely to become good leaders as well? And which behaviors are most readily “caught”?

To answer this question, we examined 360-degree assessments of high-level managers and of their direct reports who were mid-level managers. Matching 265 pairs of high-level managers (HL) and their mid-level manager direct reports (ML), we found highly significant correlations on a variety of behaviors.

Specifically, we tested 51 behaviors and found significant correlations in over 30 of them. (All 51 showed some correlation, but not all the correlations were statistically significant.) Within the behaviors that appeared contagious, there were some that appeared even more contagious than others. Behaviors that had the highest correlations between managers and their direct reports clustered around the following themes, listed in order of most contagious to least contagious:

- Developing self and others
- Technical skills
- Strategy skills
- Consideration and cooperation
- Integrity and honesty
- Global perspective
- Decisiveness
- Results focus

We also examined overall performance. Unsurprisingly, the direct reports of the worst-performing HL managers were also below-average performers. Conversely, HL managers who were rated as very effective had ML reports who were also rated far above average. It could be argued that selection plays a role in these results, as in the old saying that “A players hire other A players, but B players hire C players.” However, an incumbent manager usually has personally hired fewer than a quarter of the people in their subordinate group. So we think this finding supports our hypothesis that leadership behavior is contagious: good HL leaders inspire better leadership behaviors among their ML reports, while bad HL leaders do the opposite.
We were also curious about the impact further down in the organization. In the 360-degree feedback instrument we use, subordinates are asked five questions that describe their own level of engagement. This becomes a mini–employee engagement survey and correlates very strongly with other well-known measures of employee engagement. We compared the effectiveness of the HL managers with the engagement scores of the ML leaders, and in turn looked at the engagement scores of the ML leaders' direct reports.

The following graph shows the results. The x-axis indicates how effective the HL manager is overall. Those whose overall leadership effectiveness was in the bottom 10% had direct reports (MLs) whose engagement scores were in the 15th percentile, and the direct reports of those ML managers had engagement scores in the 24th percentile. In contrast, HL managers whose overall leadership effectiveness was in the top 10% had direct reports (MLs) whose engagement scores were in the 81st percentile, and the subordinates of these ML managers had engagement scores in the 74th percentile. In plain terms, that means if you’re an HL manager doing a subpar job, you erode not only the engagement of those working for you but also the engagement of the people working for them. Happily, the converse is also true: if you’re a great boss, that engages your team and your team’s teams.
To help this sink in, take a minute to think about the occasional things you do poorly and the bad habits you can’t seem to change. No doubt you’re not proud of them. You might be a bit embarrassed. Considering this research might increase your motivation to change, since the things you do poorly have a reasonable probability of being mimicked by others. Your peers, your direct reports, your partner or spouse, and your children also have a high probability of practicing the example you set. Your children can’t do much about the effects of your genetic code. But there is plenty you can do to inoculate your family and your team from your blunders or unfortunate habits. You can change.

Sometimes leaders wonder whether they are making an impact. Struggling to see the impact we are having on others is typical, as the influence is subtle and occurs over time. Hopefully, this research demonstrates that leaders’ impact is greater than they might have suspected. You really do make a difference.
