

Admitting errors strengthens leaders, helps them move on

By Sandra Davis

Published in Minneapolis St. Paul Business Journal, May 8, 2009

Warren Buffet's bold and sincere apology for investment underperformance earlier this year ("I did some dumb things") attracted considerable media coverage. Other leaders in his role have been reluctant to admit mistakes, seeing it as a sign of weakness.

Perhaps that's why Buffet's public mea culpa attracted such widespread attention: the seeming novelty of leaders copping to mistakes. Yet if you followed this story closely, you would have also noted how his apology helped him rapidly move on to other, weightier matters.

Given the significant challenges that business leaders currently face, it may seem to make sense to minimize mistakes or seek to avoid them altogether. However, this is the antithesis of courageous leadership, which instead requires leaders to possess the self-confidence and integrity to admit to (and not avoid) mistakes.

It's difficult to convey courage when pessimists and naysayers abound. Yet the most courageous leaders are those who quickly and willingly look past any internal qualms about candor and instead apply mistakes toward positive gain. It's what John Wayne was getting at when he said, "Courage is being scared to death, but saddling up anyway."

Leaders who admit to mistakes become more human and are more readily able to "clear the air" and move on. More importantly, conveying a greater degree of candor, honesty, responsibility and accountability allows leaders to create more trust and loyalty among their followers.

The cost of not recognizing mistakes can be high. Economists now generally acknowledge that the failure of Japan's government and major businesses to admit mistakes (and write off bad loans) in the 1990s significantly prolonged that nation's economic crisis.

A former client, a business analyst, worked for a firm that supplies the food industry with raw ingredients, like oils for processed food production. Her job involved providing accurate data for pricing. However, she made a simple math mistake — placing the decimal in the wrong spot — which ultimately cost the company \$20 million due to the magnitude of her error.

In response, this employee prepared a resignation letter and submitted it to her boss. He replied: "I just spent \$20 million training you, and now you want to leave?"

How do you respond when someone tells you they've made a mistake — or when you realize you've erred?

Types of mistakes

In general, there are four types of mistakes: natural trial and error, honest mistakes, human nature and errors of omission. It's important to know and distinguish these in order to learn from them and move on.

Natural trial and error mistakes are simply a part of learning, and are made by leaders courageous enough to stretch beyond their comfort zones and learn along the way. However, know that learning is curtailed if there is no post-event time allowed for debrief or reflection. Trial and error mistakes are to be expected.

Honest mistakes are a part of life and vary in visibility, size and impact. The business analyst who made the math error made an honest mistake. Courageous leaders always accept accountability and responsibility for making honest mistakes. They should be confronted.

Human nature involves mistakes made due to our own personalities, like stubbornly never asking for help. They're typically caused by personality traits carried to an extreme and become more manifest during times of stress. Human nature mistakes can be prevented.

Errors of omission may not necessarily be immediately visible to others but can be nevertheless highly damaging. Caused by a lack of courage or knowledge, these include errors such as missing out on opportunities or making a “safe” choice among better options. Be vigilant for errors of omission.

Within a company’s fiscal year, errors such as these will occur in volume. It’s how you handle them that matters.

Ramifications for leadership

By simply realizing and recognizing the fact that mistakes will occur within your organization, and being prepared to responsibly address them, you’ve already taken a significant step toward becoming a more effective leader. One of your most critical responsibilities as a leader is to help members of your team learn from mistakes and successes and grow.

Additionally, and especially during these challenging times, realize that your visibility, presence and character speak volumes to those you lead. As a leader, you manifest hope. Be emboldened to lead courageously by candidly communicating about your reality and plans and by owning up to times when your efforts may fall a bit short. You’ll be amazed at the results.

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