

The 11 Fatal Leadership Mistakes Sabotaging Great CEOs

Being a CEO comes with immense responsibility. Leaders are tasked with establishing a positive culture, driving strategy, and ensuring their organization thrives. Yet, even the most seasoned executives struggle with certain blind spots that can hinder their effectiveness. Over the past eleven years, I have tracked countless discussions and group processing sessions. We focus on “where we are the problem” when having challenges. I’ve identified 11 critical areas where CEOs often fall short and are part of the problem.

The truth is, if you excel in just two of these areas, you’re already ahead of the game. But neglecting even a few can create ripples of dysfunction across your organization. The good news? Awareness is the first step toward improvement, and through your time in our peer group, you’ll hear about these topics often. Together, we’ll focus on these challenges, support each other, and work toward overcoming them.

These eleven challenges are ranked in order of how frequently they have impacted CEOs and were identified through group processing discussions during our peer group meetings.

11. Neglecting to Mentor Leaders

Many CEOs miss the opportunity to develop their leadership bench by failing to mentor their team. Effective mentorship goes beyond offering advice; it involves consistent coaching, guidance, and investment in your leaders’ growth. By mentoring your team, you ensure the organization’s long-term success and create a ripple effect of strong leadership.

10. Not Leading a High-Performance Culture

A high-performance culture doesn’t emerge by accident—it’s created through intentional leadership. CEOs who fail to demand and model excellence set the bar too low, allowing complacency to creep in. By setting ambitious goals and inspiring their teams to achieve them, leaders foster a culture of continuous improvement and success.

9. Overestimating Risk, Underestimating Opportunity

Fear and self-doubt often cause CEOs to overestimate risks and undervalue opportunities. This conservative mindset can prevent bold decisions that drive innovation and growth. Successful leaders embrace calculated risks, seize opportunities, and approach challenges with confidence, balancing caution with vision.

8. Failing to Hold People Accountable

Accountability is a cornerstone of effective leadership, yet many CEOs fail to enforce it consistently. True accountability involves providing clear feedback, applying urgency when needed, and maintaining consistency. Without it, deadlines slip, mediocrity takes hold, and the organization’s culture suffers.

7. Living in the Drama Triangle

Many CEOs find themselves caught in the **Drama Triangle**, playing the roles of rescuer (hero), victim, or persecutor (villain) in their interactions. This reactive mindset distracts from strategic leadership and leads to unnecessary conflicts. The best leaders step out of the drama and lead like a chess master and

approach challenges with calm objectivity, focusing on high-level strategy not giving in to emotions and ego.

6. Not Providing Enough Encouragement

Encouragement is one of the simplest yet most overlooked tools in a leader's arsenal, yet it's a skill that most CEOs struggle with. While many CEOs feel they provide abundant encouragement, the reality is often very different. During coaching sessions, leaders frequently share that their CEOs are not effective at recognizing or celebrating their efforts. Encouragement is more than just occasional praise—it requires intention, consistency, and authenticity to truly boost morale, strengthen relationships, and drive performance. CEOs who fail to master this skill miss a critical opportunity to create a motivated and engaged workforce, leaving their teams feeling undervalued and disconnected.

5. Telling Instead of Asking (Enablement)

Great leaders ask questions; poor leaders give instructions. CEOs who default to telling rob their teams of ownership and creativity. By fostering curiosity and encouraging discovery through thoughtful questions, you empower employees to solve problems independently and develop their own ideas, building a culture of innovation and self-reliance.

4. Avoiding Candid Feedback

CEOs often avoid tough conversations, sidestepping issues to avoid discomfort. This lack of honesty undermines trust and allows problems to persist. Providing candid, constructive feedback fosters growth, reinforces accountability, and strengthens relationships. Crucial conversations aren't just important—they're essential for building a high-performing team.

3. Lacking a True Business Strategy

A well-defined business strategy serves as the compass that guides your organization, charting a clear course toward sustainable success. Yet, astonishingly, **80% to 90% of CEOs operate without a cohesive strategy—or worse, rely on a flawed one.** Instead of steering their organizations with intention, they become reactive to daily challenges, missing the opportunity to align resources and efforts toward meaningful long-term goals.

A true strategy goes beyond incremental improvements or marginal advantages. It focuses on **value creation** (how your organization delivers unique value), **value capture** (how you retain and grow that value), and clearly identifying the **playing field** where you will compete. Crucially, an effective strategy positions your organization to do something truly distinctive in the marketplace—not simply to be slightly better than the competition but to stand out in ways that are difficult to replicate. Without this clarity, businesses risk stagnation, mediocrity, and irrelevance in an ever-changing landscape.

2. Taking Too Long to Fire

Few decisions are harder than letting someone go, but waiting too long often does far more harm than good. Underperforming employees typically cause more damage than CEOs realize—dragging down morale, productivity, and even customer relationships. **100% of the time with my CEOs, the perceived damage of letting the employee go, whether external or internal, is much lower—or even nonexistent—compared to what they imagined.** Meanwhile, the harm caused by keeping the wrong person on the team is almost always far greater than anticipated.

In fact, I've seen **two stark examples** where an underperforming individual caused so much internal and external damage that it nearly brought the company to its knees. These employees undermined trust,

strained critical relationships, and disrupted operations to such an extent that the organization teetered on collapse. CEOs often hold on to employees based on their potential rather than their actual performance, creating ongoing issues that ripple across the organization. Acting decisively not only protects your team and culture but also ensures the long-term health and stability of the company.

1. Failing to Set Clear Expectations

Clear expectations are the foundation of success, yet many CEOs struggle to articulate them effectively. It's not enough to give vague directives—leaders must lay out detailed expectations for **leadership, employees, vendors, and clients**, ensuring alignment across every facet of the organization. Expectations should cover areas like culture, productivity, and results (KPIs), while also clarifying the consequences of meeting, exceeding, or failing to meet those expectations. When expectations are not communicated clearly, employees are left guessing, vendors may underperform, and client relationships can falter, all leading to misalignment and inefficiency. Establishing and reinforcing clear expectations fosters accountability, consistency, and trust at every level.

Conclusion: Addressing Leadership Blind Spots Together

Each of these mistakes, if left unchecked, can create lasting damage to a leader's credibility, a team's morale, and an organization's success. Whether it's failing to hold people accountable, avoiding hard conversations, or clinging to underperformers, these missteps undermine the very foundations of effective leadership.