Are You a 'Vigilant Leader'?

More than ever, CEOs must develop their peripheral vision, scanning for faint — but vital — signals that will help them give their companies an edge.

When Dutch drugmaker Organon International Inc. was conducting clinical trials for a new antihistamine, the secretary in charge of registering the trial volunteers for their medical checkups noticed something: Some volunteers were unusually cheerful. An extraneous observation, perhaps, but one she felt was worth sharing with the managers running the trial. They dug deeper, only to discover that all of the giddy participants were in the group taking the drug. Ultimately, the drug proved unsuccessful as an allergy-fighter. But by then the managers knew what they had on their hands: a highly effective treatment for depression. Marketed as Tolvon, the drug turned out to be very successful.¹ That product never would have materialized if not for an employee who was trained to pay close attention to details and trust what she saw, and managers who were receptive to hearing a colleague’s input and taking it seriously.

Modeling such vigilance is a leadership skill most valued in its absence. The words no board or investor wants to hear about a company’s leaders are “they ignored the warning signs” or “they missed the boat.” On the positive side, vigilant leaders can spot opportunities and threats before rivals. Boards don’t expect prescience, but they do rely on the leadership team to sense and act on early warning signs of trouble, or opportunity.

But slow-dawning awareness is the norm. For example, Monsanto Co.’s leadership was slow to see the rising tide of public opposition to genetically modified foods.

1. Tolvon was introduced in 2000.

About the Authors

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Vigilant leaders are those who make a practice of being fully alert and deeply curious so they can detect and act upon the first signs of threat or opportunity. They try to encourage employees equally vigilant in modeling this type of behavior and encourage managers to seek – and interpret – weak signals. Although these icons as Andy Grove and Jack Welch CEO vigilantes illustrate the trait is rare. This is a finding sponsors reached after examining 119 global companies on their overall ability to care. Among their findings: Only 23% of companies were led by CEOs who tried to capture weak signa...