Leadership self-awareness deficits: A mixed-methods analysis of organizational performance and economic development

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leadership self-awareness; authentic leadership; emotional intelligence; employee trust; mixed methods; organizational performance; economic development

Abstract

Purpose: This study draws on primary and secondary research to understand how professionals view leadership, specifically where self-awareness comes into play. This includes where professionals see gaps in such self-awareness that affects workplace morale and performance. The design methodology and approach use a convergent mixed method, based on data from primary research conducted based on an online survey of 234 professionals. The results are then assessed using quantitative analysis, by performing a reliability assessment, descriptive statistics, and analysis of the respondents results to several ranking questions. The results are also assessed using qualitative analysis, by looking at the open-ended questions for identifiable themes. Throughout the paper secondary research is used to further explore the results from the primary research. The findings reflect an overwhelming majority of the respondents have worked with at least one leader they perceived to lack self-awareness (83% of respondents). The same percentage of respondents also believed that an employee left or considered leaving due to the leader in question not displaying accountability. A reliability check showed the questions correlate well (a = .823), meaning those who rated one question high were likely to rate the others high. Respondents that reported having experience with such managers rated consequences of their actions higher than those who were either unsure or had no such experience (M = 4.27, 3.53, and 3.24, respectively). People who had actually worked with such a leader rated the consequences much more severely than those who had not, and the gap between them was a big one (Hedges' g = 1.67). A majority of respondents (70%) also believed that poor leadership self-awareness can affect economic development beyond a single company. From an originality perspective, the primary research suggests leadership self-awareness gaps as a relational and organizational risk that can manifest in the leader's employees through increased defensiveness, suppressed voice, erosion of trust, increased disengagement, increased turnover, and poor execution. The primary research respondents are based on a sample size that chose to respond to an online survey, and reflects their own perceptions. Additionally, no actual performance or economic data was assessed. Thus, the findings suggest noteworthy patterns that warrant more research, not a definitive cause and effect.

Introduction

Leadership decisions influence employee engagement, organizational dynamics, and sustained performance. Often, leaders cannot rely only on technical skills and formal authority, as the way they manage also has tangible impacts. This is where a leader needs to correctly understand their own limitations, motivations, emotions, and assumptions. A leader's self-awareness can be a key strategic asset, as the leader in question is more likely to avoid unnecessary defensiveness, and accept responsibility for poor decisions.

Research around authentic leadership holds self-awareness as a core element of effective and ethical leadership, with concepts such as relational transparency, balanced processing, and an internalized moral perspective (Gardner et al., 2005; Walumbwa et al., 2008). Research on emotional intelligence supports this position, treating a person's awareness of their own emotions and behaviors as necessary to be able to self-regulate, have empathy and successfully manage relationships (Goleman et al., 2002). With that said,

there is less attention on the opposite case, when a leader lacks self-awareness. How would such a scenario affect the broader employees, as well as extend to the organization or beyond?

As a lack of self-awareness cannot be directly observed, it has to be gauged by how someone behaves, and how that behavior is observed. This study infers a self-awareness issue from those behavior patterns. A leader who does not have strong self-awareness does not recognize the impact they have on a specific outcome, resists corrective feedback, becomes defensive when challenged, deflects responsibility and misjudges the effect they have on other people. Leaders with strong self-awareness may still make unpopular decisions, but at the same time accept contradictory opinions, information and revise their assumptions.

This study's goal is to analyze perceptions of leadership self-awareness, and their perceived impacts. Three questions in the primary research are key to this analysis:

1) What are the patterns seen in the primary research, based on the professionals' perceptions of leadership self-awareness gaps and the perceived workplace impacts?
2) How do the professionals in the primary research describe behaviors and employee consequences associated with low self-awareness? What do respondents feel leaders can do to become more self-aware and accountable? What about organizations?
3) How do the quantitative and qualitative findings from the primary research align with existing secondary research?

This paper's contribution is an exploratory mixed-methods model of how perceived gaps in leaders' self-awareness become a larger problem for the organization. The paper connects observable behaviors that the primary research respondents have seen in leaders (e.g., blame shifting, resistance to feedback, and refusal to accept responsibility) to impacts in their workplace (e.g., trust erosion, reduced psychological safety, disengagement, turnover risk, and weaker execution). The paper does not suggest a direct macroeconomic effect, but instead proposes a multilevel pathway that can continue to be researched against measurable organizational and regional outcomes. Existing theory focuses on self-awareness as an individual leadership trait. This study adds to that by examining what may happen when there is a lack or shortage of self-awareness, including how the respondents described the effects that spread from the leader to the team and to even the broader organization. Further, the study discusses what conditions may reduce or increase those effects.

The multilevel pathway helps to model what respondents described in environments with leaders who lack self-awareness. First, employees stop speaking honestly, and feedback dries up as there is a feeling of unfairness. Second, good people start to self-select out of the organization, because their trust, morale and engagement have all decreased. Eventually, the organization is affected as key talent leaves, decisions suffer, execution drops, there is less innovation and the bottom line is affected. Once an organization sees this type of chain of events, it is reasonable that economic implications may follow, including less labor mobility, decreased entrepreneurial capacity, and lower productivity. This multilevel pathway does not treat an individual leader's behavior as a direct cause of macroeconomic impact, but it does provide a conceptualized model where the aggregation of such leaders without self-awareness can have broader implications.

Theoretical framework and literature review

Theoretical foundation

The primary theoretical foundation used in this paper is the Authentic Leadership Theory. Gardner et al. (2005) describe the development path of an authentic leader to include understanding their values, identities, emotions and how that influences their followers. Walumbwa et al. (2008) take that approach even further, by dividing authentic leadership into four measurable components around self-awareness, relational transparency, balanced processing, and an internalized moral perspective. With Walumbwa's framework in mind low self-awareness affects the other three measurable components in the following manner:

- Relational transparency suffers when a leader deflects responsibility
- Balanced processing suffers when a leader does not entertain contradictory information

- Internalized moral perspective or ethical judgment is tested when a leader does not work to understand their own part of any harm that is created

Enter the Emotional Intelligence Theory, which gives us a mechanism to understand how a leader's internal blind spot becomes visible to everyone else. In order for a leader to be able to start to manage their reactions, read other people and better handle relationships, they need to understand their own triggers. A leader who is not able to see their own triggers is more likely to interpret any criticism as an attack, which will then result in such interactions escalating, and ultimately misread what employees are trying to communicate (Goleman et al., 2002; Saha et al., 2023). The leader's gap begins as an internal component, but it shows up in how the leader communicates, accepts responsibility and the resulting decisions.

Defining and delimiting leadership self-awareness

Leadership self-awareness has an internal and external component. The internal component is around recognizing one's own values, motivations, emotional patterns, weaknesses and strengths. The external component is expressed in a leader's relationship with those around them, and understanding how the leader's choices affect employees, coworkers, stakeholders, and customers. A leader's self-knowledge and their knowledge of their effect on others are two different things that can diverge. Additionally, having a strong self-awareness does not always guarantee that those around the leader will provide feedback on how they are perceived. A leader may accurately understand their own limitations and strengths, but still be oblivious to how their employees perceive them. This is exacerbated by the fact that authority often reduces a leader's exposure to candid feedback, which can allow an inaccurate perception of oneself to continue.

Although self-awareness as a concept overlaps with emotional intelligence, humility, metacognition and inner reflection, it remains a distinct concept. A major aspect of emotional intelligence is awareness; however, it goes further in having emotional regulation and effective relationship management. Humility is understanding one's own strengths and limitations without undue pride or defensiveness. Metacognition is monitoring one's own thinking. Reflection is the action of actually building self-awareness, but that does not mean it equates to self-awareness. Treating these concepts as synonymous makes it less clear what this study is measuring. Thus, the analysis in this paper will focus on how others perceive leadership self-awareness failures, with the other mentioned components as behavior expressions.

Feedback processing, voice, and accountability

Leadership roles inherently have a challenge with full transparency. As the leader controls employees' evaluations, assignments, promotions, titles, or access to resources, the employees arguably become incentivized to downplay, delay or hide bad news. This can include information that may challenge the leader's beliefs. Research has shown that leaders who actively seek feedback, including negative feedback, improve both how others see the leader, and how accurately the leader views themselves (Ashford & Tsui, 1991). Further, psychological safety, or the shared belief that taking interpersonal risks is safe, also supports team learning. When there is a high feeling of psychological safety within a team, it is more likely that the leader's employees will share their concerns, mistakes, and competing interpretations (Edmondson, 1999; Edmondson & Lei, 2014). Self-aware leaders in this environment thus compensate for the inherent transparency challenge, by inviting opposing thoughts. They are able to separate opposing viewpoints from the messenger, and also show that changing their views does not jeopardize their sense of authority. Leaders without this sense of self-awareness may see disagreement as disloyalty and as a threat to their identity, which creates a loop that suppresses opposing viewpoints over time.

Accountability is where a leader's self-awareness translates to real learning opportunities for their team and the organization at large. Leaders can make mistakes and are not expected to have perfect predictions of all the matters in their space. However, a strong leader does take ownership of where they or their team can grow and own their shortcomings. When a leader attempts to deflect responsibility to everywhere else in the organization, it creates real issues as the organization then chases down the wrong

paths and fixes items that were not truly the cause. Leaders who do not have accountability and lack self-awareness to see the harm they are causing create an environment where employees learn that hierarchy means more than expressing their thoughts freely. This further solidifies counterproductive behaviors like not escalating risks, which increases the chance that the risks will occur.

Organizational performance and economic development

The link between self-awareness and performance is indirect and depends on conditions at various levels within the team and organization. At the team level, performance tends to be stronger where the climate encourages dialogue and frank discussion of risk. In the same spirit, at the organizational level, that same open environment encourages continuous learning, retention of key talent, strategic adaptation and more responsible use of resources. The converse occurs when there is an environment of defensiveness. This creates an environment where rework is continually occurring, delaying corrective actions and putting decisions in fewer individuals. The scale of the effects from a given leader will depend on the leader's span of control, the type of assignments in the leader's purview, the overall labor market, the organizational governance processes, and whether employees have more than one channel to escalate problems and risks.

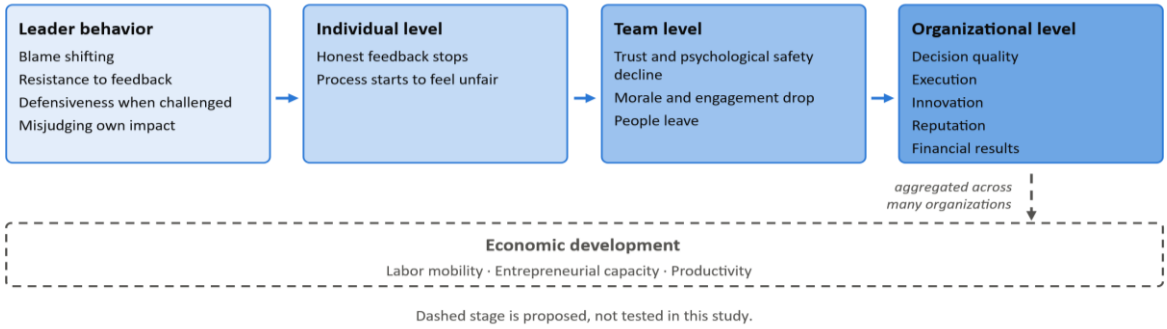
From a macroeconomic development perspective, leadership quality feeds into whether a specific region is productive. Businesses contribute to development by using their capital, organizing work, building skills among their employees, encouraging innovation, and sustaining employment. When leaders are creating an environment that drives out talented employees or suppresses an organization's clear understanding of its own operations, it raises the transaction and replacement costs. Leadership is an organizational input that can aggregate into one factor at the macroeconomic level, with many others, like regulation, technology, competition, market structure, education, infrastructures and more. This paper thus treats self-awareness as an organizational input that can matter, particularly when amplified by several leaders. As such, self-awareness is not being positioned as a single reason for organizational growth or decline.

The empirical literature links authentic and self-aware leadership to trust, work engagement, workplace well-being, and leader effectiveness (Baquero, 2023; Hartung, 2020). In the other direction, low self-awareness can produce behavior consistent with toxic and destructive leadership, and has been associated with employee resistance, disengagement, turnover, absenteeism, and reduced productivity (Da Fonseca et al., 2022). Read together, these two streams point to the same conclusion: awareness matters because it governs whether an organization can learn. If a leader can grow to be aware of their own mistakes, gather feedback from their employees and change how they act, they can mitigate the damage to the organization.

Practitioner research shows similar patterns. Korn Ferry (2022) notes that leaders may see themselves differently from how others see them and recommends tools such as 360-degree feedback. Eurich (2018) also found that relatively few people meet criteria for self-awareness, even though many believe they do. More recent executive surveys have linked reflective leadership with organizational adaptability, with 30% of leaders described as reflective believing their organizations could adapt quickly to change, compared with 17% of less reflective leaders (McKinsey & Company, 2026). Other executive surveys report related priorities around openness and talent retention (Harvard Business Impact, 2026; LHH, 2026). Because these practitioner reports vary in how much detail they provide about their methods, they are used for context rather than as evidence of cause.

The primary research conducted in this paper offers an account of how professionals perceive gaps in self-awareness becoming organizational problems. This study discusses the respondents' ratings and their own words about how such leadership failures affect trust and morale. The respondents also suggest what can be done to remediate the low leadership self-awareness. The findings reflect a proposed multilevel pathway from leadership self-awareness deficits to organizational outcomes, as is visualized in Figure 1 below. The findings are presented here as preliminary work, and do not attempt to establish cause. The sample for the survey does not represent any wider population.

Figure 1 - Proposed Multilevel Pathway from Leadership Self-Awareness Deficits to Organizational Outcomes



Note. The economic development stage is proposed based on respondent perceptions and was not tested in this study.

Methodology

Research design

The study included both qualitative and quantitative (i.e., mixed-methods) design, which included closed-ended questions, as well as open-ended questions. Statistics were then gathered on the close-ended responses, with a theme then determined for the open-ended questions based on recurring keywords and patterns. The quantitative portion showed how strongly the survey's respondents rated these effects, and how consistently. With that said, the qualitative portion took the analysis further, and worked to explain the underlying behaviors and organizational processes. The two types of data were compared to see where they agreed, where one added information the other did not, and where they differed. Secondary research from academia and industry reports was analyzed and added for context.

Participants, sampling, and data collection

The survey drew 234 professional respondents from a variety of industries, career levels, and lengths of experience. Respondents were recruited via convenience sampling, that is respondents were invited to take the survey, and they chose to do so, or not. The results were a useful spread of characteristics and experience, but do not support any claim to represent the wider workforce. No missing values had to be estimated, because all 234 respondents answered all 16 questions used in the analysis. The survey included demographic questions, yes/no questions about exposure to leaders lacking self-awareness and its consequences, and six 1-to-5 rating questions that were combined into the exploratory composite. Additionally, there were four open-ended questions around the effects of low self-awareness leaders on employees, examples of leadership failures, qualities that are desired in leaders and how organizations should react. The survey was distributed internationally through personal and professional networks via social media posts and email. Table 1 summarizes participant characteristics.

Table 1. Participant characteristics and reporting status (N = 234)

Characteristic	Available information
Analytic sample	234 genuine responses.
Industry	Business, Financial & Professional Services: 108 (46.2%); Healthcare, Education, Government & Nonprofit: 51 (21.8%); Technology, Manufacturing & Industrial: 42 (17.9%); Consumer, Hospitality & Creative: 19 (8.1%); Unclear / Not specified: 14 (6.0%)
Career level	Executive/owner: 53 (22.6%); Senior-level: 58 (24.8%); Manager/supervisor: 47 (20.1%); Mid-level: 55 (23.5%); Entry-level: 21 (9.0%)
Professional experience	Less than 1 year: 13 (5.6%); 1-3 years: 44 (18.8%); 4-7 years: 53 (22.6%); 8-15 years: 29 (12.4%); More than 15 years: 95 (40.6%)
Direct experience with a leader perceived to lack self-awareness	Yes: 195 (83.3%); Unsure: 23 (9.8%); No: 16 (6.8%).

Table 1. Participant characteristics and reporting status (N = 234)	
Missing core quantitative and categorical data	0 across the 16 fields used for inferential analysis; no imputation.
Note. Industry was collected as an open-text response and grouped into five categories. A substantial share of respondents described their field only in general terms: 58 (24.8%) wrote some form of "business" and 14 (6.0%) gave a response that could not be assigned to a sector. Industry figures should therefore be read as an approximate profile of the sample rather than a precise sector breakdown. The survey did not collect geographic location or education, so neither is reported.	

Instrument and operationalization

The survey gathered three kinds of evidence. Exposure items asked whether respondents had worked with leaders they perceived as lacking self-awareness, and whether they had watched anyone react to an absence of accountability by leaving. Questions that asked the respondent to select a rating were around their perceptions of their workplace, business and broader impacts. Six related rating questions were combined into one measure, once statistically confirming they were consistent. The open-ended questions allowed the respondents to further elaborate on effects from leaders with poor self-awareness, recount incidents from their experience, describe what leadership characteristics they would like to see, and suggest what organizations should do. This allowed respondents to rate their perceptions and then provide additional commentary.

It is worth being precise about what the instrument measures. Employees are able to experience their leader's behavior through how that leader communicates, demonstrates accountability and their reactions to feedback. However, employees cannot know all of a leader's internal thoughts, motives and struggles. Thus, the analysis reflects the stakeholders' perceptions of their leaders' behavior and impact.

The exploratory Impact/Accountability Composite is the arithmetic mean of six complete 1–5 rating items: the importance of self-awareness for effective leadership; the effect of blame deflection on morale; the effect of low self-awareness on productivity; the effect on financial performance; the relationship between accountable leadership and long-term success; and the relationship between accountability and economic growth. No item needed reverse coding, all six were complete for all 234 respondents, and nothing was imputed. The six items were combined because each measured the perceived effects of low leadership self-awareness at a different level, from the team to the organization and broader economy. Together, they provide an overall measure of perceived severity across these levels. Because the items measure related but different effects, the combined measure is treated as exploratory rather than as a validated scale.

Quantitative analysis

Quantitative work consisted of frequencies and percentages, an internal-consistency analysis of the six-item composite, and a comparison of composite means across prior-experience groups. Reliability was assessed with Cronbach's alpha. The direct-experience groups were Yes (n = 195), Unsure (n = 23), and No (n = 16). Because the group variances were unequal (Levene's $W = 5.69$, $p = .004$) and the group sizes differed substantially, the omnibus comparison used a Welch-type test, with a one-way ANOVA and a rank-based Kruskal–Wallis test reported alongside it as robustness checks. Pairwise contrasts used Welch's t test with Holm correction across the three comparisons, and each is reported with Hedges' g and a 95% confidence interval. Because the design is cross-sectional and the sample was not randomly drawn, these tests describe differences within the sample rather than supporting causal or population-level inference.

The analysis tried to hold magnitude and restraint together. Percentages summarize what this sample said. Reliability indicates whether the six items moved together. The mean differences and Hedges' g describe how much more strongly respondents with direct exposure rated the consequences than respondents without it. That difference cannot be seen as an effect of exposure, because exposure status may travel with role, industry, tenure, organizational culture, or earlier bad experiences, and this design has no controls for any of them. The exploratory associations reported here are signals worth testing, not confirmatory evidence.

Qualitative analysis

Open-ended responses were analyzed through directed qualitative content analysis. Of the 234 respondents, 202 responded to questions about employee effects, 187 responded with examples or stories, 197 with desired qualities in leaders and 195 with recommendations for what organizations can do. As these were open-ended questions, responses could include more than one theme. As such, the percentages do not total 100%, and frequencies use the number of responses as the denominator. The qualitative findings from the study should be seen as a descriptive summary, rather than independently confirmed by the respondents themselves, or a second analyst.

The coding to summarize the results put responses in four categories: effects on employees, leadership failure examples, preferred leadership qualities and recommendations for organizations. Responses were grouped based on keyword patterns and then organized into broader themes of loss of trust, blame shifting, openness to feedback, and leadership development.

Qualitative summary categories stayed close to the respondents' own wording. The number of times that theme appears is shown over the number of responses for the domain, next to the percentage of responses in that domain. Responses that were negative or uncertain were kept, as they help show respondents do not all share the same perception. The analysis of the results has limitations, as keyword analysis can miss sarcasm, ambiguity, implied meaning or unknown context. Table 2 summarizes the qualitative responses and frequencies.

Table 2. Condensed qualitative codebook and category frequencies

Domain	Category	Brief meaning	n / valid responses	%
Employee effects	Trust erosion	Reduced confidence in the leader's honesty, reliability, fairness, or accountability.	86 / 202	42.6
Employee effects	Disengagement or reduced motivation	Withdrawal of effort, commitment, initiative, or enthusiasm.	51 / 202	25.2
Employee effects	Unfairness, bias, or feeling undervalued	Perceived inequitable treatment, favoritism, bias, or devaluation.	33 / 202	16.3
Employee effects	Suppressed voice or reduced psychological safety	Reluctance to raise concerns, disagree, report errors, or offer alternatives.	28 / 202	13.9
Employee effects	Morale harm	Explicit decline in team morale or collective spirit.	21 / 202	10.4
Leadership failure	Blame shifting or scapegoating	Transfer of responsibility for adverse outcomes to employees or others.	99 / 187	52.9
Leadership failure	Performance or operational harm	Damage to execution, productivity, quality, service, or results.	60 / 187	32.1
Leadership failure	Refusal to own mistakes	Failure to acknowledge personal contribution to an error or outcome.	50 / 187	26.7
Leadership failure	Damage to morale or trust	Relational deterioration following the leader's conduct.	47 / 187	25.1
Leadership failure	Poor planning or decision-making	Inadequate preparation, judgment, risk assessment, or strategic choice.	43 / 187	23.0
Desired qualities	Openness to feedback	Willingness to invite, hear, and act on corrective input.	97 / 197	49.2
Desired qualities	Accountability or ownership	Acceptance of proportionate responsibility for decisions and outcomes.	77 / 197	39.1
Desired qualities	Self-reflection	Examination of motives, behavior, assumptions, and impact.	50 / 197	25.4
Desired qualities	Active listening	Attentive, responsive engagement with others' perspectives.	47 / 197	23.9
Desired qualities	Honesty or integrity	Truthfulness and consistency between stated values and conduct.	47 / 197	23.9

Table 2. Condensed qualitative codebook and category frequencies

Domain	Category	Brief meaning	n / valid responses	%
Desired qualities	Humility	Non-defensive recognition of limitations and others' contributions.	46 / 197	23.4
Recommendations	Leadership training	Formal development in self-awareness, feedback use, or accountability.	58 / 195	29.7
Recommendations	Anonymous or safe reporting channels	Protected mechanisms for raising concerns without retaliation.	52 / 195	26.7
Recommendations	360-degree or upward feedback	Structured feedback from subordinates, peers, and stakeholders.	36 / 195	18.5
Recommendations	Senior-leader modeling of accountability	Visible ownership and corrective behavior by senior leaders.	27 / 195	13.8
Recommendations	Behavioral performance measures	Formal evaluation of accountability, listening, trust, or feedback behavior.	24 / 195	12.3
Recommendations	Coaching or mentoring	Individualized support for reflection and behavior change.	23 / 195	11.8

Note. Categories were non-exclusive; one response could receive multiple codes, so percentages do not total 100%. Percentages in the table are based only on respondents that answered the question.

Integration, quality, and ethics

Integration for this paper involved comparing patterns found in the quantitative data with the explanations provided in the qualitative responses. The methodology quality was supported by clear reporting of data, methodology, limitations and respondent solicitation. Participation in this study was voluntary. All results were reported in aggregate and were completely anonymous. No names, employers or any identifying information was included in this paper.

Responses were collected anonymously. No email addresses or other identifying information were collected. An optional gift card drawing ($50 Amazon gift card) was administered through a separate entry form that was never linked to survey responses.

The integration looked for three things: when the numbers and the written responses pointed to the same conclusion, when each supplied or complemented something the other could not, and when responses conflicted with the main patterns. Tabular summaries of the findings (both quantitative and qualitative) relay the information clearly, and allow them to be compared side-by-side.

Results

Quantitative findings

A vast majority of the respondents (83%) indicated working with a leader they perceived as lacking in self-awareness. Although this sample is based on convenient respondents that decided to take the survey, that is a noticeable figure. The same percentage reported seeing employees leaving an organization, or considering leaving it, due to a leader who did not accept accountability. The six-item composite held together well (α = .823), which supports cautious exploratory use in future research. Respondents who reported having worked with a leader who lacks self-awareness rated the consequences of such leaders as higher than those who did not (M = 4.27 versus 3.24; Hedges' g = 1.67). Interestingly, a majority of respondents believed such behavior could extend beyond the organization (70%).

The reliability coefficient indicates the survey's six rating questions moved together. This does not measure one single trait across the six ratings, and it should not be read that way. The composite works best here as a summary of the respondents perceived consequences. The large gap between the groups that experienced leaders with a lack of self-awareness and those who did not suggests that respondents with direct experience saw the problem as much more serious. There are other potential explanations for this statistic. For instance, direct experience could sharpen the memory recollection of such experiences, or the respondents are already in the kind of a workplace with low morale and are attributing it to a leader

without self-awareness. The gap is real and observable in this sample. The cause of the gap remains open to interpretation, and one that further research can address.

The two 83% findings answer related but separate questions. The first is that 83% of respondents believe they have experienced a manager with poor self-awareness, and the second is that negative impacts came from such a manager that inspired employee turnover. Even though both values came in at 83% in the survey, that does not imply every exposure resulted in a voluntary turnover. Instead it shows that accountability and employee retention were aligned in the respondents' perceptions. Then the 70% response of a broader impact on the overall economy reflects perception, in that it is not a directly measured economic impact. Table 3 collects the key quantitative results from the survey. Table 4 reports the full comparison across experience groups. Notably, respondents who were unsure and those with no such experience did not differ reliably from one another, which suggests a step between having direct experience and not, rather than a gradient across the three groups.

Table 3. Key quantitative results

Indicator	Result	Interpretation
Experience with a leader perceived to lack self-awareness	83%	Perceived exposure was widespread in this sample.
Observed an employee leave or consider leaving because of absent accountability	83%	Turnover risk was strongly salient to respondents.
Six-item exploratory composite reliability	$\alpha = .823$	Items showed good internal consistency.
Composite means by direct experience	4.27 vs. 3.24; Hedges' $g = 1.67$	Direct experience was associated with markedly stronger ratings.
Effects believed to extend beyond one organization	70%	Respondents perceived wider business and economic implications.

Table 4. Experience-group comparison on the six-item composite

Comparison	Result	Interpretation
Composite means by group	Yes: 4.27 (SD 0.62); Unsure: 3.53 (SD 0.89); No: 3.24 (SD 0.59)	Ratings were highest among respondents with direct experience.
Overall difference across the three groups	Welch-type $A = 34.36$, $p < .001$	The groups did not rate the consequences alike.
Yes vs. No	$t(17.8) = 6.70$, $p < .001$; $g = 1.67$ [1.14, 2.21]	A large difference between direct experience and none.
Yes vs. Unsure	$t(24.6) = 3.89$, $p = .001$; $g = 1.14$ [0.69, 1.58]	A large difference between direct experience and uncertainty.
Unsure vs. No	$t(36.9) = 1.22$, $p = .230$; $g = 0.36$ [−0.28, 1.01]	No reliable difference between the two groups without direct experience.
Variance explained by experience group	$\eta^2 = .205$	Experience group accounted for about a fifth of the variation in composite scores.

Qualitative findings

Table 5 presents the frequency distribution across all coded categories. Across the four prompts, the leading categories were trust erosion among employee effects (86 of 202; 42.6%), blame shifting or scapegoating among leadership-failure examples (99 of 187; 52.9%), openness to feedback among desired qualities (97 of 197; 49.2%), and leadership training among organizational recommendations (58 of 195; 29.7%). The discussion that follows traces how these dominant categories connect rather than restating the full distribution.

Trust erosion came first because respondents kept describing the same mismatch between authority and responsibility. Trust takes damage when employees watch a leader claim credit for a good result and then relocate responsibility for a bad one. The psychological-safety category adds a second, informational cost. Employees who expect defensiveness or retaliation hold back warnings, alternative readings, and early evidence that something is going wrong. So low self-awareness does not only affect how employees feel. It affects how accurate and how timely the information reaching decision-makers turns out to be.

Among examples of leadership failure, blame shifting or scapegoating led the coding (99 of 187; 52.9%), followed by performance or operational harm (60; 32.1%), refusal to own mistakes (50; 26.7%), damage to morale or trust (47; 25.1%), and poor planning or decision-making (43; 23.0%). The results suggest a common pattern. A leader with low self-awareness made a problematic decision. Responsibility for the decision in question is then deflected to everyone else, but the leader. In not understanding the leader's shortcomings and welcoming feedback, the leader is doing perceived damage to the relationship with the employees and operationally.

In one account, a difficult product launch was followed by approximately 30%–40% turnover in a team of more than 30 employees within six months.

These narratives also show damage escalating rather than arriving all at once. The initial mistake was often described as ordinary. What made it worse was what came next, when the leader rejected the evidence, repeated the weak decision, or handed the consequences to someone else. That is the line between an error and a maladaptive response to an error. Every organization runs into uncertainty and unsuccessful initiatives. Self-awareness appears to determine whether an incident becomes something the organization learns from or a lasting source of turnover, waste, and distrust. The anecdote shared in the evaluations mentioned how a difficult product launch was followed by a reported turnover of 30-40% of the team, in less than 6 months. This is one respondent's example, albeit an interesting one, but not a basis for a general estimate.

Respondents defined self-awareness by what a leader does, not by introspection alone. Openness to feedback appeared in 97 of 197 responses (49.2%), accountability or ownership in 77 (39.1%), self-reflection in 50 (25.4%), active listening in 47 (23.9%), honesty or integrity in 47 (23.9%), and humility in 46 (23.4%). Their recommendations mixed development with governance: leadership training (58 of 195; 29.7%), anonymous or safe reporting channels (52; 26.7%), 360-degree or upward feedback (36; 18.5%), senior leaders modeling accountability themselves (27; 13.8%), behavioral performance measures (24; 12.3%), and coaching or mentoring (23; 11.8%).

The qualities and the recommendations reinforce one another. Openness to feedback and humility make it likelier that a leader will notice the gap between what they intended and what actually landed. Formal 360-degree systems and protected reporting channels make it likelier that the gap becomes visible in the first place. Training on its own, with nothing reinforcing it, tends to produce a moment of insight and little transfer. Accountability metrics on their own, with no developmental support, tend to produce impression management. What respondents described, taken together, is an architecture with both halves.

Table 5. Leading qualitative categories by open-ended question

Question domain	Leading category	Frequency	Percent of valid responses
Effects on employees	Trust erosion	86 of 202	42.6%
Leadership-failure examples	Blame shifting or scapegoating	99 of 187	52.9%
Desired leader qualities	Openness to feedback	97 of 197	49.2%
Organizational recommendations	Leadership training	58 of 195	29.7%

Mixed-methods integration

Table 6 sets the quantitative and qualitative findings side by side, showing where the two strands converge, where each adds something the other could not, and where they diverge.

Table 6. Joint display of mixed-methods inferences

Quantitative pattern	Qualitative explanation	Integrated inference
83% reported direct exposure.	Defensiveness, blame shifting, and refusal to own mistakes were recurrent.	Exposure is perceived through observable accountability and feedback failures, not merely through personality judgments.
83% observed leaving or contemplated leaving.	Trust erosion, disengagement, unfairness, and reduced psychological safety were prominent.	Turnover intentions plausibly emerge through damaged relational conditions and loss of employee voice.
Composite ratings were much higher among direct-experience respondents (g =	Narratives described escalating operational and morale harm	People who experience the problem more directly may view it

Table 6. Joint display of mixed-methods inferences

Quantitative pattern	Qualitative explanation	Integrated inference
1.67).	after leaders rejected corrective information.	as more serious and better understand how its effects build over time.
70% perceived effects beyond one organization.	Respondents cited productivity, talent loss, strategic weakness, customer harm, and reputational damage.	Respondents believed that individual leadership behaviors can affect the strength of an organization and, in some cases, have broader economic effects.
Leadership self-awareness was treated as consequential.	Respondents prioritized feedback openness, accountability, reflection, listening, humility, and safe reporting systems.	Effective intervention requires both individual development and organizational governance.
Not all respondents shared the same view. Thirty-nine respondents (16.7%) were unsure or had no direct experience, while 70 (29.9%) were unsure or did not believe the effects extended beyond one organization.	Unsure and no-exposure respondents did not differ reliably from each other ($p = .230$), and their composite ratings were markedly lower.	Not all perceptions were universal. Several factors could explain this, such as organizational culture or context. Additional research suggested.

The two strands agree most strongly on accountability and trust. High perceived exposure and the salience of turnover line up with narratives about blame transfer, damaged fairness, and employees withdrawing. They complement each other on remedies: the closed-ended results establish that respondents consider this serious, while the open-ended responses name the infrastructure needed to surface a blind spot. They diverge in the minority of lower, negative, and uncertain responses, which indicate that self-awareness is not experienced the same way everywhere and that organizational context can either soften or magnify its effects.

The main meta-inference is that a self-awareness deficit becomes organizationally consequential when three conditions arrive together: the leader holds decision authority, corrective information is blocked either socially or structurally, and accountability mechanisms are weak. An individual blind spot does not determine the outcome by itself. The harm escalates when the surrounding systems fail to expose it, challenge it, and correct it. That reading moves the practical question away from finding leaders without blind spots, which is not achievable, and toward building organizations that support reflection, protect voice, and hold behavior to account.

Discussion

The mixed-methods evidence converges on one conclusion: respondents treat leadership self-awareness as an organizational capability, expressed through how feedback is used, how accountability is handled, and whether learning happens. The quantitative strand establishes how widespread and how intense the perception is. The qualitative strand supplies the mechanism. When leaders do not recognize or will not acknowledge their part in a bad outcome, respondents describe them displacing blame, discouraging candor, and continuing with weak decisions. Trust and psychological safety deteriorate from there, which reduces the information available for correction and increases both withdrawal and turnover.

This tracks with Authentic Leadership Theory. Low awareness impairs balanced processing, because leaders resist evidence that unsettles the self-image. It weakens relational transparency, because responsibility gets obscured. It can compromise ethical conduct, because other people absorb the consequences of decisions the leader never examined. Emotional Intelligence Theory explains how the deficit transmits between people: a leader who does not recognize their own emotional triggers is more likely to be defensive, to listen poorly, and to handle conflict badly. When respondents emphasized humility, openness to feedback, and ownership, they were naming the practical form both theories take.

Both theories focus on self-awareness at the individual leader level. Authentic Leadership Theory views self-awareness as part of authentic leadership, while Emotional Intelligence Theory sees self-

awareness as important for managing emotions and relationships. However, neither theory fully explains how one leader's lack of self-awareness can affect the broader organization or what determines whether those effects spread. This study begins to address that gap by identifying conditions that may make the impact worse, including concentrated decision-making authority, blocked feedback, and weak accountability. In this way, self-awareness is not only a leadership trait but also a potential organizational risk that can be reduced or amplified by how the organization is structured. Respondents who were unsure and those who reported no such experience did not differ reliably ($p = .230$).This suggests that the results may depend more on organizational context than simply on how much direct exposure a respondent had.

Alternative explanations and boundary conditions

There are other explanations that are possible. Respondents could feasibly be attributing failure to the more visible leaders, and unintentionally downplaying competitive factors or market conditions. Negative experiences may be fresher in the respondents' memories, especially in instances where the respondents were emotionally vested. Leaders may not always fully communicate when they do pivot in a direction due to employee feedback. Employee perceptions should not be dismissed as subjective, but they also should not be treated as definitive proof. They still provide useful evidence about trust, retention, and how employees view the organization.

Organizational structure also matters. Shared decision-making, independent oversight, strong HR practices, and safe ways to raise concerns can reduce the damage caused by one leader's poor judgment or lack of self-awareness. Too much concentrated power in one leader with weak oversight processes can worsen perceived leadership problems. This includes environments that do not have transparent promotion criteria, or are perceived as valuing over-confidence over actual ability (Carreyrou, 2018). Such problems are amplified in industries where mistakes affect safety or are very visible, causing reputational damage.

The economic-development claim has to stay carefully bounded. These data do not test regional growth, investment, employment, or productivity in any direct way. The data suggests that respondents drew parallels with leadership low self-awareness causing increased employee turnover and poorer execution, resulting in business decline. A majority of the respondents (70%) perceived those effects to extend past their own organization. This perception is reasonable on its surface. Organizations that lose key talent because they do not make corrective actions or misallocate resources are likely to see their innovation and resilience suffer over time. This conclusion is theoretically valid, but ultimately more testing and research needs to be conducted.

Implications for practice and policy

Organizations would do well to treat leadership self-awareness as a governance and risk-management capability rather than only as a personal-development goal. A coherent response has several parts working together: multi-rater feedback covering listening, ownership, response to challenge, and behavioral impact; confidential reporting channels with real anti-retaliation protection; coaching tied to documented behavior-change goals; performance-review indicators for trust, turnover, psychological safety, and accountability; and boards and senior executives visibly owning their own mistakes. Taken together, these align the developmental and governance mechanisms respondents themselves identified.

A staged organizational response

A staged response starts with diagnosis. Organizations should compare leader self-ratings against multi-rater feedback, employee listening data, regrettable turnover, ethics reports, and post-incident reviews. The point is not to label individual leaders. It is to find the places where intended behavior and experienced behavior keep diverging. Data should be broken out by unit and level carefully, protected against retaliation, and interpreted with room for context to be explained.

The development stage turns insight into commitments someone can observe. A leader might agree to summarize the dissenting views before making a decision, to name their own contribution during after-

action reviews, or to ask affected stakeholders for feedback each month. Coaching helps a leader read the pattern, manage a defensive reaction, and rehearse the conversations that are hard to have. Supervisors and boards then have to reinforce those commitments with follow-up, consequences, and recognition when the behavior actually changes.

Evaluation should use both leading and lagging indicators. Early indicators could include how often leaders seek feedback, whether development actions are completed, whether employees feel safe speaking up, and how accountable leaders are perceived to be. Whereas, lagging indicators include voluntary turnover, absenteeism, grievances, project rework, customer escalations, and delays in execution. No improvement can be attributed automatically to a leadership program, but a stable measurement system will show whether observed behavior and organizational outcomes are moving in the intended direction; evaluation frameworks for leadership development stress this pairing of theory-informed design with sustained measurement (Geerts, 2024). Safeguards matter here, so that feedback systems do not turn into popularity contests or instruments of retaliation.

Implications for boards, educators, and development institutions

Boards and investors can treat the quality of upward feedback, the depth of succession planning, regrettable turnover, and post-incident accountability as indicators of leadership risk. Business schools and executive-education providers can put reflective practice, receiving feedback, and ethical accountability alongside strategy and finance instead of presenting them as optional soft skills. Economic-development agencies, accelerators, and small-business support programs can build the same capabilities into founder and management development, which matters most where fast growth suddenly widens a leader's span of influence.

Limitations and future research

Several limitations constrain what can be read into these results. Because the data was collected at one point in time, the study cannot prove what happened first or whether one factor caused another. Convenience sampling allows for quick insights, however, does limit the amount you can apply the results broadly. As the survey allowed for self-selection, it is also feasible that respondents that found the topic interesting were gravitated towards the topic. All survey results were via the respondents self reporting, and as such would be limited by memory and their own interpretation. The combined measure still needs further validation, and coding was not independently checked by a second reviewer. Because categories could overlap, the percentages describe only the respondents who answered each question, not the broader population. Practitioner reports were used only when their sources and claims could be verified.

Suggest that future research use larger and more expansive sampling from multiple sources. Ideally studies can also track changes over time and include multiple touch points. Aligning research with organizational key performance indicators would be beneficial (e.g., turnover, employee satisfaction, financial performance).

Multilevel models could test whether psychological safety and trust actually mediate the organizational outcomes. Interviews and critical-incident studies could test the proposed sequence from blind spot to blame displacement to business harm. Having a second reviewer independently analyze the qualitative responses and setting the analysis process in advance would further strengthen the study's credibility.

Proposed research model

A future multilevel model could test whether self–other agreement in leadership ratings predicts trust and psychological safety, whether those relational conditions mediate employee voice and voluntary turnover, and whether the strength of governance moderates the path from leader behavior to business outcomes. Repeated measurement would allow change to be tracked after coaching or 360-degree feedback. Linking survey data to human-resource records, project outcomes, customer metrics, and unit financials would reduce common-method bias and clarify what came first. Testing these relationships

could potentially extend Authentic Leadership Theory beyond the individual leader by examining whether organizational conditions influence how low self-awareness affects measurable outcomes.

Qualitative follow-up should sample contrasting cases on purpose: leaders who receive hard feedback and change, leaders who stay defensive despite intervention, and organizations whose systems absorb the consequences of an individual blind spot. Comparative case studies could identify the conditions under which awareness actually converts into accountability. For economic-development research, sector-level or region-level studies could test whether leadership quality is associated with firm survival, employment stability, innovation adoption, and productivity once institutional and market conditions are controlled.

Replication should include preregistered hypotheses, transparent item wording, confirmatory factor analysis, and tests of measurement invariance across role levels, industries, and cultural contexts. Experimental vignette research could vary a leader's accountability and response to feedback while holding the initial decision error constant, which would help separate the effect of making a mistake from the effect of denying it. Designs like these would give a much stronger basis for causal and cross-context conclusions.

Conclusion

This study brings together quantitative survey patterns, qualitative explanations, and selected practitioner evidence to show why leadership self-awareness deserves attention as a strategic organizational capability. Respondents connected low self-awareness to defensiveness, blame shifting, suppressed voice, trust erosion, disengagement, turnover, and operational harm. That the two strands converge supports a coherent perceived pathway running from a leader's blind spots to relational breakdown and weaker organizational performance. None of this establishes causality or population prevalence. What it does establish is a focused research agenda and one practical point for organizations: developing leaders is only credible when it is paired with systems that make feedback safe to give, accountability visible, and corrective learning a matter of routine.

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