

LEADERSHIP · PERSONAL DEVELOPMENT

Leadership Health

How to Assess the Ceiling and Trajectory Your Leadership Is Creating



PUBLISHED BY

Ryan Gottfredson, Ph.D.

Leadership Scientist, Best-Selling Author, & Executive Advisor

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RYAN GOTTFREDSON

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Strong Results Can Conceal a Downward Leadership Trajectory

The CEO of a financial services organization was delivering exactly what his organization wanted: substantial growth and strong financial performance. He was ambitious, decisive, and trusted to get results.

But those results were concealing warning signs. He had increasingly surrounded himself with executives who affirmed rather than challenged him. He hired me to develop his executive team but declined to participate himself. At times, he encouraged executives to "grill" colleagues, contributing to conflict rather than candid, collective problem-solving.

The organization saw these patterns. It also saw continued growth—and treated that growth as compelling evidence that his leadership was working.

Then the organization undertook a major technology transition. The strategic decision was probably right. The problem was the timing. Members of the executive team had serious concerns about whether the organization was ready, but the CEO had set the launch date. When someone needed to challenge him, no one did.

The launch became an operational nightmare. The organization lost millions of dollars, damaged community trust, and drew heightened regulatory scrutiny. Shortly thereafter, the CEO was removed.

> The failure appeared suddenly. The leadership conditions that produced it had been developing for years.

The crucial question is not whether the CEO chose the wrong date. It is how a successful organization reached the point where no one on its executive team could stop a decision they believed was likely to fail.

This Pattern Extends Far Beyond One CEO

I recently interviewed 11 HR and L&D leaders to explore their biggest leadership challenges. What I didn't hear was issues dealing with their leaders' ability to deliver the expected results. But, what they did share was issues that related to how these leaders were driving results. They identified:

- **Executives through whom every consequential decision must pass.**
- **Indispensable leaders who have not built capable benches.**
- **Leaders who become controlling and reactive when pressure rises.**
- **Leadership teams with little capacity beyond immediate demands.**

The patterns differ, but the concern is the same: leaders commonly operate in ways that allow them to meet today's demands while simultaneously reducing what the organization can handle tomorrow.
To fully assess the health of your leaders, we must take a holistic approach called Leadership Health.

> Your leaders can be delivering results while putting the organization on a downward trajectory.



02 / 08 EXECUTIVE SUMMARY

Leadership Health: The Core Argument

01/06

Leadership Health provides a more complete view of leadership

It helps an organization assess the ceiling of its capacity and whether its leaders are placing it on an upward, stagnant, or downward trajectory.

02/06

Leadership Health has three dimensions

A complete assessment considers all three together:

- Results Delivery
- Leadership Capability
- Leadership Environment

03/06

Results Delivery is essential—but incomplete

Strong results can come from growing organizational capacity—or from control, dependency, unsustainable pressure, and leader heroics. Results alone cannot tell us which.

04/06

Leadership Capability reveals the level at which leaders can operate

It reflects their capacity to elevate themselves, others, their team, and their organizations, especially as demands rise.

05/06

Leadership Environment can elevate or constrain that capability

Organizational conditions can support higher-capability leadership—or pull leaders toward self-protection, control, and short-termism.

06/06

Assessing and elevating Leadership Health should be an organizational priority

It should inform how organizations evaluate, select, promote, support, and develop leaders.

03 / 08

Leadership Health Sets the Ceiling and Shapes the Trajectory

To ensure your leaders are moving your organization in a positive and upward direction, it is necessary to look beyond just the results being generated and explore a broader concept: Leadership Health. A concept that was not valued in the financial services organization above.

Leadership Health is the condition of leadership across an organization or a defined leadership population. It reflects the degree to which leadership enables performance today while expanding the organization's capacity to navigate future change, complexity, and uncertainty.

An organization's ceiling is what the organization can handle before leadership becomes the constraint. Its trajectory is whether judgment, ownership, adaptability, and leadership capacity are expanding, holding steady, or contracting.

To evaluate Leadership Health, we need to examine three dimensions together:

DIMENSION	WHAT IT REVEALS	CENTRAL QUESTION
Results Delivery	The quality, quantity, reliability, and timeliness of what leaders produce.	Are leaders consistently delivering what the organization needs?
Leadership Capability	The capacity to elevate self, others, teams, and the organization as demands rise.	Can leaders create value amid pressure, change, complexity, and uncertainty?
Leadership Environment	The surrounding conditions that enable or constrain how leaders operate.	Does the system support higher-capability leadership or pull leaders toward self-protection?

> Leadership Health is found in the pattern across all three dimensions—not in any one dimension alone.

04 / 08

Results Are Essential—but They Cannot Reveal Trajectory on Their Own

Results Delivery is the degree to which leaders consistently produce the amount and quality of work the organization needs while meeting important deadlines and commitments. It is indispensable. But problems arise when it becomes the entire evaluation.

Results tell us what happened. They do not tell us how the outcome was produced, whether it can be repeated, what capacity was created or consumed, or what vulnerabilities emerged.

> **Results reveal performance. Leadership Health reveals the capacity and trajectory beneath it.**

WHAT WE OBSERVE	ONE POSSIBLE CONDITION	ANOTHER POSSIBLE CONDITION
Strong Results	Leaders distribute ownership, develop judgment, improve systems, and leave the team more capable.	Performance depends on urgency, centralized decisions, unsustainable pressure, or leader heroics.
Weak or Uneven Results	Leaders lack the capability their roles or current conditions require.	Capable leaders are constrained by unclear priorities, poor role design, inadequate resources, or culture.



The Same Result Can Mask Opposite Conditions

Tom Thibodeau was not an unsuccessful coach for the New York Knicks. From 2020 to 2025, he went 226–174, reached the playoffs four times, and led the team to its first Eastern Conference Finals in 25 years. Yet concerns persisted about heavy reliance on starters and the rigidity of his rotations.[1]

After the Knicks replaced him with Mike Brown, the team won the 2026 NBA championship with largely the same core roster.[2] It would be too simple to claim that Thibodeau's approach cost the Knicks a championship or that Brown's approach caused one. Yet, the contrast is useful because it raises a more revealing question: Was Thibodeau fully enabling the team's capacity in the pursuit of wins, or actually constraining it?

The same caution applies beyond sports. Jack Welch's GE and Boeing were once celebrated for extraordinary performance while practices that increased internal competition, weakened candor, or compromised the conditions for sound judgment were also taking hold.[3][4]



Are your leaders delivering by building capacity—or by consuming it?

If an organization does not evaluate all three Leadership Health Conditions (Results Delivery, Leadership Capability, and Leadership Environment), it may promote a leadership bottleneck, overlook a capable leader constrained by the system, or prescribe development that cannot address the real problem.



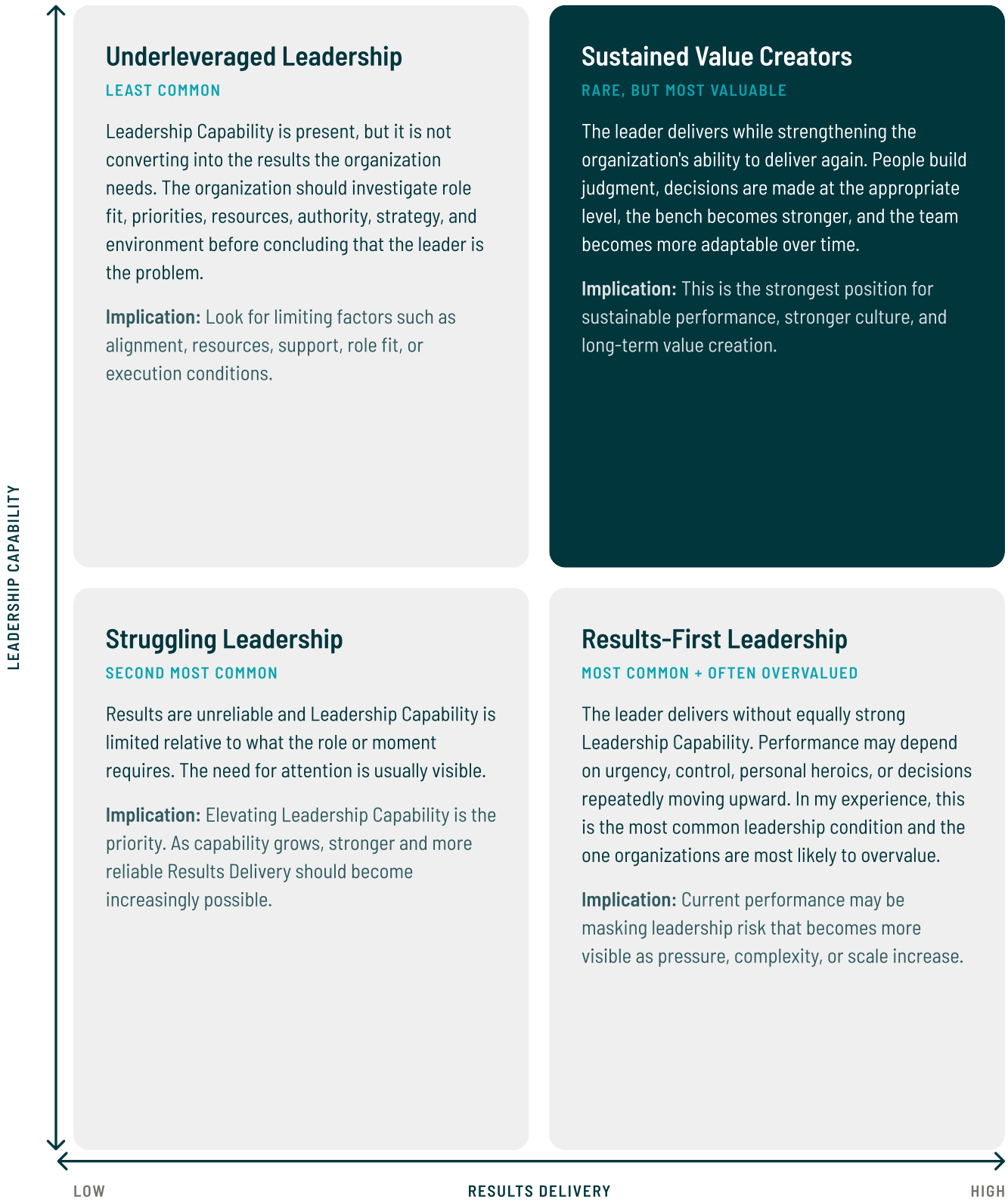
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Leadership Capability Is the Missing Second Axis

To evaluate a leader's effectiveness, we cannot look only at Results Delivery on the horizontal axis. We must also assess Leadership Capability on the vertical axis.

Leadership Capability reflects the level at which leaders can think, adapt, relate, decide, develop others, and operate—particularly amid pressure, change, complexity, and uncertainty. It shapes whether leaders can elevate themselves, others, their teams, and the organization as demands rise.

FOUR LEADERSHIP CONDITIONS





Why Organizations Commonly Make the Mistake of Overvaluing Results First Leaders

Results-first leaders are often trusted precisely because they deliver. When a problem appears, they step in. When a deadline is at risk, they take over. When quality slips, they add another layer of review. These responses can work, particularly in the short term.

Because the immediate problem gets solved, few people examine the dependency being created. The leader receives more influence, a larger role, and harder assignments. More decisions begin to run through them. Eventually, the pattern that made the leader look indispensable can become the constraint that prevents the organization from scaling, adapting, or succeeding without them.

Research illustrates the difference in trajectory. In a longitudinal study of 60 teams, directive leadership produced stronger early performance. Teams led in a more empowering way improved more over time as learning, coordination, empowerment, and shared understanding developed.[5] The lesson is not that direction is always harmful. It is that today's fastest route to a result may not build the capability needed for tomorrow's demands.

> Some leaders leave behind completed work. Others leave behind completed work AND a stronger organization.



06 / 08

Leadership Environment Determines Whether Capability Can Take Hold

Even Results Delivery and Leadership Capability do not provide a complete view. Leaders operate within a system that influences what receives attention, what feels safe, what gets rewarded, and how much room exists for learning.

Leadership Environment is the collection of formal and social signals that tells leaders what is truly valued, safe, and rewarded. An organization may espouse empowerment and long-term thinking while its actual practices reward something else:

- Hitting short-term milestones at the expense of the business's longer-term health.
- Avoiding experiments because thoughtful failure carries too high a cost.
- Celebrating leaders for repeatedly rescuing the organization and putting out fires.
- Escalating problems upward rather than enabling people to exercise judgment.
- Treating indispensability as evidence of value rather than a warning that capacity has not been distributed.

A highly capable leader can struggle to operate at a high level in such conditions. Overload, competing priorities, and low tolerance for mistakes narrow attention and increase self-protective behavior. A review of roughly 500 studies found that leadership is shaped by both the broader setting and the immediate context surrounding the work.[6]



Leadership Health emerges from the interaction between leaders and their environment. Change one without understanding the other, and the same problems may persist.

Elevating Leadership Health Requires More Than Improving Skills

Traditional development expands what leaders know and can do: how to delegate, coach, communicate, collaborate, set strategy, and lead change. These skills are foundational—but they do not always change how leaders operate when pressure rises.

A leader may know how to delegate and still micromanage when failure feels unsafe. Another may know how to solicit dissent and still shut it down when disagreement threatens their sense of competence. In these cases, the limitation is not knowledge. It is the internal operating system shaping how the leader interprets and responds.

Vertical development focuses on upgrading that operating system: helping leaders recognize the protective patterns behind their behavior, widen their tolerance for discomfort, and respond in more value-creating ways under pressure.[7][8]

The development opportunity is therefore threefold: strengthen what leaders can do, elevate the level from which they do it, and shape an environment in which higher-capability leadership can take hold.

07 / 08

A Leadership Health Lens Changes the Decisions Organizations Make

When organizations evaluate leadership through incomplete evidence (i.e., just Results Delivery), they can reward the very patterns constraining future capacity. A more holistic lens changes the questions behind consequential leadership decisions.

DECISION	COMMON QUESTION	LEADERSHIP HEALTH QUESTION
Evaluation	Did the leader deliver the expected results?	What did the leader deliver, how was it produced, and what capacity was created or consumed?
Promotion & Succession	Who is the strongest performer or most indispensable problem-solver?	Who can handle greater complexity while distributing ownership and elevating others?
Leadership Development	Which skills or competencies should we teach?	Does the constraint reside in skill, the leader's internal operating system, the environment, or their interaction?
Rewards & Accountability	Who produced the most visible individual contribution?	Who delivered while strengthening judgment, ownership, bench strength, and future capacity?
Organizational Action	Which leader needs to change or be replaced?	What must change in the leaders, the surrounding system, or both?

> This Leadership Health lens looks beyond more than just: Did we win the day, quarter, or year? It forces a focus toward: Are we set up to win the future?
>
> The goal is not isolated improvement in leader behavior. It is a healthier leadership system—one capable of performing today while expanding what the organization can handle tomorrow.



08 / 08

How Healthy Is the Leadership in Your Organization?

I wish I could go back and approach my work with the financial-services organization differently.

I had been hired to develop the executive team, although the CEO chose not to participate. I believe I helped individual executives become more effective leaders. But I had not yet developed the broader Leadership Health perspective presented in this paper.

I cannot know whether this perspective would have prevented the failed technology launch. But I believe it could have made the underlying risks visible much earlier: the CEO's limitations in Leadership Capability, the executive team's inability to challenge him, and a Leadership Environment that increasingly rewarded agreement rather than candor.

A clearer diagnosis could have given the organization an opportunity to intervene before those conditions culminated in a crisis.

That experience leaves me wondering:

What ceiling are your leaders currently setting —and what trajectory are they creating for your organization?

DO YOU KNOW?

Begin with the Leadership Health Scan

The free Leadership Health Scan provides a five-to-seven-minute view across Results Delivery, Leadership Capability, and Leadership Environment.

Leadership Health Scan

Take the Leadership Health Scan to assess a defined leadership population and identify patterns that deserve closer attention.



Changing the Trajectory Begins with a Clear Diagnosis

The Scan is a starting point. But, the next step is commonly a deeper Leadership Health Diagnostic that examines what is happening across all three dimensions, why the pattern exists, and how it is affecting the organization's ceiling and trajectory.

The diagnostic distinguishes skill gaps from deeper limitations in how leaders internally operate. It identifies self-protective patterns activated under pressure and examines whether priorities, incentives, decision rights, workload, role design, and culture enable leaders to create value or repeatedly pull them in the opposite direction.

With diagnostic clarity, appropriate Leadership Health treatment can be applied. Some organizations will need an emphasis on skill development. Others will need to elevate their leaders through vertical development. And, the Leadership Environment may also need to change so stronger leadership can take hold and be sustained.

This is where my work is focused. Drawing on vertical development, mindsets, the neuroscience of personal transformation, and organizational systems, I help organizations see their leadership more clearly, identify the deeper forces shaping its health, and elevate both leaders and their environment.

Do you know whether your leadership is putting the organization on an upward, stagnant, or downward trajectory?

A conversation can open up an exploration of Leadership Health, how to elevate it, and how to elevate both the ceiling and trajectory of your organization.

Schedule a conversation with Ryan Gottfredson

calendly.com/ryangottfredson/workwithryan

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