

Audio-Tech Business Book Summaries

The Contrarian's Guide to Leadership

by Steven B. Sample

A summary of the original text.



In this issue:

- **Boost...**
your personal effectiveness by learning the seven leadership principles that bring better results than following conventional wisdom.
- **Improve...**
your ability to analyze your choices independently and creatively by developing the skills for “thinking gray” and “thinking free.”
- **Master...**
the leadership skill of “listening artfully” to acquire new ideas and gather and assess information.
- **Maximize...**
the value you get out of experts by discovering how you can use them to your advantage without being used by them.
- **Make...**
better decisions by following two rules: (1) Never make a decision that can be delegated, and (2) Never make a decision today that can be put off to tomorrow.



Volume 12, No. 1 (2 sections). Section 1, January 2003
© 2003 Audio-Tech Business Book Summaries 12-01.
No part of this publication may be used or reproduced
in any manner whatsoever without written permission.

To order additional copies of this summary, reference
Catalog #1031.

If you want ordinary results in your business, you might succeed with the conventional approach to leadership. But if you want truly exceptional results — high employee morale and loyalty, lower costs, and record profits — you need to take a *contrarian* view.

Contrarian leadership is based on the following seven principles:

1. Think gray.
2. Think free.
3. Listen artfully.
4. Use experts without letting them use you.
5. Put off making decisions, and delegate as many of them as possible.
6. Know which hill you're willing to die on.
7. Work for those who work for you.

In this summary, we'll discuss how you can use each of these principles to improve

your effectiveness as a leader.



THINKING GRAY AND THINKING FREE

Contrarian leaders think differently from the people around them. In particular, such leaders are able to maintain their intellectual independence by *thinking gray*, and they enhance their intellectual creativity by *thinking free*.

Conventional wisdom considers it a valuable skill to be able to make judgments as quickly as possible. But contrarian wisdom argues that, for leaders, judgments about the truth of information or the merits of new ideas should be arrived at as slowly as possible, and in many cases not at all.

Instead of leaping to a conclusion, often the smartest thing that you can do is to ***think gray***. Thinking gray is an extraordinarily uncommon characteristic that requires a good deal of effort

to develop. But it is one of the most important skills you can acquire.

Many people are binary and instant in their judgments. In other words, they immediately categorize everything as good or bad, true or false, black or white, friend or foe. A truly effective leader, however, needs to be able to see the shades of gray in a situation in order to make wise decisions as to how to proceed.

The essence of thinking gray is this: Don't form an opinion about an important matter until you've heard all the relevant facts and arguments, or until circumstances force you to form an opinion without access to all the facts.

F. Scott Fitzgerald once described something similar to thinking gray when he observed that the test of a first-rate mind is the ability to hold two opposing thoughts at the same time, while still retaining the ability to function.

Thinking gray is not a natural act, especially for people who see themselves as leaders. Our typical view of great leaders is that they are bold and decisive people who are strongly governed by their passions and prejudices. Who could imagine a Teddy Roosevelt or a Vince Lombardi thinking gray?

A black-and-white binary approach to thinking may in fact be a successful strategy for some leaders, especially if they must deal daily with fight-or-flight situations. But even many of the world's most noted military leaders were skilled at thinking gray on the battlefield. Napoleon,

Washington, and Rommel all knew the value of suspending judgment about important matters until the last possible moment.

The fact is that you don't need to classify everything you hear as true or false, good or bad, right or wrong, useful or useless. In many cases, you will never have to reach a conclusion at all.

But most people give in to the natural compulsion toward binary thinking. For leaders, this can be dangerous for three reasons:

- You can form opinions before it is necessary to do so, and close your mind to facts and arguments that come to your attention later.
- You can "flip-flop" from one argument to another. First you hear one argument, and decide it must be true. Then you hear an opposing argument, and decide the first argument must be false.
- You can give in to the tendency to believe what everyone else believes, even if it isn't true.

Thinking gray is only necessary for the weightiest of issues. If you were to attempt to think gray about everything, your brain would become a jumbled mess. Decisions about clothes, food, and so on are usually made in an off-the-cuff binary way, and that's perfectly fine.

A close cousin of thinking gray is *thinking free* — free, that is, from all prior restraints. It's popular these days to talk about "thinking out of the box" or "brainstorming," but thinking free

takes that process of inventiveness to the next level. The key to thinking free is first to allow your mind to entertain really outrageous ideas, and only then apply the constraints of practicality, legality, cost, time, and ethics. As with thinking gray, thinking free is an unnatural act.

Improbable though it might sound, thinking free can lead to novel ways of addressing some of the competitive, political, legal, policy, and bureaucratic challenges you must confront as a leader. The key is to break free for just a few minutes from the incredibly tight constraints that rule your thinking almost all of the time, even when you dream or engage in so-called free association.

The author, Steven B. Sample, is an electrical engineer and inventor whose patents in the field of digital appliance controls have been licensed to nearly every major manufacturer. He has observed that most new inventions are new combinations of existing elements to solve a problem in a way no one has thought of before. His favorite way to stimulate this kind of thinking is to force himself to contemplate outrageous and impossible ways to address a problem.

For example, in 1967, he was struggling to invent a replacement for the clock-motor timer that controlled a dishwasher. He lay on the floor and forced himself to imagine various things controlling a dishwasher. Among the possibilities he considered were hay bales, elephants, planets, ladybugs, sofas, microbes, newspapers, French horns, electrons, and trees.

Before long, he saw in his mind's eye an almost complete circuit diagram for a digital electronic control system for a home appliance. This system was unlike anything he or others had ever contemplated before, and his invention was eventually used in hundreds of millions of home appliances around the world.

The same approach to thinking free can lead to new ways to address the challenges you face as a leader. It allows you to imagine different organizational combinations in your mind, and to see how they will play out. It enables you to move people around in your mind, and grasp how they would respond to new situations. It lets you move resources and budgets around, and discern how those moves would affect the bottom line.

But really thinking free is hard work, and it usually requires a good deal of effort and determination beyond simple daydreaming or mental freewheeling. It's tough to break out of the deep ruts in which our minds normally run.

Of course, elephants and hay bales never found their way into the invention of the new way to control a home appliance. The solution to the problem involved a simple combination of standard electronic components — so simple that it is surprising that no one had ever thought of it before.

But that's the way it is with so many innovations. They seem so obvious once they've been discovered and deployed. Prior to that time, they are anything but obvious. Thinking free lets

you discover them.

It's well known among engineers that the most important inventions in a particular field are often made by people who are new to that field. Newcomers are too naïve to know why something can't be done, and are therefore able to think more freely. The same is true of the leadership of companies: It's often a fresh perspective from the outside that can turn an ailing organization around.



ARTFUL LISTENING

To think gray and think freely, a leader must be skilled at listening. Most people, including many leaders, are terrible listeners. They make the mistake of thinking that talking is more important than listening. But contrarian leaders know it is better to listen first and talk later. And when they do listen, they do so *artfully*.

A contrarian leader is an artful listener because it is an excellent means of acquiring new ideas and gathering and assessing information.

If you listen attentively without rushing to judgment, you will often get a fresh perspective that will help you to think independently. You must listen carefully to your official advisers, especially those in your inner circle. You must also occasionally listen to self-appointed advisers, even the most obnoxious among them. And you need to continue to listen to your inner voice, which reflects your own personal experience and creative impulses.

Artful listening is important for maintaining your intellectual independence. It enables you to see things through the eyes of your followers, while at the same time seeing things from your own unique perspective, a process we'll refer to as "seeing double."

Artful listening means hearing what others have to say about important issues, without surrendering your principles or creative judgment. It means avoiding becoming immobilized by conflicting points of view, and never letting others be responsible for fashioning your own unique vision.

Listening artfully goes beyond merely listening passively. Instead, you become intensely interested in what's being said, and draw out the other person. In the process, you gain not only additional details, but also valuable information on the filters and biases of the person presenting the information.

Active listening, with relevant and probing questions, can help you find out if the speaker is being slipshod or meticulous in his reporting, and can create an atmosphere of accountability in which the speaker realizes he has to be able to support his argument with data.

Beware when an adviser tells you that "Our customers want this," or "Our employees are upset about that." The contrarian leader never takes such counsel at face value; the first question he asks is, "Who is saying what to whom?" It's important to know whether the person giving the advice is communicating the opinions of two people or 200, and whether

he heard those opinions directly or indirectly.

An important part of artful listening is to know when to stop listening. At some point, you must either make a decision yourself or delegate it to someone else, and then move on. The good news is that listening carefully and intensively at the beginning can save you a lot of time at the end.

Earlier we discussed the value of thinking gray. But it's also possible to "listen gray." An important part of thinking gray is listening gray by absorbing stories, reports, complaints, and so on, without immediately offering a definitive response.

Moreover, you are in a position to hear things differently from how they're heard by followers closer to the front lines, who may feel compelled to protect their staff or their own policies. Because you are likely to be more detached from a situation, you can rise above defensiveness and acknowledge concerns without making judgments.

Just as you can think gray without ever needing to reach a conclusion, you can listen gray without ever needing to deliver a response. Sometimes a response is not really necessary, and sometimes no response at all is the best response.

One final aspect of listening gray is that you shouldn't make up your mind about people's credibility unless and until it is necessary. Many failed leaders felt they had to decide right away whether someone was worth listening to. They tended to

write off apparent fools, only to find that inarticulate people sometimes have the most valuable things to say. Many would-be leaders are taken in by glib, highly educated idiots, while dismissing deep thinkers who find it difficult to put their thoughts into words. The key is to not rush to a conclusion, either about what you hear, or from whom you hear it.



EXPERTS: SAVIORS AND CHARLATANS

Artful listening demands that you listen not only to *what* is being said, but to consider *who* is saying it and *why*. Among the people you must listen to artfully are the *experts*.

It would be difficult to imagine a modern leader practicing his craft without the help of experts. Can we even conceive of someone leading a complex organization today without employing a gaggle of lawyers, scientists, architects, accountants, engineers, and consultants? Of course not.

But what may be less obvious is the large number of leaders who have been brought low by the well-intentioned assistance of experts. So the question is, how can you use experts to your advantage without being used by them?

The philosopher Eric Hoffer once said that a leader should pay close attention to experts but never take them too seriously, and never trust them completely. Many experts are more interested in serving their own egos, or advancing their own reputations, than in serving their

clients. They get around this ethical dilemma by convincing themselves that they know what's good for their client far better than the client knows what's good for himself.

For example, one client of a graphic design firm wanted to use large type in the section headings of a brochure because many of its customers are elderly and find it difficult to read fine print. The graphic designers insisted that the type had to be small to preserve the "artistic integrity" of the brochure. They were apparently more interested in impressing their colleagues, and perhaps winning an award, than they were in communicating their client's message effectively.

It isn't just graphic designers who are capable of this kind of behavior. Architects, interior decorators, business consultants, engineers, accountants, lawyers, software designers, and surgeons can demonstrate it as well.

Thus, it's essential for an expert to be a "deep specialist" and for a leader to be a "deep generalist." The expert's role is to offer greater insights than the leader has in one area, while the leader's role is to integrate the advice of several experts into a coherent course of action.

Here are three tips for working with experts effectively.

- *First, know precisely what your goals are, and how you think a particular expert might help you achieve those goals. The importance of knowing what you hope to get out of an expert before you*

call him cannot be overstated.

- *Second, recognize that the natural sciences and their technologies play an increasingly important role in every aspect of modern life.* Therefore, you need to be sufficiently conversant with these areas so you can choose your scientific and technical experts wisely and use them profitably.
- *Third, be suspicious when a lawyer or any other expert says a concept is just too complicated to explain.* The expert must be able to explain to you, in terms you can understand, everything he's doing or plans to do.

To sum up, you will get the most out of an expert if you never become too dependent on the expert, maintain your intellectual independence, and above all, never delude yourself that expertise can be a substitute for leadership.



THE CONTRARIAN APPROACH TO MAKING DECISIONS

Decision-making is a major element of leadership. Most leaders exercise a significant fraction of their power and authority through making decisions. One of the tests of a leader's importance is whether anyone is really affected by, or cares about, the decisions he makes. And a leader's legacy is often determined by the long-term effects of his decisions.

When it comes to decision-making, the vast majority of us have been brought up

with a clean-desk mentality. That is, never put off to tomorrow a decision you can make today. This bit of conventional wisdom may be good counsel for managers and bureaucrats, but it's terrible advice for leaders.

By contrast, the contrarian leader's approach to decision-making can be summarized in two general rules. Let's talk about each in turn:

The first rule is to never make a decision yourself that can be reasonably delegated to a lieutenant.

The vast majority of decisions can be delegated to a lieutenant, provided you have excellent lieutenants and are able to choose the one among them who is in the best position to decide a particular issue. But just because you can delegate the making of decisions to lieutenants doesn't mean you can avoid taking responsibility for those decisions, especially if things turn out badly as a result.

This is one of the conundrums that prevent most people from becoming effective leaders: They believe that if they have the authority to decide a certain issue, and if they will be held responsible for the decision, then they must personally make that decision.

But the essence of strong leadership is the ability to let subordinates make decisions. Why? The first reason has to do with time constraints. Making a good decision is hard, time-consuming work, and no leader can make many good decisions in a month's time, much less in a day or a week. So you need to make only the most important decisions,

and delegate the rest.

A second major factor in favor of delegation is that it helps develop and nurture strong lieutenants. You can't expect your lieutenants to grow unless you give them the opportunity to make real decisions that will have real consequences for the organization.

Finally, if you delegate almost all decisions to lieutenants, you can build a much stronger and more coherent organization than the leader who tries to make all the decisions himself. This assertion is counterintuitive, because one would think that strength and coherence would be on the side of the absolute dictator. But here's the key: The leader who delegates is forced to build coherence by putting together a team of lieutenants who have shared values and common goals. If he's successful, his company can survive the loss of the leader himself, which will always happen eventually.

Now let's discuss ***the second rule of decision-making: Never make a decision today that can be put off to tomorrow.*** When a staff member presents you with a decision that needs to be made, the first question should be, "How much time do I have?"

Even then, you can't take the staff member's estimate of the time available at face value. It's often necessary to sharply question a subordinate to learn how much time is *really* available.

The timing of a decision can be as important as the decision itself. A long lead time opens the door for extensive

consultation and discussion. What's more, the extra time might open up many more options than might have initially been available. If you can delay a decision for a few months, an adversary might retire, a competitor might go bankrupt, or any number of other advantageous things might happen.

Once you have chosen a particular decision to make yourself, and you know by what date you must make it, the question remains: *How* should you make it?

It is almost always advantageous to consult with your principal advisers and chief lieutenants. If the decision is a really tough one, the chances are high that your key advisers will be deeply split over the issue. In such cases, you may have an opportunity to use the decision-making process to build consensus among your inner circle.

At the very least, you may be able to frame the issue so that no lieutenant is left irretrievably humiliated should the final decision be contrary to his advice. This last point is important, because if a lieutenant is on the losing side among your advisers too often, he may suddenly be excommunicated by his peers, even though you may wish to retain him as a member of your team.

By contrast, it's perfectly acceptable to go against the unanimous advice of your chief lieutenants. In such cases, the members of your inner circle may grumble a bit, but they will rarely rebel against you for deciding not to act on their collective advice.

Another important element in decision-making is chance, or more accurately, probabilities. Machiavelli in *The Prince* and the great military theorist Karl von Clausewitz in *On War* repeatedly make the point that a leader should always take luck and probabilities into careful account when making major decisions. This maxim applies to financial and personnel decisions as well as those relating to warfare.

In a very real sense, then, decision-making becomes a game of chance in which you are betting against an opponent, or against some set of phenomena over which you have no direct control, or against behavior you cannot predict.

Most would-be leaders are horrified to think of decision-making as a form of gambling. They prefer to believe that, when faced with a difficult decision, the leader should search for the single best answer that will lead with certainty to success. But such amateur leaders delude themselves. As Machiavelli points out, slightly more than half the outcome of any bold undertaking is due to luck.

A close cousin to chance in decision-making is judgment. Judgment is often the key element of effective leadership in a broad range of human endeavors. Of course, judgment should always be informed by fact and analysis. But, in most decision-making situations, the facts and analyses available to you are at best incomplete, and at worst out-and-out wrong. In the end, you must often rely on your own good judgment and that of your advisers.

In most instances, you will base your decisions on information and analyses that are provided by subordinates who are pretty low on the totem pole. Occasionally, you should gather some information or supervise a particular analysis first-hand.

It's amazing how often you'll find that the allegedly factual information you've been receiving for years about a particular matter is completely erroneous, not because the person gathering the information is incompetent, but simply because he misunderstood what it was he was supposed to count.

Another contrarian discipline with respect to decision-making is to completely ignore any sunk costs that are related to costs incurred or mistakes committed in the past. Consider the CEO who has spent \$100 million of his company's capital to acquire an asset that has proven to be very unprofitable, and who now has the opportunity to sell this asset to someone else for \$25 million.

Rationally, this CEO should sell. But time and again, CEOs in this position have retained the bad asset in order to avoid having to admit to themselves and their shareholders that their initial investment was a mistake. And more often than not, the asset continues to depreciate in value. Ignoring sunk costs is extremely difficult. And yet that is exactly what you must do to make the best possible decision in a given situation.

Decision-making brings together many of the finest traits of contrarian leadership. When it is done well,

the result is a thing of beauty and a powerful tool for effective leadership.



LEARNING FROM A LEADERSHIP CLASSIC

One of the prerequisites to being a leader is to be familiar with the ideas of Niccolò Machiavelli, author *The Prince*, the seminal work of leadership. There is a great deal we can learn from Machiavelli, especially after we clear away a few of the myths and misconceptions about his advice.

Machiavelli's primary contribution was not a static set of leadership principles, but rather his painfully honest observations about human nature. Although he lived in Italy from 1469 to 1527, many of his ideas are relevant today for leaders of American businesses. Here are 10 of Machiavelli's most cogent and controversial points:

1. Machiavelli was not an immoral man; he had a strong set of moral principles. But he was driven by the notion of a *higher good*: an orderly state in which citizens can move about at will, conduct business, safeguard their families and possessions, and be free of foreign intervention or domination. Anything that could harm this higher good, Machiavelli argued, must be opposed vigorously and ruthlessly.
2. No policy is without its peril. A really talented leader first discerns the pitfalls of each option and then chooses the

best among them, recognizing that there is no perfect or perfectly popular solution.

3. Men must either be cajoled or be crushed, for if you do a person a slight injury he will surely avenge himself, but if you crush him he cannot.
4. No leader should submit to evil to avoid a war. For example, Neville Chamberlain's failure to confront Hitler prior to World War II didn't prevent a war with Nazi Germany; this mistake simply allowed the enemy to build its strength.
5. Fortune or luck plays the greatest role in determining the success of any leader, and fortune favors the bold.
6. In order to achieve the greatest good, it is sometimes necessary to do something that is bad. During World War II, when the U.S. dropped atom bombs on Japan, hundreds of thousands of innocent civilians were killed. Yet the act was justified by many people as a way to prevent even more bloodshed if the war continued. On a lesser scale, CEOs who lay off employees to save a company from bankruptcy are following this principle.
7. In newly conquered territory, the leader should implement his harshest acts all at once, but string out benefits and mercies, so that the people might come to appreciate him over time.
8. The major responsibilities of a good leader include: appearing to be a lover of virtue, encouraging the vocations and talents of the citizenry, letting men keep their possessions, maintaining incorruptible and ethical ministers and judges and, above all, defending the principality from foreign domination.
9. It is all right for a leader to be either loved or feared, but not hated. The very best course for any leader is to be feared and loved at the same time. But if he must choose between the two, it is better to be feared than loved. The reason for this is simple: People are more likely to take advantage of a leader who is only loved than they are one who is feared.
10. Never humiliate an opponent unless you're sure you are able to eliminate him altogether. Over the course of a successful leader's career he will "defeat" many other people, perhaps by buying out another company, transferring a difficult subordinate, or leapfrogging over a set of rivals. A leader can impose a wide range of harsh decisions on his followers and not be hated by them. But if he humiliates them in addition to dealing harshly with them, they will not forgive him, and they will not rest until they have found a way to get revenge.



KNOW WHICH HILL YOU'RE WILLING TO DIE ON

Most people confuse *good* leadership with *effective* leadership, but there is an enormous difference between the two.

For example, Hitler was an extraordinarily effective leader, but few would call him a good leader. In fact, most of us would say he was a monstrously evil one.

It's relatively easy for people to agree on the characteristics of an effective leader: He has a clear and compelling vision, inspires trust among his followers, chooses capable lieutenants, keeps his eye on the goal, and pushes himself and others relentlessly.

But it is impossible to assess whether a leader is *good* without entering the area of moral values. Consider an old army ethics test. You're a soldier driving a bus down a narrow mountain road. A five-year-old girl suddenly runs out in front of your bus and you can't stop to avoid the impact. You can either drive off the cliff, killing yourself; or keep going, and kill the girl. Most of the army recruits who took this test said they would go over the cliff to avoid hitting the child.

The recruits were then asked to consider the same scenario, but with 19 other soldiers in the bus with the driver. Here the obvious ethical choice is to sacrifice the girl's life to save 20 lives. But many of us could not bring ourselves to actually do such a thing.

Such questions are so tough that most people simply

refuse to address them. But facing up to difficult moral choices is the essence of good leadership, and often of effective leadership as well.

This kind of moral choosing can be summed up as "deciding which hill you're willing to die on."

The "hill" represents the core values that you refuse to violate under any circumstances.

This raises some of the most important questions that you must ask yourself as a leader: How much ground can you yield and still be true to your moral core? How far can you be pushed before you need to walk away from your duties? And what are the values from which you will never retreat, and in defense of which you are willing, if necessary, to sacrifice everything?

As counterintuitive as it may sound at first, once you have arrived at the answer to these questions, you should *keep them to yourself*. If you reveal to everyone the areas of moral behavior on which you are absolutely unwilling to compromise under any circumstances, your adversaries will almost surely use this knowledge to ensnare or undermine you.

Most people would be inclined to dismiss this advice as reprehensible, or worse. But the reality is that a bit of discretion about your inner self is always the better part of valor. It's fine to reveal, or even trumpet, your core values, but be careful about telling the world the exact location of the hill you're willing to die on.

And how do you know which hill you're willing to die on?

Knowing requires you to be consciously aware of your own moral beliefs, and what the basis is for those beliefs. The author asserts that if your core moral values are not religious, or at least transcendental in origin, those values may prove very unreliable in a clutch.

Furthermore, the author contends, a leader may be able to run from his true feelings about God, but it is very difficult to hide from them in the long term. Thus, it is probably to your advantage to discover and confront those feelings sooner rather than later. Doing so will almost certainly help you to locate your moral center and, in the process, help you to become a better leader.



WORK FOR THOSE WHO WORK FOR YOU

When it comes to managing employees, it helps to remember the following contrarian rule of leadership: ***"Work for those who work for you."*** In other words, spend about 10 percent of your time hiring your direct reports, evaluating them, and either rewarding or firing them. Devote the other 90 percent of your time to helping your direct reports succeed.

This means that, if you're not currently in the process of getting rid of a lieutenant, bend over backward to help him get his job done. Return his phone calls promptly, listen carefully to his plans and problems, help him develop strategies for reaching his goals. It's not enough to be a staff person for your lieutenant; you should be his *best* staff person.

Leadership is not about glamour. It's about getting results. If you want to make an impact, roll up your sleeves and be prepared to perform a series of chores that may seem beneath you, but will inspire your lieutenants and enable them to do great things.

Since so much of effective leadership involves bringing in the best talent possible, you should be aware of an almost universal human truth: *Most people tend to hire people who are weaker than themselves.* In an ideal world, strong leaders would hire people who are superior to themselves.

Of course, there is always a trade-off between whom you'd like to have as a lieutenant, and who can actually be recruited within the time that's available for making the appointment. In particular, if the pickings are slim, you must ask whether you can delay filling the position beyond the time originally allotted, in the hopes that someone better becomes available.

One of the worst things you can do is to rigidly define the responsibilities of a position, and then try to find a person to match this job description. You are often better served by recruiting a really competent lieutenant, and then tailoring a set of responsibilities to fit the strengths of that particular person. Contrarian leaders know that it's great people, not great job descriptions, who make an organization successful.

A primary challenge for leaders is to surround themselves with people whose skills make up for their own

shortcomings. Most leaders are more comfortable being surrounded by people who are similar to themselves. In particular, it is seductively easy for an entrenched leader to choose and retain only lieutenants who always agree with him and never seriously resist his initiatives. But the long-term success of any organization demands that the leader not surround himself with yes-men.

A related factor in the choosing of lieutenants is age. Many successful leaders believe that between two roughly equal candidates, one should always choose the younger. The reason is that you can benefit from the fresh perspective that the younger candidate is likely to bring with him.

Another dilemma is choosing between inside and outside candidates. You should not give the job to an outside candidate simply because he or she appears to be slightly better than the leading inside candidate. After all, you already know the insider's flaws and shortcomings, while most outside candidates know how to hide their weaknesses during interviews. For this reason, the advice of Derek Bok, the distinguished former president of Harvard, is especially relevant: An outside candidate must be at least two notches above the leading insider to be a good risk.

Again, hiring and other personnel decisions should take only one-tenth of your time. The other nine-tenths should be used to work for those who work for you. One of the greatest benefits you can give your managers who

have direct responsibility for running the organization is protection from your support staff. Whenever a staff person is empowered to act as a buffer between a leader and his line officers, the results can be truly disastrous.

There is a simple solution to this problem: Instruct your assistant that whenever a manager calls your office, the assistant should volunteer to interrupt you and get you on the phone immediately. Of course, your staff will rarely avail itself of the opportunity to interrupt you. But what's important is that they, and not the assistant, will decide that the matter they are calling about can wait.

Every senior lieutenant deserves a complete and frank evaluation at least once a year. It should be clear that you have spent a good deal of time thinking through the evaluation, and that you have taken pains to identify his or her achievements and failures as measured against the goals that you set together at the preceding evaluation.

To a large degree, leaders live and die through the actions of their chief lieutenants. Choosing these people, motivating them, supporting them and evaluating them are among the most important things a leader does. When a leader carries out these duties well, his cause or organization has a good chance of flourishing. But if he fails at these essential tasks, he and his followers are almost certainly doomed to failure in the long run. As a result, the advice that a leader should be the first assistant to his chief lieutenants is not just sentimental nonsense; it's

sound advice in your own self-interest.



FOLLOW THE LEADER

In this portion of the summary, we'll examine the relationships between leaders and followers, and how it is that leaders have come to have power and authority over the latter. We'll do this by examining the 10 fundamental realities of leadership:

The first reality is that before a person can lead, he must acquire a set of followers. Sometimes a person is appointed to a position, like being the CEO of a corporation, which comes complete with ready-made followers. At other times an individual, such as a civil rights leader, must build a set of followers from scratch. And quite often, in democratic societies, a would-be leader must convince a group of potential followers to choose him as their chief. However, in all three cases, the individual's personality and reputation are often more important than his leadership skills in determining whether or not he gets the opportunity to lead.

The second reality is that the contrarian leader knows that an effective leader must sell himself first, and his vision or policies second. Once a leader builds trust in himself, his ideas are more likely to be embraced.

The third reality is that even in inside well-defined hierarchies such as the military, the ability of a leader to entertain his constituents is important. After all, effective leaders manage people's attention,

and that requires some degree of entertainment skill.

The fourth reality is that a leader needs to tell a credible creation story or myth for the organization he's leading. Many effective creation stories are simply myths that are only partially grounded in reality. A story does not necessarily have to be 100 percent true to be effective, but it must appeal strongly to the leader's followers and to those whom he is trying to recruit. Furthermore, most good stories will embody the concept of change. After all, leadership is all about getting followers to move in new directions.

The fifth reality is that effective leaders are able to create, manipulate, and exemplify not only stories but symbols, slogans, and mantras as well. All of these help define in the minds of followers the essence of the leader's vision and his character. Moreover, the leader often becomes a symbol in and of himself.

The sixth reality is that the great majority of effective leaders have an excellent command of language, either spoken or written or both. The spoken word is by far the most powerful form of communication between a leader and his followers. There's a reason for this: Humans have been communicating orally for hundreds of thousands of years, while the widespread use of the written word as a timely means of communication is only a few hundred years old. The human brain is prewired at the deepest levels in favor of the spoken word; if you wish to really inspire your followers, you must speak to them.

The seventh reality is that effective leadership almost always involves a symbiotic relationship between the leader and the led. If the goals and directions that the leader chooses to emphasize don't resonate with his followers, he won't be their leader for long.

The eighth reality is that the metaphor of war is one of the most powerful tools that a leader has for attracting and motivating followers. Creating a sense among followers that they are under attack from outside forces, and that they must stick together and fight to survive, is the best technique for combating complacency in any organization.

The ninth reality is that from a practical standpoint, mutual interest between the leader and his followers often takes the form of tangible rewards and punishments, which the leader metes out to recruit and motivate people. Of course, the most popular medium for dispensing both rewards and punishments in the world today is money. However, when used alone, money is not always a very effective tool for inspiring people to achieve extraordinary goals. You also need to appeal to their pride, and their desire to beat out the competition.

The tenth reality is that a contrarian leader of a large organization is always searching for ways to inspire and motivate those of his followers whom he'll never come to know personally. One of the most effective ways to do this is by establishing multiple "people chains" though which the leader's goals, vision, and values are transmitted orally and personally

to every follower. You may not be in a position to provide individual attention yourself to each of your followers, but it's essential that someone in your organization does so.

Leaders don't really *run* organizations. Instead, leaders lead individual followers, who collectively give motion and substance to the organization. The contrarian leader never loses sight of this fact, which is often a major reason for his success.



BEING PRESIDENT VERSUS DOING PRESIDENT

One of the hardest things to accept about leadership is that there's a big difference between *being* president and *doing* president. In other words, many people are disappointed when their aspirations for high-level leadership are finally satisfied, but then they find out that they don't really want to do what being a leader really requires.

Leadership is a peculiar kind of calling. Major leadership roles, particularly at the level of a chief executive, aren't appropriate for those who have achieved distinction in positions that may be, in a hierarchical sense, lower on the totem pole. Nor should such persons necessarily want to take on positions of leadership in the institutions of which they are a part.

For example, the best physician won't necessarily make a good hospital administrator or medical dean. There is nothing wrong with a person who

simply decides he's not cut out to have power and authority over, and responsibility for, a large number of followers.

Many people aren't aware of the fact that leaders must frequently subordinate the things which they're most interested in, or which they feel are most important, to the urgent and sometimes trivial demands of others.

In fact, based on his personal experience, the author estimates that under ideal conditions a mere 30 percent of a leader's time can be spent on really substantive matters, and no more than 70 percent of this time should be spent reacting to, or presiding over, trivial or routine matters.

Newly minted CEOs often step into their new role determined to spend most of their time working on the substantive issues that really count, while delegating all the trivial parts of their job to their staff. But the reality is that most of a top leader's time must necessarily be spent dealing with the details of the job if he wants to survive and maintain his effectiveness over the long haul.

In fact, the real danger is that the 30 percent of a leader's effort devoted to important matters may shrink as the press of trivial and routine matters ultimately consumes all of his time and energy. It requires enormous discipline for the top leader in an organization to maintain the substantive component of his job near the 30 percent level.

Conventional wisdom

talks incessantly about the pursuit of excellence at any cost. Such maxims often make good sense for followers and managers. But the very notion of perfection is almost the opposite of effective leadership. Leaders in the real world are almost always forced to make trade-offs among competing priorities. If, in a quest of perfection, a leader is willing to allow one of these priorities to take too much of his time and attention, all the other priorities will surely suffer and the leader's organization will almost surely fail. Thus, the contrarian leader's rule in this arena is: Anything worth doing at all is worth doing just well enough. The tricky job is deciding what "just well enough" means in each particular situation.

Some people have an excellent personal radar. These people are extremely sensitive to the thoughts, feelings, and wishes of others. Other people are gifted with a good internal gyrocompass. Such people can stay steadily on course no matter how many distractions may impinge on them from every side.

The problem is that neither a good personal radar nor a good internal gyrocompass is sufficient to make a person an effective leader. True leaders need to have both. If they're not blessed with both from birth, they must either work to develop the attribute they lack, or recruit a lieutenant who has the particular property that the leader lacks.



By now, it should be clear that there is no step-by-step formula for becoming an effective leader, and certainly not for becoming a good leader. But the seven contrarian principles we've explored in this summary will help you to break free of conventional wisdom:

1. **Think gray.** Try not to form firm opinions about ideas or people unless and until you have to.
2. **Think free.** Train yourself to move several steps beyond traditional brainstorming by considering really outrageous solutions and approaches.
3. **Listen first, and talk later.** When you listen, do so artfully.

4. **Remember that experts can be helpful, but they're no substitute for your own critical thinking and discernment.**
5. **Never make a decision yourself that can reasonably be delegated to a lieutenant, and never make a decision today that can reasonably be put off to tomorrow.**
6. **"Know which hill you're willing to die on"** — that is, understand which core values you will defend at any cost.
7. **"Work for those who work for you."** In other words, recruit the best

lieutenants available and spend most of your time and energy helping them to succeed.

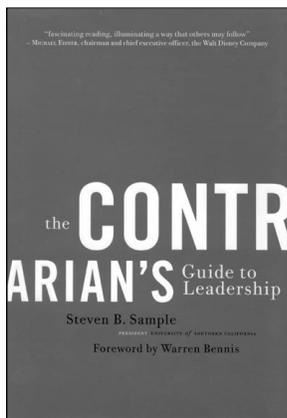
Above all, recognize that you can't copy your way to excellence. Rather, true excellence can only be achieved through original thinking and contrarian leadership.



ABOUT THE AUTHOR

Steven B. Sample became the tenth president of the University of Southern California in March 1991. He is an electrical engineer, a musician, an outdoorsman, a professor, and an inventor. In 1998 he was elected to the National Academy of Engineering for his contributions to consumer electronics and leadership in interdisciplinary research and education.

Sample is the author of numerous journal articles and published papers in science and engineering and higher education. His patents in the field of digital appliance controls have been licensed to practically every major manufacturer of microwave ovens in the world; over 200 million home appliances have been built using his inventions.



HOW TO ADD THIS BOOK TO YOUR LIBRARY

To order this book, please send check or money order for \$24.00, plus \$3.50 shipping and handling to:

Audio-Tech Business Book Summaries
825 75th Street, Suite C
Willowbrook, IL 60527

The Contrarian's Guide to Leadership, summarized by arrangement with John Wiley & Sons, Inc., from *The Contrarian's Guide to Leadership* by Steven B. Sample. Copyright 2002 by Steven B. Sample.



825 75th Street, Suite C, Willowbrook, Illinois 60527
1-800-776-1910 • 1-630-734-0600 (fax) • www.audiotech.com

A Gambler's Guide to Leadership continued >. by Eileen Shapiro. | iss. Now, a second question: how do you define leadership—the core tasks that all leaders must be able to complete to turn potential into results, not the nice-to-haves of leadership, but the must-haves? If you've read any of the jillions of books and articles on this subject and are now turning to one of them for guidance on this question, my bet is that you're not having much luck. That's because most books and articles on leadership effectively skip over the bothersome task of defining what they mean by "leadership" and instead jump directly to