

“The Contrarian’s Guide to Leadership”

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Notes by Dave Kraft

...judgments as to the truth or falsity of information or the merits of new ideas should be arrived at as slowly and subtly as possible—and in many cases not at all. One of the most rewarding aspects of teaching a class on leadership has been the opportunity to watch bright undergraduates learn to “think gray” while holding firmly to their core principles. (7) The person with whom I was speaking is a very intelligent and well-educated woman. But like most people, and unfortunately like so many would-be leaders, she feels an obligation to immediately classify everything she reads or hears as either true or false, good or bad, right or wrong, useful or useless. For the vast majority of people, giving in to this natural compulsion toward binary thinking is relatively harmless. But for leaders it can lead to disaster. (9)

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—people who are too naïve and ignorant to know all the reasons why something can’t be done, and who are therefore able to think more freely about seemingly intractable problems. The same is true of the leadership of institutions: it’s often fresh blood and a fresh perspective from the outside that can turn an ailing organization around. (15) We often speak of the need for leaders to have vision. Creative imagination, which relates to the ability to think free, may in the end be every bit as important as vision. (17) So it is with effective leadership. The leader whose thinking is constrained within well-worn ruts, who is completely governed by his established passions and prejudices, who is incapable of thinking either gray or free, and who can’t even appropriate the creative imagination and fresh ideas of those around him, is as anachronistic and ineffective as the dinosaur.

He may by dint of circumstances remain in power, but his followers would almost certainly be better off without him. (19) If a leader can listen attentively without rushing to judgment, he will often get a fresh perspective that will help him think independently. (21) A leader’s inner circle of advisers should be founded on mutual understanding and trust. It should be comprised entirely of individuals who are committed to the institution’s and the leader’s best interests and whose filters, prejudices and attitudes are well understood by the leader. Toward that end it is usually best to keep one’s inner circle of advisers relatively small—typically no more than eight. (22) Machiavelli saw the inner circle of advisers as a means whereby the prince could safeguard himself against flatterers, who prey upon every leader’s natural desire to think well of himself. (23) An important part of thinking gray for a leader is *listening* gray—absorbing stories, reports, complaints, posturing, accusations, extravagant claims, and prejudices without immediately offering a definitive response. (29)

Just as one can think gray without ever needing to reach a conclusion, one 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. (31) In my experience the best way to walk this tightrope is through something I call “open communication with structured decision making.” Under this rubric, everyone in the organization is free to communicate directly with everyone else in the organization, with the explicit caveat that *any and all commitments*,

*allocations, and decisions will be made strictly through the hierarchy.* (32) For the vast majority of us who aspire to excellence in leadership, artful listening isn't just an asset—it's a necessity. (36) Many experts are more interested in serving their own egos, or advancing their own reputations within their guilds or among their professional peers, than in serving their clients. (40) ...Albert Einstein, once noted, "A lot of what can be counted doesn't count, and a lot of what counts can't be counted." (50) For the contrarian leader, just one truly original idea is worth a hundred regurgitations of conventional wisdom. The good news is that twenty minutes a day translates into 120 hours a year, which allows ample time for me to read a dozen or more long and challenging books each year at a leisurely pace, with plenty of time for thinking through and underlining the more salient passages in each book. (68) ...in many cases leaders are directed and inspired as much by their readings as they are by their closest advisers. ...failing to make conscious choices about what to read is one of the worst things a leader can do. In reading as in so many other areas, maintaining one's intellectual independence is an essential prerequisite for effective leadership. (70)

1. Never make a decision yourself that can reasonably be delegated to a lieutenant. (71)
2. Never make a decision today that can reasonably be put off to tomorrow. (72)

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 he needs to carefully reserve for himself only the most important decisions, and cheerfully delegate the rest. (73) ...the leader should reserve to himself the hiring, compensating, motivating, molding, assessing and firing of his chief lieutenants. (74) A leader should always be willing to make a decision in order to resolve disputes among his senior lieutenants. (77) In point of fact, judgment is often the key element of effective leadership in a broad range of human endeavors. (86) Nonetheless, effective leadership at any level, from parenting to running a large corporation, requires that the leader lay down rules and evenhandedly punish those who break the rules. ...the failure of a leader to enforce the rules out of a desire to incur the affection of his followers can bring that leader to ruin in a hurry. (99) We must accept the fact that human beings and their institutions hardly ever measure up to our noblest ideals, and that to pretend otherwise is to invite ruin. (102)

They can't bring themselves to face up to really difficult moral choices. But doing so is the essence of good leadership, and often of effective leadership as well. (108) Indeed, in a pluralistic society in which people have widely differing opinions about right and wrong, it takes courageous and discerning thought on the part of a leader to decide what is the most moral course of action for a particular situation. (116)

When I first arrived at my post, Mr. Clements said, "Steve, let me give you some basic advice about leadership. You should spend a small amount of your time hiring your direct reports, evaluating them, exhorting them, setting their compensation, praising them, kicking their butts and, when necessary, firing them. When you add all that up, it should come out to about 10 percent of your time. For the remaining 90 percent of your time you should be doing *everything you can* to help your direct reports succeed. (121) Teddy Roosevelt once observed, "The best executive is the one who recruits the most competent men around, tells them what he wants done, and then gets out of their way so they can do it." ...throughout history the greatest leaders have been (122) not the ones who operated high above their subordinates, but rather the ones

who could identify and recruit the best talent and marshal it effectively under a guiding and unifying vision. (123) ...a leader is 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, that make an organization successful. (125) Yet the advantages of real diversity are usually worth the pain and costs involved. A highly homogeneous organization is as susceptible to disease and infestations as is a large biological monoculture. Ecosystems that are biologically diverse are much tougher and more resilient in the long run than monocultures, and so it is with organizations that contain a wide variety of people working toward a common goal. (128) A good leader has no excuse for having incompetent lieutenants and staff. As Machiavelli observed, a prince with weak advisers is a weak prince. (132)

The world is full of squeamish leaders when it comes to getting rid of people. (136) To a large degree, leaders live and die through the actions of their chief lieutenants. Choosing these people, motivating them, supporting them, helping them grow and achieve, inspiring them, evaluating them and firing them are among the most important things a leader does. (139) ...when an effective leader turns in a new direction his followers turn with him; that's the test of real leadership. To paraphrase Harry Truman, leadership involves getting others to willingly move in a new direction in which they're not naturally inclined to move on their own. (142) ...telling compelling stories is one of the most powerful tools there is for establishing a close bond with his followers and for inculcating his vision among them. (144) Keep in mind that leadership is all about getting followers to move in new directions; (147)

Words are the primary stock-in-trade of leadership, and all leaders use them to attract, hold, inspire and galvanize their followers. To be sure, the written word can sometimes be very effective in motivating people. But the spoken word is by far the most powerful form of communication between a leader and his followers. (149) Thus, real inspiration of followers is often brought about more by praise and exhortation from the leader than by monetary rewards alone. (154) Right after the role and mission statement was completed, our provost and a small committee of senior faculty began work on a strategic plan for USC. Unlike most academic plans, which often run to hundreds of pages and have dozens of priorities, ours was very contrarian in that it was extremely brief and succinct, comprising only fifteen pages (including appendices) and only four strategic priorities. (173) ...articulate some consistent values and strategic principles that every follower and stakeholder recognizes as the basis for all the decisions and actions of the organization. (174) ...an effective leader recruits excellent subordinates, defines success, and then helps his subordinates achieve that success. (178)