Principle-Centered Leadership

Written over 25 years ago, the content of Stephen R. Covey's *Principled-Centered Leadership* continues to set an essential standard for character-based leadership. One snapshot of the insights he delivers includes this comment on trust*: When trust is high, communication is easy, effortless, instantaneous, and accurate…The key to communication is trust, and the key to trust is trustworthiness.*

Check out these Book Notes to get a quick download of his formidable contribution to the leadership conversation.

Title: Principled-Centered Leadership

Author: Stephen R. Covey

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Book Description:

This book asks the fundamental question, how do we as individuals (and organizations), not only survive but thrive amid tremendous change? More, why are our efforts to improve continuing to fail despite the millions of dollars we spend in time, capital, and human effort every year? How do we combat all of this by unleashing the full measure of our creativity, talent, and energy in the midst of this pressure? Is it realistic to believe that we can find balance in our personal life, family life, and professional life?

Author Stephen R. Covey shows that the answer to these concerns is Principle-Centered Leadership; a long-term, inside-out approach to developing people and organizations. Covey tells that the key to dealing with the challenges that we face today is the recognition of a principle-centered core within not only each of us, but within our organizations. Covey offers insights and guidelines that demonstrate how we can apply these principles both at work and at home which will lead not only to an increase in our productivity and the quality of our work, but also to a new appreciation of the importance of establishing more personal and professional relationships as we strive to enjoy a more balance, more rewarding and ultimately more effective life.

Book Quotes:

The only thing that endures over time is the law of the farm: I must prepare the ground, put in the seed, cultivate it, weed it, water it, then gradually nurture growth and development to full maturity. (17)

Principles, unlike values, are objective and external. They operate in obedience to natural laws, regardless of conditions. Values are subjective and internal. Values are like maps. Maps are not the territories; they are only subjective attempts to describe or represent the territory. The more closely our values or maps are aligned with correct principles–with the realities of the territory, with things as they really are–the more accurate and useful they will be. (19)

A value-based map may provide some useful description, but the principle-centered compass provides invaluable vision and direction. (20)

Trustworthiness is the foundation of trust. Trust is the emotional bank account between two people that enables them to have a win-win performance agreement. If two people trust each other, based on the trustworthiness of each other, they can then enjoy clear communication, empathy, synergy, and productive interdependency. If one is incompetent, training and development can help. But if one has a character flaw, he or she must make and keep promises to increase internal security, improve skills, and rebuild relationships of trust. (31)

From study and observation and from my own strivings, I have isolated eight discernible characteristics of people who are principle-centered leaders. These traits not only characterize effective leaders, they also serve as signs of progress for all of us.

1. They Are Continually Learning

2. They Are Service-Oriented

3. They Radiate Positive Energy

4. They Believe In Other People

5. They Lead Balanced Lives

6. They See Life As An Adventure

7. They Are Synergistic

8. They Exercise For Self-Renewal (33-38)

We must never get too busy sawing to take time to sharpen the saw, never too busy driving to take time to get gas. (38)

The ability to listen first requires restraint, respect, and reverence. And the ability to make yourself understood requires courage and consideration. (46)

One of the most important commitments in a family or a business is never to bad-mouth.   Always be loyal to those who are absent, if you want to retain those who are present. And if you have problems, go directly to the person to resolve them. (46-47)

That's why humility is the mother of all other virtues–because it promotes stewardship. (54)

Many people with secondary greatness–that is, social status, position, fame, wealth, or talent—lack primary greatness or goodness of character. (58)

The following three character traits are essential to primary greatness.

- Integrity.
- Maturity.
- Abundance Mentality. (61, 62)

People with a scarcity mentality have a hard time sharing recognition, credit, power, or profit. (62)

Principle-centered leadership suggests that the highest level of human motivation is a sense of personal contribution. (70)

In a talk show interview, I was once asked if Hitler was principle-centered. "No," I said, "but he was value-driven. One of his governing values was to unify Germany. But he violated compass principles and suffered the natural consequences. And the consequences were momentous–the dislocation of the entire world for years." (95)

Peter Drucker has said: "Plans are worthless, but planning is invaluable." (98)

The more a leader is honored, respected, and genuinely regarded by others, the more legitimate power he will have with others. (107)

Here are ten suggestions for process and principles that will increase a leader's honor and power with others.

- Persuasion
- Patience
- Gentleness
- Teachableness
- Acceptance
- Kindness
- Openness
- Compassionate confrontation
- Consistency
- Integrity (107-108

We all want to have positive influence with certain people in our personal and professional lives. Our motive may be to win new business, keep customers, maintain friendships, change behaviors, or improve marriage and family relationships. But how do we do it? How do we powerfully and ethically influence the lives of other people? I submit that there are three basic categories of influence: 1) to model by example (others *see*); 2) to build caring relationships (others *feel*); and 3) to mentor by instruction (others *hear*). (119)

But until people feel that you understand them, they will not be open to your influence. (123)

Second, understand that people tend to act in terms of how they feel instead of what they know. Motivation is more a function of the heart than the head. (127)

Time management is really a misnomer, because we all have exactly the same amount of time, although some accomplish several times as much as others do with their time. Self-management is a better term, because it implies that we manage ourselves in the time allotted us. Most people manage their lives by crises; they are driven by external events, circumstances, and problems. They become problem-minded, and the only priority setting they do is between one problem and another. Effective time managers are opportunity-minded. They don't deny or ignore problems, but they try to prevent them. They occasionally have to deal with acute problems or crises, but in the main they prevent them from reaching this level of concern through careful analysis into the nature of the problems and through long-range planning. (137-138)

The essence of time management is to set priorities and then to organize and execute around them. (138)

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is trust, and the key to trust is trustworthiness. (138)

The classic approach to problem-solving deals with four questions: 1) Where are we? 2) Where do we want to go? 3) How do we get there? 4) How will we know we have arrived?

The first question–Where are we?–focuses on the importance of gathering and diagnosing reality data. The second question–Where do we want to go?–deals with clarifying values and selecting goals. The third question–How do we get there?–involves generating and evaluating alternatives, making a decision, and planning the action steps to implement it. The fourth

question–How will be know we have arrived?–involves setting up criteria or standards to measure or observe or discern progress toward our objectives or goals. (139)

They did it with an *abundance mentality*–a bone-deep belief that "there are enough natural and human resources to realize my dream" and that "my success does not necessarily mean failure for others, just as their success does not preclude my own." (157)

People need compasses that are fixed on constitutions (the mission statement with its set of principles and values) so they can flexibly adapt to the environment. (166)

To motivate people to peak performance, we first must find the areas where organizational needs and goals overlap individual needs, goals, and capabilities. (191)

These are the first four conditions of empowerment: 1) Win-win agreement; 2) Self-supervision; 3) Helpful structure and systems; and 4) Accountability. (192)

The need for control–for overall integrity, direction, and continuity within the organization–is obvious. But equally obvious is the need–both for the individual and for the effectiveness of the organization–for greater individual autonomy and freedom, for decisions to be made as close as possible to the action front. (211-212)

An "empowered" organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success. (212)

An effective decision has two dimensions: quality and commitment. By weighing these two dimensions and multiplying them, we can determine the effectiveness factor. For example, let's suppose that we make a quality decision–a perfect 10 on a 10-point scale; however, for some reason the commitment to that decision is low–a 2 on a 10-point scale. As a result we have a relatively ineffective decision (by multiplying 10 and 2, we get an effectiveness factor of 20)…Now let's assume that by involving others, we compromise the quality of the decision (it drops from 10 down to 7), but we increase the commitment to it (let's say from 2 to 8)…In this case we have an effectiveness factor of 56 (7 times 8). That means the decision may not be as good, but it is almost three times as effective!…Eventually through experience, most managers learn that the effectiveness of their decisions depends on quality and commitment, and that commitment comes through involvement. They are then willing to assume the risks and to develop the skills of involving people appropriately. (219)

In organizations, people usually perform one of three essential roles: producer, manager, or leader. Each role is vital to the success of the organization. (244)

Peter Drucker teaches that within a few years of their establishment, most organizations lose sight of their mission and essential role and become focused on methods or efficiency or doing things right rather than on effectiveness or doing the right things. (245)

That's why the role of the leader is so crucial to continual success. Leadership deals with direction–with

making sure that the ladder is leaning against the right wall. Management deals with speed. To double one's speed in the wrong direction, however, is the very definition of foolishness. Leadership deals with vision–with keeping the mission in sight–and with effectiveness and results. Management deals with establishing structure and systems to get those results. It focuses on efficiency, cost-benefit analyses, logistics, methods, procedures, and policies.

Leadership focuses on the top line. Management focuses on the bottom line. Leadership derives its power from values and correct principles. Management organizes resources to serve selected objectives to produce the bottom line. (246)

The basic role of the leader is to foster mutual respect and build a complementary team where each strength is made productive and each weakness made irrelevant. The essential role of a manager is to use leverage to multiply the work and role of the producer. A producer rolls up his sleeves and does what's necessary to solve problems and get results. (246)

What is the difference between management and leadership? Management looks through its glasses and does its work, but leadership looks at the lens and says, "Is this the right frame of reference?" Management works within the system to make them work. Leadership works on the system. Leadership deals with direction, with vision, with purpose, with principles, with top line, and with people building, culture building, emotional bank account building, strengthening people. Management deals more with control, logistics, and efficiency. Leadership deals with the top line, management deals with the bottom line. The hand can't say to the foot "I have no need of thee," both leadership and management, effectiveness and efficiency, are necessary. (255-256)

Habit 1: Be Proactive–the Principle of Self-Awareness, Personal Vision, and Responsibility

Habit 2: Begin with the End in Mind–the Principle of Leadership and Mission

Habit 3: Put First Things First–the Principle of Managing Time and Priorities Around Roles and Goals

Habit 4: THINK WIN-WIN–the Principle of Seeking Mutual Benefit

Habit 5: Seek First to Understand, Then to Be Understood–the Principle of Empathic Communication

Habit 6: Synergize–the Principle of Creative Cooperation

Habit 7: Sharpen the Saw–the Principle of Continuous Improvement (269-275)

Purpose and meaning. People also have a need for purpose and meaning–for making a contribution to that which is meaningful. People can make good money and have all kinds of growth experiences and good relationships, but if their work is not intrinsically satisfying or if the outcome does not contribute constructively to society, they won't be motivated in the highest and deepest sense. (297)