

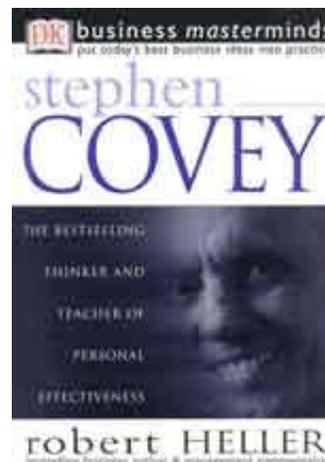
BusinessSummaries

WISDOM IN A NUTSHELL

PRESENTS
INSIDE THE GURU MIND SERIES

Stephen Covey

The Author of **The Seven Habits of Highly Effective People**



By
Robert Heller

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Stephen Covey

The groundwork of Covey's philosophy revolves around The Seven Habits of Highly Effective People.

- ✓ Be Proactive
- ✓ Begin with the End in Mind
- ✓ Put First Things First
- ✓ Think Win/Win
- ✓ Seek First to Understand . . . Then to be Understood
- ✓ Synergize
- ✓ Sharpen the Saw

Building Basic Effectiveness

Stephen Covey correlates success in business to success in one's personal and interpersonal life. "Private victories precede public victories". If you want more freedom and more latitude in your job, "be a more responsible, more helpful, and more contributing employee."

Central to Stephen Covey's teachings is the undeniable presence of basic principles for effective living that one integrates into their basic character. These principles are the foundations of success - integrity, humility, fidelity, temperance, courage, justice, patience, industry, simplicity, modesty and the Golden Rule – do unto others as you would have others do unto you. This "Character Ethic", as Covey calls it, is based on natural human laws and is innate in every institution that has endured and prospered. Covey differentiates between the Character Ethic, or principle-centered philosophy and the Personality Ethic. The Personality Ethic concerns practicalities or changing outward attitudes and behavior – quick-fix influence techniques, personality growth, communication skills training, power strategies and education in the field of positive thinking.

Covey also questions the ideas of psychologists that people "respond in a particular way to a particular stimulus". Covey believes that "between stimulus and response, man has the freedom to choose." According to him, "we have many maps in our head", divided mostly between "the way things are, or realities, and the way things should be, or values". Albeit these maps are conditioned, Covey argues that we have the ability to shift this paradigm, to alter attitudes, behaviors, and relationships.

In order to bridge these concepts (private victories and public victories; the Character Ethic and effectiveness), Covey formulated The Seven Habits.

Covey defines "habits" by rewording a management formula: knowing what to do (or the knowledge paradigm), knowing how to do it (or the skill), and

actually doing it (desire is the motivation – or the wanting to do). To Covey, the Seven Habits supplement the personal development of an individual from dependent infancy to independence and eventually to interdependence – this applies to human development including business management.

Maturity Continuum

Adopting the first three of the Seven Habits takes the individual from dependence to independence, thus achieving a private victory. Moving further along, one by one, the next four habits moves the individual into a state of interdependence and continued self-improvement. This he calls a Maturity Continuum.

According to Covey, “The Seven Habits are not a set of separate or piecemeal formulas. In harmony with the natural laws of growth, they provide an incremental, sequential, highly integrated approach to the development of personal and interpersonal effectiveness.”

Covey believes that it is good behavior that creates good character. Full potential in an organization can be realized by practicing the Seven Habits, that is, exercising good (or rather effective) behavior. Good behavior means doing things better, doing things better radiates optimism and people work better for everyone’s mutual advantage.

The P/PC Balance

Although Covey’s main teaching emphasizes the development of self, he also stressed the crucial role of balancing production (P) and production capability (PC) in order to ensure effective management. According to Covey, true effectiveness is a function of what is produced and the producing asset or capacity to produce. Neglecting elements of PC – staff, customers, investments or innovation – while pushing for higher gains leads to ineffectiveness and the eventual downfall of successful companies. Covey uses a story from Aesop where the farmer is blessed with a goose that lays golden eggs. In his obsession to gain all, he kills the asset (the goose) and loses the supply forever.

Pressure on managers to produce short-term results adds to this debilitating process. In an effort to produce results quickly, a manager may push production to the limits while pressing down costs (disregarding downtimes, maintenance, etc). Although this may increase profits in the short-term, reality will eventually correct the situation – maintenance will have to be done, workers will have to be properly compensated, costs will, in turn, be on the rise again and profits will nose-dive. Declines in quality relative to price will result in loss of customers. Lower the value for money and you reduce your sales capability. Covey here makes the connection between Character and

effectiveness using the example of a restaurant owner who waters down the shop's famous clam chowder and loses customers as a result. Covey also emphasizes the importance of the employees in the marketing equation – “the PC principle is always to treat your employees exactly as you want them to treat your best customers”.

Although Covey admits that there is no certainty on how and where the P/PC balance is drawn, he argues that being aware of this principle of balance and its essence serves as a guide towards the goal of optimum effectiveness.

Changing an individual's life and lifestyle by adopting these simple principles of conduct paves the way to becoming a highly effective individual. The input is spiritual, but the benefits are also material, and above all, universal.

Ideas Into Action

- * Do unto others as you would have others do unto you.
- * Accept full responsibility for your own character and behavior.
- * Understand that very often the way you see the problem is the problem.
- * Use the “inside-out” approach to effectiveness, advancing from private victories to public success.
- * Remember that effectiveness is a function of both what is produced and the capacity to produce.
- * Do not apply pressure for short-term results at the expense of long-term capability.
- * Replace quick fixes with continuous self-improvement.

Winning Private Victories

“Be Proactive”

Proactive vs. Reactive

In Covey's philosophy, adopting Habit One, or being proactive, means bringing to fore four powerful weapons – self-awareness, imagination, conscience, and independent will. Covey emphasizes that the difference between highly effective people and others is that the former consciously uses these weapons. Highly effective people show responsibility, or rather, “response-ability” – the ability to choose one's response. This is the governing force behind Covey's philosophy – the “Freedom to Choose”. And the operative word in this freedom model is the word “proactive”.

According to Covey, “Businesses . . . organizations of every kind – even families – can be proactive. They can combine the creativity and resourcefulness of proactive individuals to create a proactive culture within the organization.” Taking proactive initiatives spells the difference in effectiveness. Consequently, using reactive language becomes a self-fulfilling prophecy.

Seeking to Influence

According to Covey, everyone has a “Circle of Concern” which contains things that matter to them. Within this circle we find things that we have no real control over and other things we can do something about (or their “Circle of Influence”). Proactive people focus their efforts in their “Circle of Influence” and seek to enlarge it. Reactive people, on the other hand, look at the entire “Circle of Concern” and focus on things they have no control over. The result is that their “Circle of Influence” contracts and they become less effective. On the other hand, other people’s “Circle of Influence” becomes larger than their “Circle of Concern” and this too makes them ineffective.

Covey, however, agrees that not all things can be controlled nor mistakes avoided. According to Covey, the proactive approach is to acknowledge the mistake, correct it and learn from it. This will literally turn a failure into a success. The course of action is not to lie but to make and keep commitments and promises. Reaching an objective is just simply delivering on a commitment. Crucial to Covey’s teachings is that, as we keep our commitments, even small ones, we establish inner integrity. This makes us aware of self-control and the courage and strength to accept more of the responsibilities for our lives. The proactive person learns to set a goal and works to achieve it.

“Begin with the End in Mind”

Covey explained Habit Two by using an individual’s funeral as a metaphor. “What would you want people to say about you and your life – what contributions, what achievements would you want them to remember?” Correlating this to the business environment, Covey talks about the business plan (or what he calls “first creation”) – which must start with a clear definition of what is to be accomplished, in other words, an explicit goal.

Covey calls the business plan the “first creation”. According to Covey, to be your own first creator you need considerable imagination and conscience. Combine this with self-awareness and we become empowered to “write our own script, our own “personal mission statement”.

Visualizing and Affirming

According to Covey, imagination or visualization is important in changing and improving how we perform – visualize the situation, visualize your proactive response, repeat this exercise regularly and you eventually change your behavior for the better.

Accompanying this visualization is affirmation. This means a personal statement that keeps you constantly aware of your vision and values and leads you to align your life with those things that are most important. A good affirmation has five basic ingredients: (1) It is personal; (2) It is positive; (3) It is present tense; (4) It is visual; (5) It is emotional.

Break down your mission statements into specific role areas in your life. Then, decide on the goals you want to achieve in each area (use imagination, creativity, conscience and inspiration; focus on results vs. activity). This will give you an overall perspective and a sense of direction. However, Covey points out that drawing a mission statement involves everyone. Without everyone's involvement, there is no commitment.

“Put First Things First”

Managing Yourself

Habit Three is the “fulfillment, the actualization, the natural emergence of Habits One and Two”. Those who acquire this habit become “principle-centered day-in and day-out” by living the habit and “practicing effective self-management”.

Covey prefers to approach this concept by using the Time Management Matrix but instead of managing time, it is used to focus on preserving and enhancing relationships, accomplishing results and thus, maintaining the P/PC balance.

	Urgent	Not Urgent
Important	<ul style="list-style-type: none"> ◆ Crises ◆ Pressing problems ◆ Deadline-driven projects 	<ul style="list-style-type: none"> ◆ Prevention, PC activities ◆ Relationship building ◆ Recognizing new opportunities ◆ Planning, recreation
Not Important	<ul style="list-style-type: none"> ◆ Interruptions, calls ◆ Some mail, reports ◆ Some meetings ◆ Proximate, pressing matters ◆ Popular activities 	<ul style="list-style-type: none"> ◆ Trivia, busy work ◆ Some mail ◆ Some phone calls ◆ Time wasters ◆ Pleasant activities

Quadrant I: stressed and burned out; forever focusing on crisis management

Quadrant II: show vision, perspective, balance, discipline, control; suffer few crises.

Quadrant III: have shallow or broken relationships; suffer crisis management; “chameleon character”; see goals and plans as worthless

Quadrant IV: depends on others or institutions for basic support; according to Covey, “leads irresponsible lives”

Ironically, Covey says that effective personal management involves others. “Stewardship”, or effective delegation, is necessary to bridge the gap between personal victory and public achievement. Delegation to time makes us think efficiently, delegation to others makes us think effectively. Delegate effectively:

- ✓ Be specific about what results you expect and when.
- ✓ Leave the choice of the best methods and means to the delegate.
- ✓ Set clear, succinct guidelines.
- ✓ Let the delegate know exactly what financial, human, technical, and organizational resources are available.
- ✓ Specify how you will evaluate performance, and when.
- ✓ Agree with the delegate on how achievement of the results will be rewarded – financially or in other ways.

Ideas Into Action

- Demonstrate “response-ability”, or the ability to choose your response.
- Do not wait for something to happen or someone to take care of you.
- Combat bad times by adopting practical, do-able counter-measures.
- Do not waste time over matters you can do nothing about.
- Acknowledge mistakes instantly, correct them, and learn from them.
- Always start new ventures with a clear vision of your goal in mind.
- Think through your priorities carefully and align your behavior with your beliefs.

Masterclass 1

Exercising Self-Leadership

Leading and influencing others means taking control of yourself first – making the most of your abilities and opportunities. One must learn to be proactive, to take the initiative whenever possible. Learn to set your own short and long-term goals and finally, develop your capability to achieve them.

Being Proactive, Taking the Initiative

The first of four keys to freedom of choice (reactive vs. proactive behavior) is self-awareness – the secret to human success.

The other keys to proactive behavior are conscience (a sense of right and wrong); independent will (the readiness to act on your own, as your self-awareness dictates); and imagination (the use of the creative, right-hand side of the brain). By exercising and developing all four abilities, you can become a more effective human being.

Part of proactive behavior means using the right language to bring positive transformation in how you view yourself and how others respond to you. Reactive language holds you back. But for every reactive, self-limiting phrase,

there is a proactive equivalent that puts you in the driver's seat. Instead of "If only", "I must", or "I have to", use phrases like "I will", "I prefer", "I will choose". Shifting your language preference will reverse any unconscious passivity in your attitude. It will dramatically change your behavior and raise effectiveness.

Taking the initiative, or taking control of your destiny means empowering yourself by your behavior and widening your influence over events. Covey suggests following these seven instructions in all your activities, at work and in the house, for a period of 30 days:

- Make small commitments and keep them.
- Be part of the solution, not part of the problem.
- Be a model, not a critic.
- When you make a mistake, admit it, correct it, and learn from it – immediately.
- Do not blame and accuse.
- If you start to think the problem is "out there", and not your responsibility, stop yourself.

At the end of each day, evaluate how you performed on each of the seven instructions. Seek to improve on them every day. Encourage imagination, or what might be called "purposeful day-dreaming", using visual affirmations.

Widen your circle of influence – use your initiative, use self-control, concentrate your time and energy on issues you can affect.

Setting your Goals

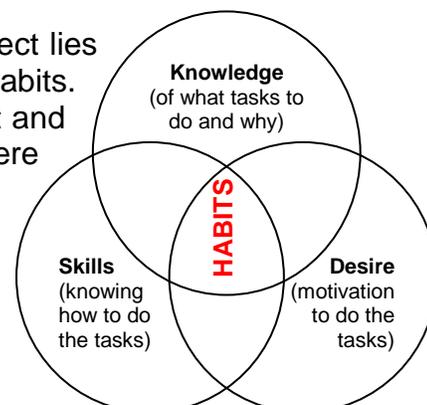
Write down your chief ambition – short and to the point – in a mission statement. Focus all your other activities and lesser objectives toward this end. Put a time to the target so that your efforts may be disciplined and directed. Once you have done this, engage yourself in strategic personal planning.

Optimizing your Capability

If you are to make the most of your abilities, you must enhance and nurture your capacity to perform – your Production Capability (PC).

Where your knowledge, skills, and desire intersect lies the potential to develop positive working habits. Conduct regular audits of your PC development and that of your organization to find weak spots where improvement can be done.

- ✓ Exert control over your destiny
- ✓ Form valuable objectives



- ✓ Prioritize the use of your time
- ✓ Work with others for your mutual benefit
- ✓ Learn by listening
- ✓ Coordinate your work with that of others
- ✓ Improve your physical, human, and financial resources

From Private to Public Victories

“Think Win / Win”

According to Covey, “most of life is an interdependent, not an independent, reality”. Therefore, in “most situations . . . Win / Win is really the only viable alternative”.

Win/Win has five dimensions. It begins with character and moves towards relationships, out of which flow agreements. It is nurtured in an environment where structure and systems are based on Win/Win. And it involves process; we cannot achieve Win/Win ends with Win/Lose or Lose/Win means."

Character is the foundation and it has three essential traits: integrity or “the value we place on ourselves”, maturity or “the balance between courage and consideration”, and “abundance mentality”. Abundance thinkers are those who “think that there are plenty out there and enough to spare for everybody”. They are in a much stronger position to reach agreements that flow from good relationships and good communication.

Covey emphasizes, though, that the Win/Win agreements can only work in Win/Win environments. In an atmosphere of competition and contest, the situations become Win/Lose. Similar to sales competitions – winners take home big bonuses and losers end up even losing their jobs. Finally, Win/Win solutions can only be accessed through Win/Win processes – “the ends and the means are the same”.

“Seek First to Understand . . . Then to be Understood”

Covey calls Habit Five “emphatic communication”. Covey considers emphatic listening as “the key to making deposits in Emotional Bank Accounts.” Emotional Bank Accounts are among Covey’s key philosophies. Deposits into these Emotional Bank Accounts are done through courtesy, kindness, honesty and keeping one’s commitments, thus, building a reserve.

Developing empathy means listening through four developmental stages: repeating; rephrasing; reflecting feeling; and rephrasing and reflecting feeling.

The other part of Habit Five is equally critical. Covey uses Greek philosophy to explain. He constructs a sequential three-word model: ethos (your personal

credibility), pathos (empathy, your alignment with another's emotional thrust), and logos (reasoning). Covey observes that most people go straight to logos, using the left-brain logic of their ideas. According to Covey, you can convince others more effectively if you go through the sequence – ethos first, pathos next and then you present your logical argument.

Understanding is within your “Circle of Influence” – you have control over it. Once you really listen, you become “influenceable” – the key to influencing others. Covey, therefore, advises one-to-one time with employees, and the creation of systems that generate feedback from every level – customers, suppliers and employees.

“Synergize”

Synergy, according to Covey, is the crowning achievement of all the previous habits. Covey defines synergy simply as the whole being worth more than the sum of its parts. The relationship between the parts (that between people) is also considered, in itself, a part.

“Sharpen the Saw”

Sharpening the saw, according to Covey, means, “preserving and enhancing the greatest asset you have – you”. There are four dimensions to this:

- ✓ Physical: balanced diet, sufficient rest and relaxation, adequate & regular exercise
- ✓ Spiritual: clarify values and commitment, study, meditate, to provide “leadership for your life”
- ✓ Mental: read, visualize, plan, write (watch relatively little television)
- ✓ Social/Emotional: center on the principles of interpersonal leadership, emphatic communication, and creative cooperation

According to Covey, the Seven Habits are highly integrated. Neglecting one area negatively impacts the rest. Essential to developing the Seven Habits is the Daily Private Victories – devote an hour a day to renew the physical, spiritual, and mental dimensions”. Covey states, however, that the Seven Habits will transform performance but not without leadership.

Ideas Into Action

- Focus your attention first of all on relationships, rather than things or time.
- Make delegates fully responsible for achieving their results in their own way.
- Ensure that everybody knows the plan and feels good about it.
- Always strive to see a situation from the other person's point of view.
- If you need to apologize to anybody, do so immediately and sincerely.
- Get people on your side emotionally before presenting your logical case.

- Set aside time for regular activities that contribute to your personal improvement.

Masterclass 2

Interpersonal relationships are the defining medium of management. Internal as well as external relationships need to be nurtured. Adopt the six-stage cycle of customer satisfaction:

1. Discover customer wants by asking the customers.
2. Find out how well you are currently supplying the wants.
3. Take decisive action to eliminate deficiencies.
4. Identify and install added customer value.
5. Re-check customer satisfaction.
6. Repeat stages 2-5 and continue the cycle.

Serving Mutual Interests

Consideration	High	Lose/Win	Win/Win
	Low	Lose/Lose	Win/Lose
		Low	High

Courage

A mutually beneficial result in any negotiation is described as a Win/Win situation. Both sides in a negotiation must display a high level of courage and consideration to achieve a Win/Win outcome.

Win/Win is essential to the success of any performance agreements created by manager and subordinate. Covey suggests the four-step action plan:

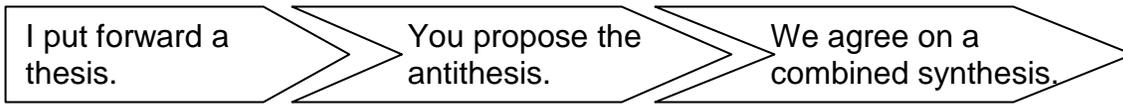
1. Establish what the other person's interests really are.
2. Identify the key issues and concerns involved.
3. Determine what results both sides would accept.
4. Find possible new options to achieve those results.

Mastering Communications

Effective communications depend mainly on trust. Covey emphasizes the importance of trust – the greater the trust between two parties, the greater the degree of cooperation. Synergy occurs when all parties show high trust and cooperation. Master the four essential communication skills when you are met with disagreement: (1) put yourself in the other's shoes; (2) communicate your understanding of the opposing view; (3) listen carefully; and (4) interpret the meaning of body and facial language.

Winning Synergy's Rewards

The most effective solutions to issues are often achieved by group effort. To bring about synergy, use the dialectic of philosophy:



Opposing Forces in a Debate	
Driving Forces	Restraining Forces
Positive Thought	Negative Thought
Reason	Emotion
Logic	Illogic
Consciousness	Unconsciousness
Economics	Social Factors

Synergy in a debate can still be achieved by taking a Win/Win attitude – understand the opposing view and make sure you are understood too. Constructive interaction will follow and synergy will be attained.

Synergy sessions require the use of both sides of your brain. The left brain provides the framework and the facts, the right brain provides the insight and inspiration. As Covey points out, getting the two sides of the brain to work together is synergy in itself – psychic synergy.

To achieve group synergy sessions, get the right group together (those with differing points of view), let leadership define the issues, agree on the agenda and review the agenda. Speak in rotation, outlaw ridicule, do not allow adversarial debate, and use agreed time limits.

The Principles of Leadership

Covey describes leadership as a first creation that deals with the question of what one wants to accomplish. It then operates through the physical execution or “second creation” or how things can get better accomplished – this is management.

Covey suggests exercising creative leadership in order to keep the organization headed in the right direction. He emphasizes that it is leadership, and not management, that can do this. “Real leadership power comes from an honorable character and from the exercise of certain power tools and principles; it does not come from genetic “great man” theories, personality “trait” theories, or behavioral “style” theories. There are three kinds of power: coercive power (where followers dare not refuse leadership); utility power (relationship is based on the useful exchange of goods and services); and legitimate power (where followers believe in their leaders and what they are trying to accomplish).

Covey is disdainful of coercive power. Utility power often leads to individualism rather than teamwork and group effectiveness – perpetual bargaining occurs. Legitimate power is where loyalty is based on principles, where ethical behavior

is encouraged. Covey makes 10 suggestions to increase a leader's legitimate power:

1. Be persuasive – communicate until mutually beneficial, satisfying outcomes are reached
2. Be patient – stay committed to your goals
3. Be gentle – deal gently with vulnerabilities, disclosures and feelings of followers
4. Be teachable – appreciate differing views, judgements, experiences
5. Show acceptance – give the benefit of the doubt
6. Be kind – remember the little things in a relationship
7. Be open – give full consideration to followers' intentions, desires, values, goals rather than exclusively focusing on their behavior
8. Be compassionate – in confrontations, acknowledge errors, mistakes in a context of genuine care, concern, warmth, make it easier to take risks
9. Be consistent – do not use your leadership style to manipulate
10. Show integrity – match words and feelings with thoughts and actions

There are six essential attitudes and behaviors that clear communication lines:

- ✓ Assume good faith, do not question sincerity or sanity
- ✓ Care about relationships and want to resolve differences
- ✓ Be open to influence and be prepared for change
- ✓ Listen to understand
- ✓ Speak to be understood
- ✓ Start a dialogue from a common point of reference or agreement and move slowly into areas of disagreement

Success is linked too to “abundance mentality, “which ”springs from an internal security” as against “scarcity mentality”. People with “abundant mentality tend to share seven characteristics:

- ✓ They return often to the right sources.
- ✓ They seek solitude and enjoy nature.
- ✓ They “sharpen the saw” regularly.
- ✓ They serve other anonymously.
- ✓ They maintain a long-term intimate relationship with another person.
- ✓ They forgive themselves and others.
- ✓ They are problem solvers.

Covey lists the Seven Habits of Highly Ineffective Organizations:

- ◆ “Poor alignment between structure and shared values, between vision and systems: the structure and systems poorly serve and reinforce the strategic paths.”

- ◆ “No strategic path: either the strategy is not well developed or it ineffectively expresses the mission statement and/or fails to meet the wants and needs and realities of the stream [the environment].”
- ◆ “No shared vision and values: either the organization has no mission statement or there is no deep understanding of and commitment to the mission at all levels of the organization.”
- ◆ “Wrong style: the management philosophy is either incongruent with shared vision and values or the style inconsistently embodies the vision and values of the mission statement.”
- ◆ “Poor skills: style does not match skills, or managers lack the skills they need to use an appropriate vision.”
- ◆ “Low trust: staff has low trust, a depleted Emotional Bank Account, and that low trust results in closed communication, little problem-solving, and poor cooperation and teamwork.”
- ◆ “No self-integrity: values do not equal habits; there is no correlation between what I value and believe and what I do.”

The solution to these problems is to share vision and values, build all corporate activities on those solid principles, and both the organization and its people will fall into step behind one common cause, pursued with high effectiveness.

FOUR MANAGEMENT PARADIGMS

<i>NEED</i>	<i>METAPHOR</i>	<i>PARADIGM</i>	<i>PRINCIPLE</i>
Physical / Economic	Stomach	Scientific authoritarian	Fairness
Social / Emotional	Heart	Human Relations (benevolent authoritarian)	Kindness
Psychological	Mind	Human Resources	Use & devt of talent
Spiritual	Spirit (whole person)	Principle-centered leadership	Meaning

Covey argues, people are not primarily motivated by economic security. Second, their social needs still leave management in-charge. Recognition of the third need is necessary but once the spiritual need is addressed, the individual finds meaning and a sense of doing something worthwhile.

Covey has a “PS Paradigm”. P stands for People. S stands variously for Self, Style, Skills, Shared vision and principles, Structure and systems, Strategy, and Streams [operational environments]. Business management will fail unless all the S-aspects are embraced in a consistent, dynamic framework.

Ideas Into Action

- Concentrate first on “What are the things that I want to accomplish?”
- Delegate “management” responsibilities to leave yourself free to lead.
- Help others to believe in you and what you want to achieve.
- Look for credibility problems and make resolution of them a high priority.
- Build trust between you and those you work with on the basis of your trustworthiness, not politics.

- Ensure that you are seen as fully competent in your area of professional expertise.
- Get people to work with you on vision, mission, roles, and goals.

Masterclass 3

Time is the main asset of a manager. How you allocate your time and how well you use it are keys to effectiveness – identify core priorities, build in time to address non-urgent but important issues, learn when and how best to delegate tasks.

In choosing priorities, it does not only mean doing what is urgent, it also means focusing on “preserving relationships and accomplishing results.” Do not be addicted to urgency. Analyze your use of time. Study Covey’s Time Management Matrix and cross-reference how you control your time with the matrix.

One of the most effective time savers is delegating tasks appropriately. An effective delegation results in a Win/Win situation.

Every manager plays many parts, or roles. Identify your roles, set a goal for each role, allocate your time in each role, and schedule them. Covey’s trademark system is the Weekly Worksheet, which lists all the roles with their goals next to them. Make sure, however, that you stay flexible enough to input unexpected changes into your workweek. Review it regularly.

Apply discipline. Eliminate tasks that do not need to be done at all. Identify tasks that could be delegated. Focus on tasks that only you can do.

Making Leadership Work

In *Principle-Centered Leadership*, Covey dealt with “Managerial and Organizational Development” where he answered how management could win practical results. One of his answers was to enable staff workers. He suggests a five-step process:

- ✓ Provide a clear understanding of the desired results.
- ✓ Give people a clear sense of their level of initiative.
- ✓ Clarify assumptions.
- ✓ Provide the people involved with as much time, as many resources, and as much access to other executives and departments as possible.
- ✓ Set a time and place for presenting and reviewing the completed staff work.

It basically boils down to Covey’s thoughts on leadership – to motivate people to peak performance, there should be a point where the organizational needs and

goals overlap with individual needs, goals and capabilities. Conditions that allow for this ideal “empowerment” of people are as follows:

- ✓ Win/Win agreements
- ✓ Self-supervision
- ✓ Helpful structure and system
- ✓ Accountability

The critical condition is the Win/Win agreements. True empowerment follows from true delegation, and vice versa, and the five steps are all essential:

1. Specify desired results
2. Set guidelines
3. Identify available resources
4. Define accountability
5. Determine the consequences

The Win/Win agreement seeks for a situation where people can say “I understand, and I am committed because it is a win for me, too.” The empowered person can then practice self-supervision. Because of this, the parts of the whole work together responsibly to create desired results. Both the organization and the people are accountable – the organization must produce the overall results that its members desire, and they in turn must account to the organization for their self-supervised performance.

Although Covey is not quite specific on how systems and structures help in empowerment, he lists down six systems that are common to most organization: (1) Information; (2) Compensation; (3) Training & Development; (4) Recruitment & selection; (5) Job design; and (6) Communication.

Total Quality Management

The principle of Total Quality Management (TQM), according to Covey, enshrines the principle of continuous improvement and the Seven Habits. TQM answers the problems arising from practical difficulties of achieving empowerment. Covey gives distinction to US Statistician W.Edwards Deming’s “14 points” in quality management:

- Create constancy of purpose for the improvement of product & services.
- Adopt the new philosophy.
- Cease dependence on inspection to achieve quality.
- End the practice of awarding business on price alone.
- Improve constantly and forever the system of production and service.
- Institute training on the job.
- Institute leadership to help people, machines and gadgets to do a better job.
- Breakdown barriers between departments

- Drive out fear, so that everyone may work effectively.
- Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity.
- Eliminate work standards (quotas) on the factory floor and management by numerical goals. Substitute leadership.
- Remove barriers that rob the hourly worker of his right to pride of workmanship.
- Institute a vigorous program of education and self-improvement.
- Put everybody to work to accomplish the transformation.

Covey argues that his doctrines are the “missing link” to TQM. Covey’s principles, he asserts, “when applied consistently . . . become behaviors enabling fundamental transformations of individuals, relationships, and organizations.” Transformation is required not just to correct internal under-performance but to respond to revolutionary external changes.

In order to address these revolutionary external changes, leaders of organizations must adopt a transformational style – “changing the realities of our particular world to more nearly conform to our values and ideals.” Transformational leadership focuses on the “top-line”, merits the title “principle-centered.” Covey emphasized moral transformation more than real-world transformation.

Ideas Into Action

- Allow people to govern or supervise themselves within Win/Win agreements.
- Seek mutual understanding on expectations surrounding roles and goals.
- Organize communication around a shared vision and mission.
- Have subordinates write you a “manager’s letter” outlining their responsibilities.
- Organize systems for processing work that enable people to maximize their productivity.
- Use random sampling to discover the perceptions of all customers, workers, and investors.
- Make total quality a prime concern and objective for the business.