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***The Wisdom of  
Failure:***

*How to Learn the Tough Leadership  
Lessons Without Paying the Price*

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## I. REASONING BEHIND BOOK CHOICE

What drew me to this book was the title, not because of the title itself, but after looking at other books, this one spoke to me. Before I made my decision, I took a moment and asked a few important questions. Which one of these will teach me the most wisdom? Which of these will be the most helpful along my path? Which one of these will be the most relatable to my life experience? The answer then became clear as to what book was the right one to choose, this one answered all three of these questions perfectly.

### *A Lifetime Full of Failure*

It immediately hit home with me because failure has always been present in my life each day and I needed to constantly learn from this failure out of pure necessity. I grew up in a family with a rich history in “The Ultimate Game of Failure”, the Great Timeless Game of Baseball. In baseball, you are bound to fail, and more often than not, you fail; time, after time, after time, after time again. To highlight this extreme prevalence in the sport, the game’s most revered legends only succeeded about thirty-percent of the time roughly. Ted Williams describes this humility best “Baseball is the only field of endeavor where a man can succeed three times out of ten and be considered a good performer.”

Baseball is a very interesting paradox; it is a very simple game, yet a very complex one at the same time. One of the wisest gurus to grace the game of baseball Yogi Berra illustrates the crucial mental aspect of the paradox “Baseball is ninety-percent mental and the other half is

physical”. Yogi’s cryptic speech is referring to how the mind deals with failure and he believed that those who mastered control of their mind were able to master the game of failure.

The key to self-improvement in both baseball and life are parallel, one must learn the tough but valuable lessons that failure has to offer. In order to know success, one must first know failure. One must also constantly seek wisdom from the failures of others to sharpen intuition and avoid the same tragic fate. The principles of baseball are can be applied to any challenge in life; failure and struggle are present in both, and it is how one learns from these failures along the path which define who we truly are and what our legacy ultimately becomes.

## **II. BOOK SUMMARY**

### ***Flawless Leadership***

#### *Two Different Paths*

The book begins with a tale of two different leaders; both have similar “rags-to-riches” backgrounds, both worked multiple jobs to support their families, both dreamed of a better life one day, except the big difference between these two leaders was they chose two different paths. The first leader described was Ken Lay the former CEO of Enron, one who was consumed by his success and ego, and fell down the wrong path. The second leader was Jim Owens, one who remained true to himself. He chose the right path by staying mindful and consciously aware of his decisions along his path. Jim was also gifted with strong natural intuition, combined with wisdom he gained over the years helped lead Caterpillar Inc. through some of the toughest economic times in business history. Jim’s actions in the face of extreme adversity heroically saved the company by steering the ship in the right direction.

Ken Lay was not always a notorious villain; in fact, he once was the poster-child for great leadership, one who helped turn a small regional company into a Wall Street superpower. Ken's reputation was so highly respected that he personally knew President George W. Bush and became an advisor to many world leaders. In 2001 Fortune 500 ranked his company; number one for innovativeness and number two for quality of management. His success was originally forged on his confidence, compassion, trustworthiness, supportiveness, determination, and innovativeness. Unfortunately, his celebrity status eventually caused his ego to corrupt him and lose sight of the values that made him great. This lapse in awareness and humility eventually led him down a dark path when he decided to hide mistakes that were made by his company.

This story of his historic downfall highlights how important it is for a leader to maintain focus and make the right decisions, even as hard as they may be, for a lifetime of good decisions can all be ruined by a single choice. This choice was Lay's ultimate test in management, one that he miserably failed, robbing shareholders of \$11 billion through lies, one that tarnished his reputation forever into one of the biggest business disgraces in history, and one that ironically claimed his life in 2006 when he suffered a heart attack while awaiting a life sentence to prison. (Karma?)

Jim Owen's story illustrated the "flip-side" of Ken's tragic downfall and showed by doing the right thing in even in the tensest and most challenging moments, he was able to become the hero who saved the day. The vital difference between Jim and Ken was that Jim developed strong awareness and knew the valuable wisdom that failure provides describing them as "Black Swan events (global structural fractures) have given us invaluable learning opportunities. Leaders need to use these learning opportunities in ways we have historically never done." (page 5) Jim recognized early on that the most extreme challenges yield a unique

opportunity for a leader to defy the odds through awareness and make the right decisions to leave a legendary legacy.

The foundation to Owen's success in his righteous path was his careful attention to the what's & why's of company mistakes when he was just a mid-level manager. This eagerness to figure what and why mistakes are happening, then fixing them the right way is what paved his path to success. Owen's was naturally gifted with insight which helped him develop a greater awareness, making him able to recognize the global industry was evolving and fast. Early on he recognized that the company was doomed if they did not evolve. Jim was constantly trying to challenge the old "tried & true" methods the company stubbornly and destructively held onto. As a free-thinker constantly challenging the status quo, Owens was constantly told no, even though he was actually right, and it even endangered his position within the company because he was so aggressively progressive.

As a young leader Owens had great ideas, but learned the most important lesson of all; humility, describing it as "...pushing for change in a conservative company without data to back up the idea- did not work, even when it was a good idea." (page 6) Owen's awareness and intuition led him to the idea of outsourcing, which then further led him to dig deeper and research, providing him with the facts/data to back-up his idea, which then ultimately led him to save the company by providing flexibility in tough economic times by way of outsourcing. An important highlight of Owen's path is that he stayed determined when encountering heavy resistance, and unlike Ken Lay he made the difficult and unpopular decisions. Jim was able to walk the right path because he chose; truth and transparency, over fame and fortune gained by lies. Jim focused on failure and constantly learned from it, protecting him from the corruption that leaders are tempted with once they experience higher levels of success.

This book provides the valuable wisdom a young leader will need to know in order to choose the right path and more importantly breaks the typical leadership book paradigm of focusing on success, rather focusing on failures to prevent a leader from making a mistake that already occurred, saving one from the same tragic fate. If one does not learn from mistakes; both their own, and those made by others before them, then history is doomed to inevitably repeat itself. The question is then proposed “Why is it so hard to learn from mistakes?”

### *The Failure Paradox*

Unfortunately, what makes this so hard has to do with our corporate American culture which sees failure as a taboo. It is a culture that; values perfection, condemns failure, and is too caught up in goals themselves that it loses sight of how they are actually achieved it in the first place, through failure. There is the great “Failure Paradox” that exists in our culture today; as a leader you must fail in order to succeed, yet at the same time there are only a limited number of mistakes a leader can make before being deemed an unworthy/unfit leader. One can find the way around this destructive paradox by possessing insight that is gained through true wisdom. In order to gain true wisdom, one must take a balanced approach to learning, by looking at both sides of leadership, failure and success as one.

Wisdom provided from the book was forged from a seven year study, broken into three separate phases. The first phase was an investigation on the efficiency of learning from mistakes to avoid future problems, generated from 857 different managers across 21 different industries. The second phase identified the most dangerous mistakes made by leaders, generated from thirteen different focus groups made up of 115 leaders, consisting of CEO’s all the way to frontline managers. The third and final phase consisted of; verifications, takeaways, and insights

from retired CEO's and some of businesses most experienced leaders. The bottom line of their seven year study, the path to becoming a great leader requires one to constantly learn from mistakes, whether one made them or by observing mistakes made by others.

Due to the main focus on failure, the book identified three critical areas in which aspiring leaders most commonly fail; unbalanced orchestration, drama management, and personality issues. All three of these areas combined, bring to light, nine fatal failures that can cause a good leader to stray down the wrong path, while also providing the wisdom needed to avoid these fatal mistakes and stay upon the right path.

### **Critical Area I: Unbalanced Orchestration**

#### ***Fatal Failure I: Seduced by Yes: Trying to Be All Things to All People***

The inability to say “no” to people can be a very destructive problem that can potentially ruin careers and companies and has three distinct catalysts that one needs to be mindful of. The first is irrational greed and “chasing dollars for chasing dollars sake” runs the risk of losing strategic direction, which only brings bad things for both the leader and organization. The second catalyst is escalation of commitment, which refers to the inability to let go. The third and final catalyst is when a leader tries to be all things to all people, which can be very easy for entrepreneurial ventures, but can also result in a loss of strategic direction. To combat this, one must think clearly and maintain strategic focus.

#### ***The “Thanksgiving Test”***

Priceline.com's Jeff Hoffman came up with a metaphor for this inability referring to it as the “Thanksgiving Test”. This scenario is illustrated as one hyping up a venture they are

currently part of that year at Thanksgiving, then things go wrong over the course of the year. Next year rolls around and instead of admitting failure, one keeps on “beating a dead horse bloody”. Emotions are what draw even some of the best leaders into this trap and can be most commonly caused by; eternal hope, pride, and ownership. In order to avoid this trap, one must think rationally by separating emotions from logic before making a tough decision.

### *Just Say No*

The best way to avoid the mistake of being seduced by “yes”, is to just say “no”, because this is not always an easy thing to do, the book provides four tactics to hone this crucial ability. The first is to perceive your organization’s value proposition; either based on your products/services, or based on the value they provide to customers. The key is to focus on the needs fulfilled by the product/service rather than the product/service itself, giving one the vision needed to say “no” instead of being seduced by “yes”.

The second tactic is to relentlessly pursue potential, instead of waiting for opportunity; one must actively seek them for several reasons. The importance of seeking is highlighted with the example of the extremely successful Sir Richard Branson; who wrote everything down, was constantly learning and seeking new opportunity, and it ultimately it led him to his great success. By actively seeking opportunity, a leader decreases their chances of making the wrong decision, simply because they have a larger inventory of possibilities to choose from.

The third tactic is to determine strategic appropriateness through three wise questions. Does the strategy support the current overall strategic position of the organization? Is the strategy appropriate, given the competitive environment? Is the strategy consistent with the skills and competencies of the organization?



The fourth and final tactic is use segmentation based on needs and understanding which segments offer value and which segments do not. This creates new opportunities for growth as well as reducing the potential for diluting the brand. Honda Motor Co. was a provided example of successful segmentation over different parts of the world. In the United States they are perceived as an automobile manufacturer, but in Japan are perceived as a motorcycle manufacturer. Segmentation is not always easy, but because they were able to successfully meet these different needs of segments, they were able to become a global leader in both in both automobiles and motorcycles.

Beyond the four tactics to saying “no”, the best defense to the seduction of “yes” contains two elements; the ability to see the company through a “different lens”, and asking the right questions.

### ***Fatal Failure II: Business You Have No Business Being In: Roaming Outside the Box***

#### *The Box Paradigm*

All it takes is one bad decision to derail a business from steady success and the number one cause for derailment was identified as “thinking outside the box”. Simple thinking is often the best practice, “thinking outside the box” and has very limited place. If not careful, it can be disastrous for the strategic direction of an organization, by steering it in the wrong direction. This “risky dabbling” was illustrated with the lesson learned by Allstate Insurance, who went bankrupt after unsuccessfully trying to enter the hotel industry, when they had no business being there in the first place. Playing around with “outside-the-box” ideas can be very dangerous and is referred to as the “Box Paradigm”; which is characterized by the pursuit of new ideas, simply just for the sake of new ideas.

*“Looking for a Fence in Someone Else’s Backyard”*

An equally destructive mistake managers can all too easily fall prey to is to letting other competitors define “the box” or “looking for a fence in someone else’s backyard.” A famous example of a company that fell into this deadly trap was Coca-Cola’s “Project Kansas, a new formula of Coke produced out of fear of PepsiCo’s new aggressive marketing campaign that built the perception of Coca-Cola being old and outdated. Coca-Cola bit hard on the bait set by PepsiCo, decided to put the new recipe of Coke on the shelves on April 23<sup>rd</sup>, 1985, and left their consumers outraged because they took away the original Coke they knew and loved. It was such an extreme failure that the new recipe only lasted seventy-seven days on the shelves and on top of that, PepsiCo even called out Coca-Cola for the decision on television commercials, further humiliating them for their mistake. This was a classic example of what dangers are present when “looking for a fence in someone else’s backyard”; it leads to a bad idea, leading to a false hope just like Coca-Cola’s case that leads a company to falsely rely on bad data, which ultimately causes a bad(even catastrophic) decision to be made.

*WARNING: First Seek Within*

To avoid the inherent dangers of “roaming outside of the box” a leader should first think “inside-the-box” by evaluating existing practices. This internal search is referred to as “diamond mining” and is yet another interesting paradox best explained in the 1950’s by Earl Nightingale with a story of an African farmer.

The story tells of him working long hours in the fields with little return and caught word of farmers discovering diamond mines that gave them instant wealth beyond dreams. Eventually the farmer let the stories consume his mind and he then abandoned his farm and set out on an

aimless search around the continent for years, obsessed with the idea of unimaginable fortune. His decision to abandon direction completely forced him to the point of extreme desperation where he intentionally drowned himself in shame. After his suicide, the farmer who bought his land stumbled upon a diamond and happened to find the richest diamond mine in all of Africa and it was right there on that very same farm the shameful farmer had abandoned when consumed by greed.

This story provides a powerful example of the importance of seeking within for value before unconsciously chasing wild delusions of fortune “outside-the-box” that can be dangerous and even life threatening. In order to prevent this aimless wandering, one must be constantly be aware of decisions being made by using the not too commonly used, common sense. To tap into this common sense, one must hit “pause” and then ask why? One needs to look closely at the choice one is about to make and determine if it actually makes sense to pursue. If it makes sense, then are the company assets being leveraged synergistically? If not, then one must ask themselves “Should I really do this?”

Seeking opportunity is a fine balance; one must actively seek, but must be careful of how one does so. The top priority should be to search within for value to build on existing strengths before venturing outside for new opportunities. The French novelist Marcel Proust illustrates this point “The real voyage of discovery consists not in seeking new landscapes, but in having new eyes.” The bottom line, do not overlook the obvious before seeking “outside-the-box” opportunities because unconscious wandering can be dangerous.

### ***Fatal Failure III: Entrenched in Efficiency: Forgetting to Put Effectiveness First***

Steering the organization in the right direction should always take priority over efficiency, or else one will foolishly be wasting considerable time and effort. Management guru warns “There is nothing more wasteful than becoming highly efficient at doing the wrong thing.” Kenichi Ohmae another expert of management describes this dangerous mistake as “Rowing harder doesn’t help the boat if it is headed in the wrong direction.” What makes this mistake even more dangerous is that it is a very easy trap for one to fall into.

#### ***Seek Balance***

Naturally, unexpected challenges will arise and things will eventually at some point go wrong. In this moment, there is a strong temptation for leaders to adopt a reactive mindset to put out the “fire”, but the danger of this mindset is one can get so caught up in “putting out fires” they eventually get overwhelmed with emergencies and lose sight of the big-picture. Building awareness each day helps one maintain focus on the needs and values and helps prevent one from constantly fighting with fire. Another strong defense to avoiding these dangerous decisions is to find the right data by doing two things; finding the right sources and then asking the right questions. It is important however, that one does not ignore too many fires because this can be just as equally destructive. The key to making the right decisions as a leader comes down to achieving a fine balance between both effectiveness and efficiency, that has equal focus on the both the big-picture as well as the fine details.

### ***Critical Area II: Drama Management***

#### ***Fatal Failure IV: The Playground in the Workplace: Leaders Who Rule by Bullying***

In a perfect world, the old-school management style of the boss as the “bully” is just an outdated concept that leaders no longer use. The reality of the business world today is that these old-school managers still exist and they actually happen to be very prevalent across every industry around the globe. There are two types of bullies that exist in business today; overt ones which are easy to point out, and the less obvious but more dangerous covert bullies. Both types are equally destructive to an organization and failure to recognize and address bullies can yield costly consequences. If left unaddressed for too long, bullies within the organization can lead to; higher absenteeism, higher employer turnover, lower morale, and sometimes even lead to illegal and unethical practices taking root within the organization.

What if a bully consistently achieves high results for the organization, should one just look the other way? The answer is no, simply because ruling through fear is not a sustainable way to motivate employees and also causes employees to not speak up about mistakes. This not only causes efficiency to suffer, but the individual growth of each employee is severely restricted as well because fear prevented them from learning from their mistake and the problem still has yet to be fixed.

In order to address and eliminate bullying; a leader must constantly be aware of what is going on within, needs to encourage accountability, has to be clear about a zero-tolerance policy of bullying, implement it, and then make changes when necessary. Debriefings are an incredibly helpful tool that can be used to eliminate bullying and give employees a valuable opportunity to openly discuss failures, so they may learn from them. In addition to fixing problems the right way, debriefings also are very effective for building accountability within an organization.

## *Fatal Failure V: When Utopia Becomes Dystopia: Problems with Dysfunctional Harmony*

There is a leader who on the surface seems to be the perfect boss; they are so friendly, they treat you like their best friend all the time, but the truth is, this type of leader is actually much more destructive than any bully and perhaps the most dangerous poison a leader can drink. This type of leader is “the pleaser”, the one who only wants to get along with everyone. This leader wants everyone on their side and wants to build the perception that everything is in perfect harmony; except there is one thing that is so destructively wrong with this, it is not real. Pretending that everything is always perfect only works for so long and eventually the real problems begin to surface their ugly heads sooner or later. This fatal failure is a particular brand of poison that is an extremely slow painful death for a leader and their organization; everything looks fine, yet slowly everything within starts to go up in flames that are not easily seen, until it is too late.

### *The Dangers of the Pleaser*

This sense of false harmony actually opens the door for a great deal of drama to occur in a workplace, by creating a passive-aggressive environment. What makes this type of leadership style even more deadly? This Venus Fly-Trap is all too easy to fall prey to because most leaders want to encourage workers to be happy at work. There is nothing wrong with this; workers are more productive when they are happy that is a fact; yet one must be pay careful attention to one extremely important detail, the truth.

When a leader runs from the truth for the sake of being everyone’s’ best friend, the workplace begins to divide into more cliques than a middle school lunchroom with the same amount of gossip because the sense of justice and order have disappeared. Gossip exists in

every single workplace around the world and when a leader starts to get absorbed in it naturally because one is spending more time being a friend instead of a boss. Once this happens, trust as well as impartiality and respect begin to die. If one escapes the truth, then things will slowly start to silently self-destruct within because everyone is smiling, but nobody is happy, it is just the opposite. The idea is a very nice one; but when a leader becomes too absorbed in this ideal and fears all conflict, their sense of judgment blurs and so does that of their employees as they continue to swim in the sea of lies.

When one runs their business as a little kid would, they begin to start seeing their company turn into a bunch of children, and once they see it, it is already much too late to put out all the fires. This style is also a killer of creativity and destroys the vital process of debate and natural friction of opinion. The ability to talk and share opinions openly in a workplace is critical; when conflict is constructive, it calls upon critical thinking skills by hearing different sides to the story to find the best possible solution. When there is a healthy battle of the minds, opinions clash, things can get intense, but when the dust settles you can still shake your opponents hand with respect and understanding even though the opinions so strongly clashed. When one loses this healthy form of conflict in the workplace it severely impacts the big-picture health of the organization.

### *Do Not Become Ken*

The pleaser fears conflict to such an extent that they do not wish for any conflict or negativity in their workplace, so they tell people exactly what they want to hear. The danger lies here with the extreme need of the leader, one who cares too much about what people think begin to lose sight of the big picture and the spiral down begins. This loss of direction is so deadly;

that it consumed a once very well-liked (this was the problem) leader, bankrupt the entire organization, cost shareholders over \$11 billion, and went down in history as one of the most notorious villain in business. Seem familiar? Ken Lay ironically turned into the exact opposite of what he aspired to be. He did not want to be the bad guy, so much so that he became just that in the end. There is no better example of tragic irony or how destructive fear can be.

The truth is; we live in an imperfect world, one filled with both positive and negative, and eventually at some point, each one of us will encounter bad news. As a leader one must be comfortable with being able to be the bearer of bad news; which means one must also be okay with their employees not always liking them. For this is a burden that each leader must carry because this is just the nature of business as well as the nature of life, it contains two sides. The wise words of fictional boxing legend Rocky Balboa says it best “Let me tell you something you already know. The world ain't all sunshine and rainbows. It's a very mean and nasty place...”

### *Master the Art of Candor*

All that being said, especially directly after addressing bullying, one should not delve too far towards the dark either. There needs to be a fine line drawn, a balance of light and dark, between nice and mean. The key to maintaining this delicate balance is aiming for respect, rather than approval. As a leader, one must be tough, but fair. The most effective tool for achieving this is candor. The Art of Candor; much like baseball is simple, yet complex, and takes much practice before one can master the art.

By leading with candor; one fosters an open culture that encourages debate, allows people to hear honest feedback, ultimately encouraging the highest possibility of growth for both the organization as a whole and individuals personally. Pete Carroll coach of the Seattle



Seahawks has this type of philosophy “To inspire achievement, help people remove all obstacles to that achievement so they can tap into their best selves.” (p. 101-102) A leader’s primary responsibility is to always set the tone; you need to push people, but not push too hard, yet at the same time one cannot be too soft either. (There’s that fine line again...)

The key to making this all possible is clarity, in every aspect, things should always be clear. A leader needs to most importantly establish a clear chain of command so that the organization does not become a playground, but at the same time not over-assert one’s dominance.

### *The Nature of Leadership*

A perfect example is provided to us by nature, the alpha-male in a wolf pack establishes a clear chain of command, and the other members of the pack simply understand this clear chain of command and respect it. Wolves on the other hand, do not have to deal with all complexities that arise among leading people, but the principle of clarity and respect remains the same. The ideal leader steps up when needed, but more importantly knows when to back away. If the chain of command becomes blurred in an organization; the respect for the leader begins to fade, once this occurs things start getting chaotic, much like when an elementary school teacher leaves the room for a few minutes.

### *A Heavy Burden*

Leaders carry a heavy responsibility from the moment they are born into this world; they are going to shape the lives of those they lead upon their path and ultimately will shape the future, for better or for worse, intentionally or unintentionally. They have significant impact on the world around them and sometimes they will encounter very tough decisions, ones that will

make a lot of people unhappy with them. One needs to be comfortable with this burden because sometimes, in order to rebuild, one must first tear down. A perfect example of this is Paul Macek the current CEO of Proctor Hospital, who earlier in his career as a Change Agent at BJC Healthcare was put in charge of two hospitals suffering from over \$16 million in losses each year collectively. One of the two; Christian NW, was consistently only at 25% capacity, had too much competition in the area, had very high operating costs, and no clear physician recruitment strategy in place. The problems were growing like an out of control wildfire and as the captain of a sinking ship; he had to make a very difficult decision.

What made this decision so tough was both the employees who worked there as well as the surrounding local community were extremely emotionally invested in the hospitals and were outspoken in their defense. As the bearer of bad news, when Macek publically announced the decision to shut-down the hospital he described “There were a lot of very angry, disappointed people. I will never forget the employees--many who had spent their entire career at Christian NW—sitting in that auditorium, and the emotion and the name-calling that resulted from the news.” (p. 146) On the flip side, Macek also announced that day that BJC would be a new facility in place of the former Christian NW. It was built on the same ground in which the hospital was demolished; and from “ashes” of old, a beautiful re-birth took place.

### *Learn to Take Punches on the Chin*

A leader needs to deal with the painful punches that changes throws and to finish the Rocky Balboa quote mentioned earlier “...I don't care how tough you are it will beat you to your knees and keep you there permanently if you let it. You, me, or nobody is gonna hit as hard as

life. But it ain't about how hard ya hit. It's about how hard you can get hit and keep moving forward. How much you can take and keep moving forward. That's how winning is done!”

### *The Beauty of the Phoenix*

One must always remember; that sometimes in order to rebuild, one must first tear down, this is the natural course of change and it involves pain and suffering. When the dust begins to settle, the beauty of transformation then makes one see that every second of pain was worth it. Change is the catalyst for improvement, as difficult as it can be. Macek has a picture that holds a special place in his office to this day of the old building demolished and of the brand new facility. The new facility in the old ones place; won awards, became very profitable, and offered exceptional patient care. Macek made the toughest decision of his career took an extreme amount of backlash for it, but most importantly he held true to his promise and then saw the painful beauty of change. One must remember that suffering is necessary in order to witness the beauty of the Phoenix as it rises from the ashes.

This story is perhaps one of the most important reminders for any leader to understand that in order to implement lasting change; it is not easy, people will not like you for it, but one must make the difficult decisions as tough as it can be. A leader must embrace this burden and face problems head on along the path because fear to do so can have unimaginable consequences if one continues to sweep problems under the rug. The flip side to Macek’s story that illustrates the failure to make these tough decisions is the tragic downfall of the once great Ken Lay. The problem was not only his fear; but more importantly forgot the most important thing a leader needs to hold true to, the big picture.

When one loses sight of the big picture as a leader, the organization in which they lead begins to lose direction. Once a ship is lost at sea without a direction; chaos ensues and the crew begins to do things they would not normally do, throwing honesty and trust to sea, in turn leading to mutiny, or even worse dragging down the captain along with them. What led to Ken's destruction was since he was too absorbed with being "friends" with people, that he lost sight of the big picture which created a false sense aboard his ship, that it could not be rocked no matter what hit this dysfunctional utopia. Since Ken's "friends" the attorneys working for Enron knew that performance reviews did not matter on this ship of "friends" they threw honesty overboard. As things took their natural course, the ship then began to self-destruct as the crew dragged their friendly captain down with them.

#### *The Sinking of the S.S. Enron in the Great Sea of Lies*

Ken had one final chance to make things right when several major accounting mistakes were brought to his attention, one final decision that would change his entire life. Instead of choosing the painful right path, he chose to do what he did best and what got him in the mess in the first place. Ken ran from the problems and tried to sweep them under the rug and put on his happy face, which under the rules of his twisted reality aboard the "S.S. Enron" was common practice.

This fatal choice then kept his crazy ship sailing in a great big sea of lies, until eventually the deadliest poison's effects began to surface. Once light was brought to the great big lie, the ship then began going up in flames and this culture of harmony was so destructive that it dragged down the whole crew with it, even one who had done nothing wrong. Since Captain Ken was so absorbed with this too-friendly culture aboard the ship, if employees wanted out they would have

to face a double-edged sword. Employees could not leave the crazy ship for fear of burning bridges with their “family” and those who jumped ship were viewed as traitors and criticized heavily.

The tragic story of this burning ship offers the most powerful example of how a leader must never lose their direction and sight of the big picture, for the consequences of straying from the truth can be fatal for the leader and the ship which one steers. Equally as destructive as losing that vision is being the pleaser whose number one priority is pleasing their “friends”. Bottom line; a leader has a heavy burden of having to make the difficult decisions, has the responsibility of establishing a clear chain of command, needs to set the tone, needs to walk the fine line of being tough yet fair, needs to remain brutally honest and impartial, and must always stay true to the big picture so one does not lose their way.

#### ***Fatal Failure VI: The Battle Within: Distracted Purpose***

The importance for a leader to always never lose sight of the big-picture is so vital because distracted purpose is a very contagious disease. Employees working under misguided leaders will eventually lose sight of this common goal as well, leading them to focus on the wrong things, destroying both efficiency and effectiveness. This is easier said than done however, humans when put in a group to work with others are naturally programmed to compete and this natural tendency if left unchecked can wreak havoc with a team.

#### ***Mismanaged Competition...One Big Waste of Time***

When competition becomes excessively rampant amongst an organization, the culture of meetings becomes heated and a giant waste of time. In organization’s where this culture exists; people will speak simply for speaking’s sake even if it makes zero sense, and feel that in order to

gain favor they need to challenge anyone just to try and make themselves look better. This destructive environment creates distractions, encourages favoritism, and is highly unproductive.

Since competition is a natural tendency, a leader must address this and find a balance where the organization uses that natural competitive nature in a healthy way, yet at the same time keeps things under control so the organization is still working towards a common goal. The essence of leadership is to take separate parts and people, then bring them together to create a much greater value from the sum of all parts. In order to accomplish this, a leader must foster a culture of teamwork to promote synergy.

#### *Never Put an Infielder in the Outfield*

Masters of synergy are leaders who can accurately recognize their employees respective strengths and weakness, then piece them together in a way that will produce the best results. Failing to recognize this can be a disaster, simply because when you put the wrong pieces of the puzzle together, as much as you try and force them in, they still will not fit correctly. In baseball, you would never suddenly decide to put a second-baseman, who has played infield his entire life in the infield, into the outfield simply because it is not a good assessment of the player's strengths and will ultimately hurt the team in the long run.

Baseball also provides another great example of how to promote healthy co-competition amongst a team. As a captain of a baseball team, the leader must push his players to get better each day working towards the common goal together, but have a handle on the competition within to make sure it is still healthy so the team stays on track. After all, the main goal is to beat the other team, not each other, and it is critical that the leader makes this priority clear.

The key to this from of “safe-synergy” is to first slow down, think clearly of the purpose one is trying to achieve, clearly outline the goal, and then break it down into clear attainable objectives. Clarity is so vital in this process because without it, one opens the door for a number of distractions to enter and derail the desired outcome of the team. Just like any flawless leadership practice, it is a fine line a leader must walk, a delicate balance of both competition and synergy combined with a strong sense of purpose.

### **Critical Area III: Personality Issues**

#### ***Fatal Failure VII: Standing in the Way: Hoarding Power & Responsibility***

Every single being on this earth was created differently, therefore each one of us hold a unique personality. Leaders naturally possess certain personality traits that give them the ability to do so such as; confidence, intelligence, and intuition. However, each person, even the best leaders have their own respective personality flaws. These can be constantly improved upon along the path, but one must always be aware of them and address them when needed.

Personality issues are never healthy if left unchecked and can lead to three distinct leadership failures; hoarding power, disengagement, and self-absorption. The real danger of personality issues is that as a promising young leader experiences success, the rise can inflate the ego quickly without one even noticing and lead to a sense of invincibility. If one gains this mindset, they will find out the hard way, this destructive path never has a good outcome. An old French proverb says it best “The higher the rise the greater the fall.”

#### ***The Dangers of Ego***

The human ego is one of nature’s most destructive forces and can be one of the biggest hindrances on growth for both a leader and their organization. A good leader must set aside this

ego, but it is not always easy and sometimes one does not even notice how their ego impacts their decisions. To defend against the ego, one must constantly practice awareness and be able to admit their faults. A true leader has to be able to let go of pride and needs to form a solid foundation of trust amongst their employees, rather than hoarding power.

When a leader becomes too consumed by their ego, they begin hoard the power they hold and begin to develop a skewed perception of their employees, not seeing their true potential. An organization with an egotistical leader, loses not only his employees' trust, but then loses the best talent because they want to work for a leader who recognizes their talent and potential. The ones who stay are also of no use because they see their leader has no trust in them, they become disengaged and it increases the chances they are not confident in their abilities. Ultimately, the team starts to resemble a group of helpless children constantly dependent on the power hoarder because over time they begin to believe in the skewed perception they are useless without their leader.

### *The Power of Expectation*

Expectation holds tremendous power, and if a leader has low expectations of subordinates, then these negative expectations will begin to manifest themselves over time. This can be described as the "Pygmalion effect", which describes the direct link that expectation has with behavior simply because as the mind thinks, so it becomes. When a leader makes it clear they have low expectations for an employee or their actions indicate so, the negative thought manifests over time and almost always the employee will no longer trust in their ability because that negative perception was built. So even when a hoarder does decide to delegate some tasks to subordinates, if one does so with the expectation of failure, then most likely the outcome will



be failure. There was even a study conducted by Rosenthal and Jacobson on a public elementary school that confirmed this theory to be very accurate.

### *Hoarding101*

Hoarding power as a leader is a very destructive game to play that fails in three harmful ways. When one hoards; they do not give their employees the crucial chance to develop, in turn, severely limiting the organizations opportunity to grow. Then ultimately, a hoarder begins to micro-manage the organization which then opens up a whole different can of worms.

Hoarding's destruction is two-fold; it not only causes a leader to lose focus on their primary objective; actually leading, but it also alienates the members of their team.

### *The Self-Fulfilling Prophecy*

The real danger of hoarding is that is a "Self-Fulfilling Prophecy" in which hoarding perpetuates to more hoarding throughout the organization. Jim Owens refers to the vital role a leader plays in an organization by saying "leadership has a long tail", which means leaders set an example for those underneath them who will eventually become leaders. What makes hoarding even deadlier, it is difficult for one to see they are truly hoarding and it is difficult for one to admit their own shortcomings.

### *The Diagnosis*

Are you a hoarder? The chances are more often than not that one is a hoarder without even knowing it. Based on the research "About one in three managers is overly controlling." (p.184) and does not even realize it. Since it is a hard thing for one to admit, the book provides five signs and symptoms that could diagnose a harmful hoarder.

The first symptom for hoarding is a low tolerance for Ambiguity, since hoarders are creatures of habit; they fear uncertainty to an unhealthy degree. This fear then manifests itself by leading a hoarder to control as much as possible, in order to minimize this ambiguity.

The second sign of hoarder is when one is too caught up in day-to-day decisions rather than focusing on the strategic big-picture decisions. The book describes this in the form of an analogy of a park ranger who is too caught up focusing on the bark of a particular tree because the fear of seeing the entire forest blinds one to the big-picture.

The third is symptom is when one confuses authority with ability, which means a leader exercises more control than needed for certain tasks. There are times when a leader needs to take more control when employees lack knowledge or skills, but hoarding takes place when one takes more control than needed in a situation. This behavior is self-perpetuating and leads to an even tighter grip of control as it continues.

The fourth sign is when a leader adopts a “My Way or the Highway” mentality. Our nature as humans is to believe to some degree that one is truly right, but an excess of this mentality leads to hoarding.

The fifth and final symptom of hoarding is when one focuses too much on process, blinding one from things they should have seen coming.

If you are showing any of these symptoms for the destructive hoarding disease, you are in luck, for there is a cure.

### *The Antidote for Hoarding*

The main cure for hoarding is found through mindfulness, as a leader, one has the responsibility to constantly learn along the path by reflecting, in order to seek improvement. One can only fix the hoarding problem once they are mindful they are doing it in the first place. Once mindful, there are three wise lessons to address this destructive path and eventually move past it.

The first one must do; work on building trust, to help forge healthy relationships with subordinates. Trust is a two-way street, in order to gain trust, one must first trust in others. The second lesson is to always seek the cold hard truth. One needs to ask employees to call out hoarding behavior, so it can be addressed and a healthy balance of power is maintained. This transparency will help one grow as a leader as well as help employees develop further. The final lesson to remember is to communicate like a coach, not a boss. One must encourage their team to succeed by empowering them, but remain honest so communication remains clear. Bottom line; a good leader is a great listener, and a hoarder is a terrible listener.

### *The Power of Empowerment*

Instead of hoarding power, one should learn the ways of empowerment to become an effective leader. There are three basic questions a leader must consider in order to benefit from empowerment.

The first is when? Timing is everything and before delegating one must decide if the time is right for a certain employee to take on a certain responsibility. If the timeline for a project is tight and one sets an employee up for failure irresponsibly, it can be more destructive

than not delegating in the first place. If the time is right however, then an employee has a great opportunity to grow from the experience.

The second question is who? An effective leader must be able to accurately recognize the respective strengths and weaknesses of team members and delegate tasks accordingly. Once the right people for the job are chosen, one must also remember to remain impartial to maintain a healthy balance of power throughout the organization.

The final question is how? This is the most important question must ask because the previously mentioned “Pygmalion effect” displays the powerful effects of expectation. One must empower with the expectation of success so their employees take a sense of pride in the work, rather than seeing their leader delegate a task to them with the expectation of failure. To empower, one must show them how they will benefit from the task and let them know why they are the right person for the job.

The final step along the path of empowerment is to effectively follow-up and “Give credit where credit is due.” (p. 193) By sharing in success, one fosters an empowering environment in which each member of the team has the opportunity to grow to their highest potential.

### ***Fatal Failure VIII: Living Outside the Storm: The Destructive Path of Disengagement***

Insulation is what takes a leader away from reality and creates a dangerous illusion that leads one down the path of disengagement. There are three different types of disengaged leaders must be mindfully aware of.

### *Misfits*

A misfit is a leader who is simply in the wrong job, whose success raised them to a position that did not suit them. They are disconnected from the company and are often described as a boss who locks themselves in their office, leaving their employees to wonder what they are actually doing. Even if the company can succeed with this type of leader, one is dangerously disengaged and success can be very short-lived with a leader who is missing in action.

### *Burnouts*

A burnout leader is similar to the misfit, both incur success that raised them to a top leadership role, but once their one strays from the right path and becomes disengaged. The burnout once success has been realized, decides to start abusing the success by taking excessive personal time away for vacations and improve other aspects of their lifestyle. It then becomes clear that this leader has become “checked out” of the roles of the position and completely lost focus of the big-picture.

### *Celebrities*

Another perfect example of how success can corrupt a good leader is the celebrity leader. Some good leaders will experience stardom along their path, which is not always a bad thing, until the point the fame gets to one’s head. Once a leader is consumed by fame, they put a separation between themselves and others, leaving them dangerously self-absorbed. Once the ego is out of check, a leader feels invincible, which ultimately leads to failure.

### *Avoiding this Destructive Path*

The key to avoiding this destructive path is self-awareness and requires constant practice while along the leadership path. Every human by nature makes mistakes, so it is critical for one to reflect upon these to gain a better understanding of weaknesses. To do this, one must ask themselves the tough questions that are needed to inspire change. They need to open their doors to prevent insulation and keep communication clear, encouraging development. Most importantly, one must constantly practice humility in order to continue making the right decisions as one rises.

***Fatal Failure IX: Does This Doorframe Make My Head Look Big? Problems with Self-Absorbed Leaders***

The number one most destructive killer of any good leader is self-absorption. The book highlights this prominence "...almost 70 percent of the leaders we talked with believed that self-absorption was the most damning mistake a leader can make." (p. 221) Once an ego inflates the head to the point at which it does not fit through a door frame, the ship will soon begin to sink.

*The Alchemy of the Self-Absorbed Leader*

The self-absorbed leader can best be recognized by any one of three different personality attributes; narcissism, arrogance, and hubris.

*Narcissism*

Narcissism means an extreme infatuation with one's self and the name is derived from Greek mythology, where Narcissus was so infatuated with his beauty in a pool of water, he was dragged in by infatuation and drowned. A narcissist is obsessed with their own self-image that they are blind to others, believing they only exist to further support their ego.

### *Arrogance*

Arrogance is very similar to narcissism and can be the result of it, but it can also be the result of insecurity or low self-esteem. Those who are arrogant aggressively challenge others to protect their ego and always feel that they are right. Unlike a narcissist, they do not always have to be the center of attention, but they hold strongly to the belief they are never truly wrong.

### *Hubris*

Hubris is another term derived from the Greeks and it was used to identify people who thought they were equal to the gods themselves. Famous Greek philosopher Aristotle described hubris as "... one of the biggest reasons humans fail is because of this blinding pride." (p. 223) The danger of hubris is that as one rises to more success along their path, one can gain a sense of invincibility, opening the doors for hubris to take root.

### *A Fine Line*

Self-confidence is a necessary attribute for any leader to possess, but one must be careful because there is a fine line between self-confidence and self-absorption. In order to distinguish this fine line, one must dig to the root of their actions to find the answer. Self-confidence is rooted in self-assurance by seeing value in others; while on the other hand, self-absorption is rooted in insecurity and failing to see the potential in others. Bottom line; true confidence leads to development, and insecurity manifests into barriers for growth.

### *The Power of Humility*

There is incredible power in humility and being able to recognize this as a leader will help prevent one from falling victim to ego, consumed in self-absorption. Humility is one of the

most important practices of any good leader and one needs to commit themselves to humility each day in order to develop towards one's true potential. A great leader is one who defines their success based on their team's achievements and not on personal accolades. Bottom line; an egoless leader is successful, and a self-absorbed leader will ultimately fail.

### **A Final Caveat**

#### *Walking the Line*

The first step towards flawless leadership is the critical ability for one to realize their own mistakes and learn from them. The second step, which separates good leaders from great leaders, is the ability to learn from the mistakes of others. It is imperative for any leader to know the dark side of leadership, so they do not fall into the same trap of the leaders before them. By seeing both sides of leadership, one builds true wisdom and one must use this wisdom to walk the fine line in between. The key to flawless leadership is to achieve and maintain a balance. Straying too far to either end of the spectrum can be dangerous, so one must leverage the lessons of failure with the lessons of success to find this wisdom that enables one to walk this fine line in between.

## **III. LESSONS LEARNED**

### **9 Fatal Lessons of Failure**

#### **1. Trying to Be All Things to All People Due to The Inability to Say**

**No**



2. Aimlessly Roaming Outside-the-Box Before Seeking Within For Value
3. Forgetting About Effectiveness By Getting Too Caught Up In Efficiency
4. Bullying Is Dangerous For Growth
5. The Destruction Of Dysfunctional Harmony Created By Leaders Who Choose To Ignore The Truth
6. Distracted Purpose Leads To Self-Destruction
7. Hoarding Power Stands In The Way Of Effective Leadership
8. Disengagement Derails An Organization
9. Self-Absorption Is The Number One Killer Of Good Leaders

## **9 Helpful Lessons for Success**

1. Seek Wisdom From Failure (Both Your Own & Others)
2. Practice Mindfulness Through Daily Reflection
3. Build Self-Awareness To Keep Ego In Check
4. Foster Intuition Through Knowledge & Experience
5. Always Remain Truthful & Transparent To Build Trust

6. Be Progressive & Challenge The Status Quo

7. Write Down Everything

8. Actively Seek Opportunity

9. Always Remain Humble

#### **IV. RECOMMENDATION FOR COLLEAGUES**

I would recommend this book to any colleague, any aspiring leader, or anyone who is searching for improvement in their life. This book was so unique compared to other books on leadership because it breaks the paradigm of focusing on success and focuses on failure. By bringing past failures to light, the book is not the traditional “how-to” book, instead it is a “how-not-to” book. By looking closely at the dark side of leadership, while at the same time showing one the light, the book builds a complete and true understanding of what it means to be a good leader.

The wisdom this book provides is truly priceless for any leader at any point in their career, but is especially important for a leader who is about to start their journey as a leader. The book was a product of a seven year long leadership study that utilized the wisdom of over 1,000 different leaders ranging from frontline managers, all the way to some of the wisest CEOs, and everything in between. That being said, the book is filled with priceless wisdom on each page that will help serve as an important guide for any aspiring leader.

If one does not learn from past mistakes, then history is doomed to repeat itself. By learning the valuable wisdom the book provides, one will be able to avoid the same damaging mistakes that leaders before them made. This is critical for a young leader because by avoiding these costly mistakes early on, one can grow to their highest potential much quicker by avoiding these tragic pitfalls that can sometimes even derail a career.

## **V. CLOSING THOUGHTS**

When I first stumbled upon this book, I knew that it would provide valuable wisdom for a leader, but I did not know how important this book and assignment would eventually become. As I dove into the massive gold mine of information, I soon found out that I had stumbled upon the Bible of leadership. The powerful lessons it provides of failure are so critical for a young leader to read about because they will help prevent falling doom to the same fate. With each lesson, the book also provides how to do things the right way so one can make the right choices when a similar situation arises.

The book takes the place of a guru, and by reading this particular book, it is as if you are talking to the wisest business guru there is out there. I found that as I worked on this project, I had the feeling this would be the most important assignment of my career. The book provides the reader with an important compass that one will need to navigate the rough seas of leadership. One that I plan to call upon many times in my career to make sure that I am walking the fine line and continue along the right path. This is why I refer to the book as the Bible of leadership because it not only provides a strong foundation of wisdom, but will be an important resource to constantly look back upon in order to make sure I am on the right path still.

Dealing with failure my entire life has provided me with much wisdom, but I also know that I will continue to fail, even with all that wisdom, it is just a natural truth of life. When that time comes and I do fail, I know that I will be referring back to this assignment to re-establish my direction. This assignment gave me much deeper understanding of what it means to be a great leader and just as any great leader should do, I will share this valuable wisdom with others, allowing them to reach their highest potential.

## **LIBRARY RECOMMENDATION:**

**Laurence G. Weinzimmer & Jim McConoughey**

### ***The Wisdom of Failure:***

*How to Learn the Tough Leadership Lessons Without Paying the Price*

Publisher: Jossey-Bass; 1<sup>st</sup> edition (October 9, 2012) ISBN-10: 1118135016 ISBN-13: 978-1118135013

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