The Leader’s Checklist
15 Mission-Critical Principles
Michael Useem
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Imagine yourself in this position: Less than five months ago, you were summoned from the private sector to join a newly formed national government. Your background is in retail; now you are heading up the nation’s mining industry. You are abroad on a state visit, still working to come up to speed, when word reaches you from your home office that there has been a mining disaster—a cave-in deep below, death toll unknown, nearly three dozen missing.

Or envision this situation: For decades, your financial services firm has sailed along. Not only have revenues soared; your company has also earned a treasured AAA credit rating while creating an extraordinary wealth engine: a little giant of a division that insures against debt defaults, including subprime mortgages. Continuing prosperity seems predictable, but suddenly the market implodes. Subprime mortgages turn noxious. Lehman Brothers goes under. Your AAA rating slips to AA, then A-; and with the downgrades, you have to post billions of dollars in collateral that you simply do not have. This boat is sailing straight toward a roaring waterfall, and you are standing at the helm.

Or this one: The enemy has surrendered after a four-year conflict that has left more than half a million dead, and your army commander has assigned you to arrange one of the war’s crowning moments, the formal surrender of the enemy’s most venerated army. The tone, the texture of the ceremony, the formalities of receiving the enemy—they are entirely for you to craft.
These are not, of course, hypothetical or anonymous events. Laurence Golborne, the new mining minister for the Republic of Chile, was visiting in Ecuador on the night of August 5, 2010, when his chief of staff back in Santiago sent him a simple but urgent text message: “Mine cave-in Copiapó; 33 victims.” Twenty-eight hours later, at 3:30 a.m. on August 7, Golborne arrived at the remote site of the mining disaster in the Atacama desert of northern Chile. Soon, hundreds of millions of people around the globe would be witnessing one of the greatest mining rescues of all time.

Like the miners in Chile, American International Group (AIG)—the financial services giant heading for the cataract—was ultimately rescued through direct government intervention. The company was deemed “too big to fail,” though it was almost too toxic to save. When the subprime mortgage market in which AIG was deeply invested began to collapse, top AIG executives had taken few protective measures. Their tone-deaf response to the tumultuous events that unfolded left the company vulnerable to one of the greatest corporate collapses in business history.

How different the actions taken by Union officer Joshua Lawrence Chamberlain when Ulysses S. Grant handed him the historic duty of coordinating a follow-up ceremony to Robert E. Lee’s April 9, 1865, surrender at Appomattox. Instead of humiliating the Confederate army, as might have been expected after four years of civil war, Chamberlain ordered a respectful salute and launched a healing process that would help reunite a country.

Two of the leaders we have just met were well prepared when summoned to moments of crisis. The other, recent history shows us, was obviously not. To be sure, few of us are likely to have our mettle tested in such trying circumstances. But all of us can and should prepare for less-public crises in our own spheres of serving, and thus it behooves us to ask why: Why did Laurence Golborne and Joshua Chamberlain rise so effectively to the challenge? Why were the AIG executives unable to steer an effective course? Is the skill set that served Golborne and
Chamberlain teachable, even transferable and applicable, to leaders who will never be called to scale the kinds of mountains these men had to face?

The animating premise of this book is that effective leadership can be learned, and indeed should be learned, by those with responsibility for the performance of their enterprises and their employees. The further premise is that leadership benefits from an approach built upon specific guiding principles that, taken together, create a clear road map for navigating any situation. That is why I advocate and in these pages lay out the Leader’s Checklist, a complete set of vital leadership principles that are tried, tested, and true.

The Leader’s Checklist is composed of 15 core principles applicable to most leaders, in most endeavors, in most circumstances. I provide guidance to help you customize this list to specific situations and missions. Given the vast diversity of leadership roles, one size definitely does not fit all in this endeavor. Taken collectively, the Leader’s Checklist and its precepts should prepare you well for building an enterprise in good times but also for facing a worst-case leadership scenario, even if (thankfully) you are never called to face one. Finally, I offer an Owner’s Manual, so you can put these principles to practice in your own domain of leadership.
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_The Leader’s Checklist: 15 Mission-Critical Principles_
by Michael Useem, PhD

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LEADERSHIP
at the speed of change.

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