The Leader’s Checklist
15 Mission-Critical Principles
Michael Useem

EXPANDED EDITION
© 2011 by Michael Useem

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Praise for the Bestselling First Edition

“One of the most brilliant, original, and exciting leadership books I’ve read in a long time. It will be the most useful and concise book on leadership you’ll ever read!”
—Warren Bennis, Distinguished Professor of Business, University of Southern California, and author of Still Surprised: A Memoir of a Life in Leadership

“With this compact handbook, Mike Useem provides leaders what they all say they want and need but rarely get: a kick-in-the-pants reminder of those parts of the job they have neglected. The boss is now forewarned.”
—Steven Pearlstein, Washington Post business columnist and moderator of the On Leadership website

“Leading an enterprise comes down to a set of enduring principles, and The Leader’s Checklist compellingly captures the most vital. Michael Useem has written the essential companion for anybody whose leadership is on the line.”
—Ram Charan, advisor to CEOs and boards, and coauthor of the bestsellers Execution: The Discipline of Getting Things Done and The Leadership Pipeline

“The Leader’s Checklist reads like an adventure yarn, but packs a goldmine of scholarship and tested observations, that surrounds a list of fifteen principles that guide and teach managers to make on-target, effective business decisions, under real pressure.”
—Blogcritics

“The Leader’s Checklist can refresh a leader’s sense of purpose as well as invigorate his or her calling to lead others.”
—John Baldoni, SmartBlog on Leadership

“The Leader’s Checklist gets to the point quickly. It may well set the bar for quality writing and amount of content for other business-related digital books in the future.”
—Patricia Faulhaber, Suite101
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Preface to the Expanded Edition

Leading with the Leader’s Checklist

An executive briefs his top management team on plans for the coming year, referencing product launches, pricing pressures, and analyst concerns. The off-site presentation proves engaging and stimulating, yet the moment feels strangely incomplete, an opportunity unfulfilled.

Managers in the room learn little more than they already knew about the executive personally. They hear nothing about how the executive views them collectively or what is expected of them individually. Even worse, they learn much about the tactics of the moment but little about the larger goals and strategies they are pursing. In the end, the executive weaves in many of the essential threads of the leadership fabric but falls short of spinning the whole cloth.

Sound familiar? It should. My work on leadership development in the United States and abroad confirms that meetings like this take place all the time, in a multitude of languages, to the universal consternation of those present. Sometimes the problem is a simple lack of experience: Leading effectively is a composite skillset enhanced by practice. Yet my research and observations suggest that, even when managers are learning on the job, the simple
expedient of applying the equivalent of a pilot or surgeon’s checklist can mitigate and, in many cases, eliminate leadership lapses, not only in routine matters such as meetings but also when jobs, businesses, and even lives are on the line.

That is why I wrote *The Leader’s Checklist*. It lays out a core of 15 mission-critical, time-tested leadership principles that vary surprisingly little among companies or countries. Collectively, these principles are a template for decision-making whatever the challenge, the setting, or the moment.

**Continuous Improvement**

In Part One, I define the 15 principles that constitute the Leader’s Checklist, and together we explore the principles in action, in settings as varied as Wall Street, the Civil War, and an audacious rescue carried out under the glare of international attention. I also provide an Owner’s Manual—a set of prompts intended to assist a leader’s preparedness for any situation—and I counsel you on how to test and retest your own application of the principles.

The testing is critical. Learning to lead is one of those personal capacities continuously improved by repeated application and accumulated experience. And thus, testing and revising the Leader’s Checklist constitutes a learning cycle that helps ensure that all of its principles are essential, complete, and relevant to individual circumstances.

In the relatively brief time since this book was first published, I have heard from scores of managers who have done just that: held these principles up to the reality of their own work lives and the exigencies of the difficult economic times we inhabit. From points far and wide—the United Nations and World Economic Forum, MasterCard...
and Medtronic, and Eli Lilly and IBM, among others—they have reported back to me about what they feel needs greater emphasis or more tweaking, as well as on what struck home with special force.

This preface to the expanded edition of The Leader’s Checklist gives me a chance to convey their practical wisdom and direct experience to you, before you dive fully into the checklist itself. Think of this both as a highlighted edition of the The Leader’s Checklist, informed by on-the-ground experience, and as a goad to digest it more critically yourself when you get to the fuller explication of the 15 featured precepts. The principles, I am convinced, are timeless, but like business conditions, the circumstances are ever-changing.

**Missing in Action**

While The Leader’s Checklist is defined by 15 principles, multiple managers have let me know that, in their experience, three particular principles have more often been missing in action than others. In some cases, the managers said, they had too seldom or inconsistently utilized them in the exercise of their own leadership. Just as often, they had too infrequently witnessed their use among other leaders who should have embraced them. Either way, the result has been the same: compromised leadership at a moment when an enterprise cannot afford to flounder.

The three principles these managers have found most lacking, in themselves and others:

**Honor the Room:** Express confidence in and support for those who work for you.
Communicate Persuasively: Communicate in ways that people will never forget.

Place Common Interest First: Common purpose comes first, parochial concerns last.

Why are these three honored more in the breach than in practice? I suspect the answer lies in the fact that so many management cultures do not adequately emphasize or build these three mission-critical principles into their leadership development programs. Whatever the source of the shortfall, however, their absence is keenly felt and sometimes proves disastrous to company reputation, the bottom line, and even the national interest.

Think, for example, of the inability of then-BP chief executive Tony Hayward to communicate persuasively his concern for the environmental impact of his company’s ruptured wellhead in the Gulf of Mexico or of the ways in which so many members of the investment banking community appeared to put parochial self-interest ahead of investor and national interest during the financial collapse of 2008.¹

As for failing to honor the room, look no further than Jeff Kindler, the former CEO of one of the world’s largest pharmaceutical companies, Pfizer. By virtually all accounts, Kindler repeatedly confronted, interrogated, criticized, and micro-managed his top managers, even publicly upbraiding a board member. With little real followership in the wake of his consistent failure to honor any room and with negative share performance to show for his efforts, Kindler was bounced by the board less than five years after gaining office.²
Challenging Times

While all 15 principles should be applicable to most moments when leadership is on the line, several take on special salience when facing especially stressful or troubling times: for example, the present. Again drawing on the freshly conveyed experience of managers in a host of settings, the checklist principles most vital for challenging times are:

Think and Act Strategically: Set forth a pragmatic strategy for moving forward both short- and long-term, and ensure that it is widely understood; consider all the players, and anticipate reactions and resistance before they are manifest.

Take Charge: Embrace a bias for action, of taking responsibility even if it is not formally delegated, particularly if you are well positioned to make a difference.

Act Decisively: Make good and timely decisions, and ensure that they are executed.

When so stated, much of this is blindingly obvious, but there is no more important time for leaders to remember to highlight these principles in action than when a company is restructuring, a country is floundering, or a community is struggling. With wild gyrations on the world’s stock markets, downgrades and even threatened defaults in sovereign debt, and sputtering recoveries in many national economies, enterprise leaders are all but compelled to redouble their strategic thinking, decisive decision-making, and a willingness to take direct charge.
Imagine, for example, an America is which business leaders took greater charge of reducing the country’s persistent 9-plus–percent unemployment rate. With the chance of effective Washington intercession close to nil given the nation’s political gridlock, business could make employment a priority. Doing so will require that they build on the tripartite principles of strategic thinking, taking charge, and acting decisively.

Yes, the institutional investors that now control two-thirds of America’s publicly traded shares might well take exception—their focus is on delivering near-term shareholder value above all else, while punishing executives and directors who repeatedly fall short.iii But what might seem an idée fixe of the American way is really a moment’s artifice, a prescription that served a past era but less well the current one.

If Fortune 500 companies, for instance, each added only 1,000 Americans to their payrolls, they could jointly expand U.S. employment by half a million and cut national unemployment by a third of a point. Working together, an inner circle of leading executives, directors, and owners might commit to creating a million new U.S. jobs within the next year or to establishing a research and development fund for innovative ways to expand employment.

Given the billions in cash that many companies have accumulated at home and abroad, the wherewithal for both is already in the bank. When it comes to growth in employment in the United States, a mobilized leadership of those who own and oversee the apex of the private sector could thus help provide it at a time when Washington cannot. To return to the principle in question, this would be taking charge when others seemingly cannot.iv
Starting Up

Although the 15 checklist principles have emerged from research and observations of managers in large organizations, the experience of start-up managers also points to the importance of developing a specialized Leader’s Checklist for fast-growing enterprises as well.

When Margaret Whitman came in to build eBay in California in 1998, the company employed just 35 people. To her surprise, Whitman found her staff maintained no appointment calendars nor virtually any daily structure. None were required for the informal ways in which founder Pierre Omidyar had led the fledgling enterprise. When she departed a decade later, eBay’s payroll had soared to 15,000. In terms of foundational principles, the leadership challenges Whitman faced were unchanged; 10 years of growth, though, had altered application of the principles enormously.

An equally abrupt example of radically altered terrain: When Liu Chuanzhi started Lenovo in China in 1984—in a guard house at the Chinese Academy of Sciences—he had just two employees, including himself. Twenty-seven years later, he now runs the world’s fourth largest personal-computer company, with more than 22,000 at work. In its earliest days, the company required no formalities of any kind, but as with eBay, successful growth brought a whole new set of applications while simultaneously requiring the consistent application of enduring principles. In Lenovo’s case, that meant a weekly review of the decisions of the past five days—a process that has now been underway for nearly three decades. By repeatedly looking back to better see forward, Liu Chuanzhi has built his own Leader’s Checklist—
one that helped his company acquire the IBM personal computer division in 2005 and emerge on to the world stage.

**Reality Events**

Throughout my academic study and my development work in leadership, I have looked at how others perform in their leadership moments—nearby, across the globe, or through the long reach of time. Feedback from managers has shown one avenue of exploration to be of particular interest, especially in a time of often-contradictory media messages: reality events—not the network-television variety, but on-the-scene, first-person accounts of leadership in crisis moments. We often acquire indelible insights about how to lead when we are called to our own leadership moments.

In the pages to come, readers will get a first-hand look into how leaders performed—or failed to perform—during the financial collapse at AIG, the miners’ rescue in Chile, and the Civil War surrender at Appomattox. I believe that these accounts show the power of the checklist, and many managers have informed me that they wish I had included more narratives of individuals whose leadership has been both extraordinary and exceptionally instructive. In this expanded version, I have added a second part—Leadership in Action—which includes lengthy interviews that I conducted with two leaders whose experience offer great lessons. For links to the video interviews, visit [http://wdp.wharton.upenn.edu/books/the-leaders-checklist](http://wdp.wharton.upenn.edu/books/the-leaders-checklist).

One interview is with Laurence Golborne, the Chilean Mining Minister who led the dramatic rescue of 33 men trapped for two-plus months more than 2,000 feet below the earth’s surface. An earlier interview with Golborne had
informed the first edition of *The Leader’s Checklist*. The more recent interview, included in this expanded addition, reinforces the first but also fleshes out another of the core checklist principles:

**Motivate the Troops.** Appreciate the distinctive intentions that people bring, and then build on those diverse motives to draw the best from each.

My original account of Golborne’s role in the rescue had placed much emphasis on process—pursuing multiple rescue strategies simultaneously, for instance. In this interview, he also stresses the need to repeatedly remind his rescue team of the “dream,” the ultimate purpose of the hard and often tedious work that is the substance of success. “You have to be positive” about the challenge, he said; “You have to be optimistic.” And for conveying the determination to succeed, you have “to be with the guys” and “to face them with faith that you are going to be able to solve it.”

The new interview also adds weight to a vital point under-stressed in the first edition of *The Leader’s Checklist*: The overwhelming importance of sustenance from above. From the first moment of the crisis, Chilean President Sebastián Piñera put himself four-square behind the rescue initiative. “President Piñera committed that we would, with all our effort, find them,” Golborne recalled, and “at that moment, I felt empowered to take control.”

Forcefully committing the country to the rescue, Golborne said, “was key for the success of this operation.” And though the initiative did not seem assured of any success at the outset, the president’s unswerving support
proved essential for first locating the miners—“one of the best moments in my life,” Golborne told me—and then raising them to the surface.\textsuperscript{v}

I have included a second interview, also new to this expanded edition. I spoke with Joseph Pfeifer, the Chief of Counterterrorism and Emergency Preparedness for the New York City Fire Department. Pfeifer brings extensive experience in leading others during both ordinary and extraordinary times. As a Citywide Command Chief, he served as incident commander for rescue services in the North Tower of the World Trade Center on 9/11. He has also led development of the fire department’s strategic plans and terrorism-preparedness strategy.

My interview with him reinforces the 15 checklist principles but also, as in Golborne’s case, offers fresh insights into their application, especially the one that reads:

\textbf{Act Decisively.} Make good and timely decisions, and ensure that they are executed.

Pfeifer was conducting a routine check on a gas leak near the World Trade Center on the morning of September 11, 2001, when—at 8:46 AM—he heard the roar of a low-flying plane as it streaked overhead. Pfeifer looked up in time to see the aircraft smash into the North Tower, and judging by the angle and velocity of approach, he instantly concluded it was not an accident but a terrorist attack.\textsuperscript{vi}

“At that moment,” Pfeifer reported, “we knew we were going to the biggest fire of our lives,” and he immediately radioed for a massive deployment of firefighters and beyond. He then directed the urgent rescue efforts in the
main lobby of the North Tower, also known as Tower One, over the following hour, making dozens of rapid-fire decisions to effect rescue of those above. And in keeping with the leader’s precept of acting decisively, when the nearby South Tower collapsed at 9:59 AM, Pfeifer instantly radioed up a message to the many firefighters who were then high up bringing people down: “Command to all units in Tower One, evacuate the building!”

The interview also points to two other issues that slipped somewhat beneath the radar in the first edition of The Leader’s Checklist: The vital importance of having a personal stake in the game, and the critical value of not only taking charge and building a top team but also creating and coordinating a network of teams.

On the first point, Pfeifer describes a firefighter who tracked him down after a three-alarm blaze, simply to say: “Chief, I just want to let you know that I’ll follow you down any hallway.” As nice as the compliment was, Pfeifer realized that the firefighter was really saying that he was looking to Pfeifer to keep him safe when leading him into harm’s way. Equally implicit was the knowledge that the firefighter trusted Pfeifer with his own well-being since he knew that Pfeifer had put his own life on the line in the past. Leadership is not just about giving direction from afar, Pfeifer observes, it is also “about sharing the danger,” of having skin in the game, of appreciating personally what others are being asked to do and the risks they face.

On the second point, Pfeifer drew on the terrible events of 9/11 to offer an affirmative message for any leader facing complex, fast-moving, and high-stakes events. Sharing intelligence among diverse parties about rapidly evolving
conditions should be a pre-built capacity, well in place before calamity strikes. Equally important for any leader is a readiness to guard against what Pfeifer terms “organizational bias”—in his world, where “firefighters go to firefighters, police go to police,” and emergency medical personnel pull inward. What is needed is exactly the opposite. If “command and control” is a foundation for authoritative leadership, Pfeifer concludes from his experience in 9/11 and beyond, complex events require leaders who also “connect, collaborate, and coordinate.”

**The Leader’s Checklist**

In Part Two, I have also included an interview that *Knowledge@Wharton* conducted with me during the week when the book was first published. I speak about why I wrote the book, and I offer additional reflections on the importance of having a Leader’s Checklist.

Every author of a book such as this one hopes it will prove useful not only in prosperous times when the living is easy but also in hard times when leadership is often put to a stress test. A message that I recently received suggests that in at least one instance this has been the case.

My correspondent is a manager at a large American concern that decided as a matter of business strategy to exit a business it had excelled at for decades. Here, with some edits, is how the manager described the experience:

*My charge has been to help manage the exit.* We are now almost a year into the transition with perhaps two-and-a-half years remaining. With this change, over 1,500 employees have been impacted, but not all at once.
The senior leadership team has the constant challenge of directing, engaging, and retaining employees through the time they are needed to do the critical work of continuing to meet customer needs as well as wind down the business. In a blink of an eye last year, employees found their work changing, their leaders changing, and of course, their own personal circumstance changing. They went from a growing, ongoing concern for the business to a “below the line” expense that must be cut. And as a result, just as quickly, leaders have had to adapt how they lead.

I have been through divestitures and wind downs in past roles and know of some of the pitfalls that can come along. And as the program manager, I was fully prepared for the worst that could occur from people and financial results. But with this exit, the results have been remarkable. With very little time to strategize and little information to go on, plans have been met within a few percentage points, financial measures have been met or exceeded, and most important, employee satisfaction and engagement have significantly increased.

It has been amazing to watch the growth in leaders as they have had to employ many of the 15 core principles you have outlined. At the time, they didn’t do it because they knew it was part of a list; they did it because it was simply the right thing to do for employees and to manage the business. Still, I found it easy to nod in agreement while reading your book since I had in front of me every day real examples of highly effective leadership in action in a very difficult situation.
I certainly don’t wish my correspondent’s experience on any reader, but should you find yourself in a parallel situation, where your courage and your company’s mettle are being tested by roiling market forces, I hope you will find *The Leader’s Checklist* as useful and bolstering. And now on to the 15 principles themselves.
Part One
The Leader’s Checklist
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.
Thank you for downloading your complimentary preview of

*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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