

HOW TO ACHIEVE EXTRAORDINARY RESULTS WITH CLASS

# the First Two Rules of Leadership

☒ Don't be Stupid

☒ Don't be a Jerk

David Cottrell

Bestselling Author of *The Monday Morning Series*

WILEY

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## **Praise for *The First Two Rules of Leadership***

"Leading this way will result in an engaged, inspired, and highly productive team while also being more fun and fulfilling for the leader."

**—Kip Tindell, Co-Founder and Chairman,  
The Container Store (one of *Fortune's* top  
100 places to work for 14 years in a row)**

"Simple, practical, and profound rules to help you become a great leader. A must read for any leader."

**—Lorraine Grubbs, former Director  
of Employment, Southwest Airlines**

"David Cottrell's latest book is a must read for any leader. It simplifies the complexity of leadership into two simple rules. Read, then implement and get ready for sustained leadership success."

**—Pat Williams, Senior Vice President of the  
Orlando Magic; author of *The Success Intersection***

"This book simplifies the complexities of leadership and helps leaders lead with clarity, integrity, and focus."

**—Jon Gordon, author of *The Energy Bus* and *The Carpenter***

"David Cottrell shares valuable insights on how to be the leader others will strive to emulate. With acumen and sincerity, *The First Two Rules of Leadership* succinctly lays out a sustained methodology for hiring smart, coaching performance, and leading with poise."

**—Kimberly Rath, President, Talent Plus, Inc.  
(recognized as an Achievers  
50 Most Engaged Workplace)**

"Two simple rules of leadership that will improve your effectiveness as a leader. . . ."

**—T. Michael Glenn, Executive Vice President, FedEx**

"This book simplifies the complexities of leadership down to two logical, necessary rules: Make smarter decisions and lead with class."

**—Karl Koch, Vice President and General Manager,  
Enterprise Holdings**

# Introduction

Every day thousands of people quit their jobs. They reach their limit and realize that enough is enough. They bid farewell to friends and co-workers. They exit a familiar, comfortable place and enter an unknown territory—new job, boss, peers, and environment. They are convinced that the unknown has got to be better than the current situation that they know all too well. They believe that anything, anywhere, would be better than where they are.

So, they leave.

During their last day on the job, they have an exit interview with human resources and are asked: “Why are you leaving?” They respond that they will be paid more at the new job, the benefits are better, the new job is closer to home, or the hours are better.

In most cases, this is not the whole picture.

If you believe the exit interviews, great people leave good organizations to start over someplace else because of money or for more advancement opportunities. Why would they say anything else? After all, the person leaving doesn't want to burn any bridges and has nothing to gain by telling the whole truth. Instead, they give reasons that are believable, but not accurate. Most exit interviews do not uncover the whole truth.

Occasionally, the difference in money is significant enough to warrant a move, but most of the time it's not about money or career advancement. Money is only one piece of the puzzle, and perhaps a small one at that. Most people want more than just a paycheck—they want to feel good about where they work, who they work with, and what they accomplish together as a team. In one survey, 89 percent of leaders stated that they believed employees leave because of money.<sup>1</sup> Yet in a parallel survey of employees who left organizations, 88 percent of people said they left for reasons not related to money.<sup>2</sup> Let those statistics sink in . . . only 12 percent of people left because of money. In another recent study of 17,000 people, less than 10 percent cited compensation and advancement opportunities as the most critical aspects of a job.<sup>3</sup>

Consider the situation from the perspective of the interviewer: When *you* interview someone for a position and ask them why they are considering leaving their current job, what do they say? Have you ever heard anyone say, "Because you are going to pay me more"? Probably not. The most common response is something like, "Because my efforts and contributions aren't appreciated where I'm currently working." If people on your team are interviewing with other organizations, that is probably the same answer they are giving in their interviews.

People who plan to leave do not want to initiate a confrontation. They just want to walk out the door and not look back. They want to escape from a situation that has become toxic to them. Most have reached a point where they hate coming to work.

Even more problematic is when you have people on your team who are disengaged. They have mentally resigned from their job—and have told everyone but you that they are “out of here.” Those employees will do far more damage to your team’s performance than anything a competitor could do. They infiltrate your team with disloyalty, distrust, and apathy.

The truth is that most people who quit and leave, or those who quit and stay, made a decision to quit their leader. Their resignation or disengagement has little to do with pay, benefits, distance from home, or long hours. They quit because something between them and their leader has gone awry. The desire and ability to do a good job became overshadowed by the obstacles and frustrations faced every day. Ironically, most of those frustrations were created by the very person who, on the first day at their new job, enthusiastically greeted them, shook their hand, and welcomed them as an important link on the team.

Of course, some people quit simply because they are not in the right job for them at this time in their life. But these people are rare exceptions rather than the rule.

Do people quit because their leader is incompetent? Probably not. Most leaders are in the roles they are in because they have the competency to do the job well. Do they quit because of the leader’s lack of desire? It’s probably not that either. Most leaders want to do a good job and want to be successful.

People quit because they are exhausted. They are exhausted from implementing bad decisions. They are exhausted from

redoing work when decisions were made before all the facts were considered. They are exhausted because they perceive that their leader's ego is preventing the nourishment of a positive work environment. They are exhausted from trying to figure out why incredibly smart people keep asking them to implement decisions that appear to be really dumb. They are exhausted from working for leaders who they think really do not care about them.

They are exhausted because their leaders are not empowering them or supporting them, and they are thus prevented from doing their best work. They lose trust in the person who is supposed to be leading them and they start looking for someone else they can trust.

Long-term effective leaders are competent and also passionate, trustworthy, creative, and humane. The Gallup organization found that the single most important variable in employee productivity is the quality of the relationship between employees and their direct supervisors.<sup>4</sup> That relationship requires a leader whose expectations are reasonable, is consistent, cares about them, values their uniqueness, and encourages their growth and development.

Great leaders develop skills that help them understand people and get results through the efforts of other people. Leadership is complex because you are dealing with real people, each of whom has needs and desires. The greatest leaders learn how to break the complex task of dealing positively with everyone on their team into its simplest form.

*The First Two Rules of Leadership* is direct and simple. It is not about a new leadership strategy. Strategies come and go. What you will learn in this book is tried and true regardless of the strategic focus of the time. Likewise, the principles apply to



businesses in every industry, as well as schools, hospitals, churches, and even homes.

If you are a leader who wants to improve morale on your team, decrease turnover, increase your own job satisfaction, improve results, and have a whole lot more fun leading, this book is for you. Regardless of your current situation or how you got to where you are, the next move is yours. This book outlines how you can make better decisions and treat your team with dignity and respect at the same time.

The people on your team want to win and they want to be led by a winner. You are that leader. Read, pay attention, and follow the first two rules for leaders: Don't be stupid and don't be a jerk.

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# DON'T BE STUPID

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*"Our budget is tight. Let's change the team-building exercise we have planned into a self-help study course."*

—Action item from a leadership strategy session

No one is calling *you* stupid. Actually, stupid is the opposite of what you are. You are probably one of the smartest people in any room you enter. You are likely well educated, experienced, and qualified to become a great leader. You are respected and your team really wants to help you succeed.

But, sometimes your team is asked to do things that seem to them, quite frankly, stupid. Of course it is not intentional, so maybe you could eliminate some choices that wind up making them look foolish.

Every leader gets caught up in the pressure of the moment and does things that—upon reflection—were pretty stupid. Dumb things like: hiring in haste, rewarding actions that work against what you are really trying to accomplish, not paying attention to the needs of your team, or piling on more work and leading your superstars directly to burnout and checkout.

The first section of the book will address areas where many have looked stupid in the past and provide some suggestions to make smarter decisions in the future.

You can become the leader you want to be! Make smarter choices and win with class, beginning right now.

# Don't Be Stupid

## Hire Smart

*"Here we go again. Another new person. Why did he hire this person? Everybody knows he won't last. This is stupid."*

*"I am not going to spend my time helping another rookie. He is on his own."*

—Conversation between two tenured employees

Meets minimum qualifications? Check.

References? Check.

Background check? Check.

Drug test? Check.

Decent interview? Check.

Hire? Not so fast, my friend.

Smart hiring is not easy hiring. Smart hiring is hiring tough.

If the best opportunity to improve a team's performance is to hire smart, why do people hire quickly and in a vacuum to fill an open position? That is pretty stupid. You never really know what you are getting until the new person is already on the team, but you can increase your chances of getting a great person if you hire smart.

The most valuable asset in your organization is having the right people on your team; everyone knows that. However, some people tend to ignore the fact that the greatest liability any team faces is having the wrong people on your team. You cannot have a strong and effective team with weak and ineffective people. In fact, there is nothing any competitor can do to hurt your team as much as your hiring the wrong person to be on your team.

Hiring easy is welcoming the first person who barely meets the minimum qualifications of your team. That sounds fine, but it is stupid to hire easy. If you hire tough, your job will be easier; if you hire easy, your job will be a lot tougher. It should be a privilege for someone to earn his or her way on to your team.

Even if your team has to cover an open position, which involves extra work for a while, they want you to hire tough. They do not want to cover for an easy hire who will drag the entire team down with them. No one wants you to hire tough more than the people already on your team.

Granted, you have a lot on your plate and hiring is just one of the many tasks you are responsible for overseeing. And, whether you admit it or not, you are probably not a great interviewer. Don't take that personally; it's not a poor reflection on you. It is simply because you do not hire a lot of people and you do not use your interviewing skills very often. If you

hire only a few people a year, you are not going to be a great interviewer. But you can have a great interview process.

## **Smart Hiring**

The major reason for stupid hiring is lack of preparation. To hire smart, you have to prepare smart. It is not smart to begin preparing for the interview when the candidate is waiting in your lobby. How can you make a great decision if you are not adequately prepared for what you want to decide on?

Failing to prepare—winging it—is no way to treat someone who will become either your most valuable asset or your most costly liability. Instead, clearly and accurately define, in writing, the skills and attributes the perfect candidate will bring to your organization. Then, prepare every question—and your ideal answer—in advance so that you spend your time listening and evaluating rather than trying to figure out what question to ask next. Creating an interview outline will help keep you on track. Ask each candidate the same questions in the same order so you can concentrate on and evaluate their responses.

Another issue associated with stupid hiring is that you are emotionally involved. The open position is taking time and energy away from you, so you want to fill the job fast. The leader makes a subjective decision based on personality rather than an objective decision based on fact. Your emotions want the person to “fit,” even though they may not be the *right* fit. You will be far better off if you take your time and find the right person. Get someone in HR or a peer to help—they’re not faced with the same emotions you have about your openings.



Following these three rules of three will help you hire smart:

1. Interview at least three qualified candidates for every position.
2. Interview the candidates three times.
3. Have three people evaluate the candidates.

Interviewing at least three qualified candidates for every position sounds like a long process, and it is. But to hire tough and get the right person on your team, you need to have choices. If there is only one qualified person you are evaluating, you do not have a choice. Find three qualified people and make a smart choice on who would fit best with your team.

When you interview someone three times, you can make a smarter decision. Schedule the interviews at varying times of the day. If your initial interview was in the morning, interview the candidate the next time in the afternoon or evening. You'll be working with them all day, so why not see what they're like at different times of the day?

When evaluating candidates, consider talent and fit equally. The most talented person may not be the best choice if they don't fit with the talent that already exists on your team. The best information regarding fit will come from the superstars on your team, so it is smart to involve them in the process. They know the job and the culture and will have a good feel for whether the candidate will be a good fit on your team. Most of your top performers will look on their involvement as a reward and take ownership of the success of the person you hire. They will probably help in their orientation and do what they can to help them to be successful. That is a good deal for everyone. If some of your superstars are not interested in