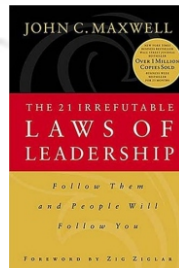




The 21 Irrefutable Laws of Leadership

Follow Them and People Will Follow You



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■ About the Author



John Maxwell

In 1985, **John Maxwell** founded The INJOY Group, a collection of three distinct companies that employ 200 people and provide resources and services that help people reach their personal and leadership potential. In addition to building a successful organization, John has authored more than thirty books, including the New York Times best sellers **The 21 Irrefutable Laws of Leadership** and **Failing Forward**.

Called the nation's foremost expert on leadership, John was born in central Ohio five and a half decades ago. He credits his excellent leadership instincts and his early leadership training to his father, Melvin Maxwell, whom he followed into the ministry. For over twenty-five years, John led churches in Indiana, Ohio, and California.

In 1995, John began dedicating himself full-time to writing, speaking, and consulting. Each year he speaks live to more than 350,000 people. Known as a dynamic communicator, he is in high demand on the topic of leadership, and he speaks to many American corporations and entrepreneurial organizations.

John has earned bachelor's, master's, and doctoral degrees and has also received five honorary doctorates. He lives in Atlanta, Georgia.

Two of John's favorite books are **How to Win Friends & Influence People** by Dale Carnegie, and **As a Man Thinketh** by James Allen.

■ The Big Idea

Principles are laws that apply across different cultures, generations, and circumstances. John Maxwell, drawing lessons from his own experiences as well as those of other leaders', has discovered 21 principles for leadership.

In each chapter of the book, Maxwell describes each law as a tool that can help people succeed in business, church, sports, and personal endeavors. Anyone in any position, in any field, and in any culture, can learn and practice these laws to become a successful leader. The learning is made richer by real life illustrations that show how the laws are practiced or violated.

1. The Law of the Lid: Leadership Ability Determines a Person's Level of Effectiveness

Points of the Principle

The Lid represents the limit of our leadership abilities. Hard work, efficient management, and knowledge can only bring us so far. If the lid of one's leadership is low, then the potential for success is also low. The key, then, is not just to work hard on achieving success but to work hard on raising one's level of leadership. The results: multiplied increase in effectiveness and higher potential for success for the leader as well as the organization.

Leaders Who Lived Out the Law

Before Ray Kroc bought the rights to Mc Donald's franchises, it was a profitable enterprise efficiently managed by Dick and Maurice McDonald. The McDonald brothers worked hard and were geniuses in customer service and kitchen organization, but they were not leaders. Thus they failed to grow the franchise business. Kroc built up a team of leaders, made personal sacrifices, and successfully grew the Mc Donald's franchise business into the global restaurant chain that it is now.

Steve Jobs of Apple Computer is another individual who had a high level of leadership and was able to bring himself and his organization to a high level of success.

Pointers for Practice

When a company, a sports team, a church, or even a country is in a state of trouble, check the leadership. Chances are the leadership lid of its leader is low.

2. The Law of Influence: The True Measure of Leadership is Influence Nothing More, Nothing Less

Points of the Principle

John Maxwell's favorite leadership proverb is, "He who thinks he leads, but has no followers, is only taking a walk." Leadership is influence; without influence one cannot lead.

Leaders Who Lived Out the Law

Princess Diana and Mother Teresa are two of the most influential persons who ever lived. Both had the ability to make things happen and to make the world take notice. Princess Diana started out simply as a spokesperson for fund-raising, but she grew to become more influential even after losing her title as wife of Prince Charles. By her influence, she drew the world's attention to issues such as AIDS research and the banning of landmines.

Other influential leaders are Maurice Saatchi, former CEO of Saatchi & Saatchi; Lee

Iacocca, former CEO and Chairman of Chrysler; and Bill Hybels, Senior Pastor of Willow Creek Community Church, the largest church in North America.

Five Myths About Leadership:

- 1. The Management Myth.** Management can maintain direction. Influential leadership is what changes the direction of an organization toward positive change.
- 2. The Entrepreneur Myth.** People may be buying what somebody is selling, but they are not necessarily buying into his leadership or vision.
- 3. The Knowledge Myth.** Mental superiority does not necessarily equate to leadership.
- 4. The Pioneer Myth.** The one in front is not necessarily the leader. The leader is the one with the vision that people want to follow.
- 5. The Position Myth.** Maxwell quotes Stanley Huffy, "It's not the position that makes the leader; it's the leader that makes the position."

3. The Law of Process Leadership Develops Daily, Not in a Day

Points of the Principle

In the same way that we invest in the stock market, we should also invest in the process of becoming a leader. No one becomes a leader overnight. Even when someone is gifted with natural abilities, one still has to build one's collection of leadership skills. There are many facets to leadership, among which are respect, experience, discipline, and vision. To be an effective leader, one must develop these facets. Doing so takes time.

Leaders Who Live Out the Law

Successful leaders should be learners-- continuously improving and building up on previously developed skills. Jimmy Carter is one leader who developed through time. He developed his leadership abilities and has now earned worldwide respect as leader of the Habitat for Humanity organization.

President Theodore Roosevelt and heavyweight champion Joe Frazier are also good examples of individuals who believe in perseverance, preparation, and continuous learning as factors for success.

4. The Law of Navigation: Anyone Can Steer the Ship, But It Takes a Leader to Chart the Course

Points of the Principle

The Law of Navigation is about seeing the trip ahead, charting a plan to get to the destination, and remaining focused on the vision. The leader is the one who sees farthest into the future, making him the best person to guide his followers. A navigator starts with a vision, and then knows what it takes to reach that vision, who they will

need on the team, and what obstacles to anticipate and overcome.

The size of the project does not matter. The size of the leader and his ability to navigate determine the accomplishment of a mission.

Leaders Who Lived Out the Law

Norwegian explorer Roald Amundsen was the leader of the first group of explorers to reach the South Pole. He and his team succeeded due to his ability to navigate. He developed strategies in painstaking details assembling the best team, equipping everyone with the highest quality supplies and gear, considering every possibility, and planning for every contingency. As a result, the team reached the goal with very minimal problems.

In contrast, the team of Robert Falcon Scott, wanting also to be the first to conquer the South Pole, failed to be the first team and also suffered the fatal consequences of bad planning and faulty leadership.

More lessons on leadership were illustrated by the examples of General Electric chairman Jack Welch and by John Maxwell himself who navigated his church through a vision of building an auditorium.

Pointers for Practice

Navigating entails research of information, gathering of ideas from grassroots to mentors, balancing positive thinking with realism, and having a strategy for success.

These strategies are summarized using an acrostic:

- Predetermine a Course of Action.
- Lay Out Your Goals.
- Adjust Your Priorities.
- Notify Key Personnel.
- Allow Time for Acceptance.
- Head into Action.
- Expect Problems.
- Always Point to the Successes.
- Daily Review Your Plan.

5. The Law of E.F. Hutton: When the Real Leader Speaks, People Listen

Points of the Principle

E.F. Hutton is a financial services company whose motto was, "When E.F. Hutton speaks, people listen." Regardless of who has title or position, the leader is the one with the power to command people's attention. The E.F. Hutton of a group can rally people to a cause. A leader should then be either the E.F. Hutton, the one to whom the group listens; or should learn how to identify the E.F. Hutton of the group, and learn to harness that person's power to get things done.

A Leader Who Lived Out the Law

Mother Teresa, frail and diminutive in appearance, has the power to make world leaders listen. Aside from having founded a worldwide organization, she is also able to deliver a scathing speech that could have incited hostility among the audience had it been delivered by a less respectable leader. But Mother Teresa commanded respect; when she talked, people sat down, stay put, and really listened.

Pointers for Practice

One clue for identifying the E.F. Hutton, the real leader, in your group is to spot whom it is that people look at when a question is asked. Here are other clues:

Positional Leaders

Speak first

Need the influence of the real leader to get things done

Influence only the other positional leaders

Real Leaders

Speak later

Need only their own influence to get things done

Influence everyone in the room

Seven Key Areas that Reveal Leadership:

1. Character Who They Are
2. Relationships Who They Know
3. Knowledge What They Know
4. Intuition What They Feel
5. Experience What They've Been
6. Past Success What They've Done
7. Ability What They Can Do

6. The Law of Solid Ground: Trust Is the Foundation of Leadership

Point of the Principle

The Law of Solid Ground is about having a foundation of trust, a necessary element of leadership.

Leaders Who Did Not Live Out the Law

During the Vietnam War, the leaders of the United States handled the situation very badly. President Johnson and Secretary of Defense Robert McNamara broke the Law of Solid Ground by being dishonest to the American People. This led to a season of mistrust and the destruction of their political careers and their reputations as leaders.

Pointers for Practice

Trust is earned and maintained by:

1. The leader's history of success
2. The leader's competence, connection and character
3. The leader's ability to face up to a mistake

4. The leader's ability to put what is best for the followers and the organization ahead of personal agenda

7. The Law of Respect: People Naturally Follow Leaders Stronger Than Themselves

Points of the Principle

The Law of Respect works when people are compelled to follow somebody who is stronger than them. People have the instinct to recognize and follow leadership.

Leaders Who Lived Out the Law

Illiterate, underemployed, and possessing an unimpressive appearance, Harriet Tubman, was a respected leader because she was fearless, strong, and has helped hundreds escape slavery. People followed her because of her strong leadership.

Basketball coach Dean Smith and John Maxwell exemplify this law. They inspire respect and loyalty among their followers.

8. The Law of Intuition: Leaders Evaluate Everything with a Leadership Bias

Points of the Principle

Leaders cannot rely on just facts. Great leaders have to have intuition. They have to have the instinct to see changes and plan strategies for facing those changes. Intuition can either be innate or developed. Always, it is a combination of natural abilities and acquired skills.

A Leader Who Lives Out the Law

When Steve Jobs went back to Apple Computer, he started by making major decisions that relied on intuitive leadership. His move to form a strategic alliance archenemy Bill Gates was an intuitive move that could have failed. But Steve Job's intuition worked, and that action improved business and increased the company's stock value.

Pointers for Practice:

Intuition requires a reading of:

1. The Situation
2. Trends
3. Resources
4. People
5. The Selves

Three Levels of Leadership Institution

1. Those Who Naturally See It
2. Those Who Are Nurtured to See It
3. Those Who Will Never See It

9. The Law of Magnetism: Who You Are Is Who You Attract

Points of the Principle

A leader attracts people who possess the same characteristics. People tend to flock with people of similar:

- Attitude
- Generation
- Background
- Values
- Life Experience
- Leadership Ability

Leaders Who Lived Out the Law

President John F. Kennedy was a young idealist, and so he attracted like people. Adolf Hitler, also a very influential leader, attracted people who shared his rotten values. For these two leaders, their character drew in people who were just like them.

Pointers for Practice

Attracting to your organization people of certain characters, backgrounds, and qualifications do not depend merely on the hiring process. It depends greatly on the kind of person and leader you are.

10. The Law of Connection: Leaders Touch a Heart Before They Ask for a Hand

Points of the Principle

Great leaders instinctively know that to lead successfully, they have to touch people's hearts. Moving people into action requires moving them with emotion. Leaders with the power of connection can reach out to individuals as well as audiences.

Leaders Who Lived Out the Law

Elizabeth Dole is John Maxwell's pick for a leader with the power to connect. She is a skilled communicator with the ability to develop rapport with the audience. In the campaign trail, she projected warmth and approachability. She attracted and inspired followers.

Show business and political personality Sonny Bono, Southwest Airlines CEO Herb Kelleher, and the charismatic Ronald Reagan knew how to touch people's hearts before they asked for their hands. They had the power of connection.

Pointers for Practice

There's an old saying, "To lead yourself, use your head; to lead others, use your heart. That describes the nature of the Law of Connection.

11. The Law of the Inner Circle: A Leader's Potential is Determined by Those Closest to Him

Points of the Principle

The strength of the people around a leader determines that leader's potential. No matter how good a leader is, that person has limits. His Inner Circle expands his abilities. A leader's role, then, is to surround himself with good people. He hires them. He develops them.

A Leader Who Lives Out the Law

John Maxwell relies on a strong Inner Circle to ably lead and manage his companies. A circle of personal friends and family members also help him accomplish all that he has to do.

Pointers for Practice

Every organization has an inner circle. A leader should bring in the following people into the Inner Circle:

1. People with Potential Value Those Who Raise Up Themselves
2. People with Positive Value Those Who Raise Morale in the Organization
3. People with Personal Value Those Who Raise Up the Leader
4. People with Production Value Those Who Raise Up Others
5. People with Proven Value Those Who Raise Up People Who Raise Up Other People

12. The Law of Empowerment: Only Secure Leaders Give Power to Others

Points of the Principle

A good leader finds other leaders; builds them up; gives them resources, authority, and responsibility; and then lets them go off to achieve. The opposite situation, when a leader undermines his team members and creates barriers that people in his team cannot overcome, are violations of the Law of Empowerment.

A Leader Who Lives Out the Law

Abraham Lincoln was very confident in his leadership, that he was not afraid to select diverse cabinet members who could challenge him. He, not only, gave power to his people; he also took the responsibility for their mistakes.

Pointers for Practice

There are some common reasons why some leaders violate the Law of Empowerment. These are:

- Desire for Job Security
- Resistance to Change
- Lack of Self Worth

Empowering people also empowers the leader. The leader gets to achieve much more, and also becomes a better leader in the process.

13. The Law of Reproduction: It Takes a Leader to Raise Up a Leader

Primary Point of the Principle

Leaders are products of mentoring by other leaders. To develop and empower leaders, one must be a leader too. To continue to develop others as leaders, one needs to become a better leader too. Mentoring of leaders should be one of the highest priorities of a leader.

A Leader Who Lives Out the Law

General Electric Chairman Jack Welch, through his leadership, has produced at least 20 CEOs for top American companies--a testimony to his ability to reproduce leaders.

Pointers for Practice

Spend time with the best leaders you can find. Remember that leaders who develop leaders should:

- See the big picture.
- Attract Potential Leaders
- Create an Eagle Environment

14. The Law of Buy-in: People Buy Into the Leader, Then the Vision

Points of the Principle

The way the Law of Buy-In works is: "The leader finds a dream and then the people. The people find the leader, and then the dream." The leader's credibility is very important.

A Leader Who Lived Out the Law

Mahatma Gandhi changed his people's vision for obtaining freedom. He taught them about passive resistance in contrast to the more common approach violence. That happened because people were able to buy into him as a leader, and consequently, they bought into his vision.

15. The Law of Victory Leaders find a Way for the Team to Win

Points of the Principle

Victorious leaders cannot accept defeat. So they plan their victory strategy and do everything to carry out the strategy.

Leaders Who Lived Out the Law

Abraham Lincoln, Winston Churchill, Franklin Roosevelt, and Nelson Mandela did everything in their powers to ensure victory. They never lost sight of the vision and kept fighting even at personal expense. Other than victory, there was no other option. No plan B. The outcome of this attitude has positively affected the current state of the world.

Three Components of Victory:

1. Unity of Vision
2. Diversity of Skills
3. A Leader Dedicated to Victory and Raising Players to Their Potential

16. The Law of the Big Mo: Momentum is a Leader's Best Friend

Points of the Principle

To steer a ship, it must first be moving forward. That illustrates the law of the Big Momentum. Momentum is a powerful change agent.

Leaders Who Lived Out the Law

Public School teacher Jaime Escalante worked hard, and fought hard against opposition and other negative factors to bring about a momentum of positive change in his school. Through his leadership and the Big Mo, the school became one of the top 3 inner schools in the entire United States.

Pointers for Practice

"Only a leader can create momentum. Followers catch it. And managers are able to continue it once it has begun."

17. The Law of Priorities: Leaders Understand That Activity is Not Necessarily Accomplishment

Points of the Principle

Prioritizing is something leaders will always have to do to focus on and achieve

goals. To guide the leader in making or reordering priorities, he can use the 80/20 Pareto Principle or answer the following questions:

1. What is Required?
2. What Gives the Greatest Return?
3. What Brings the Greatest Reward?

Leaders Who Lived Out the Law

Norman Schwarzkopf, Lee Iacocca, Roald Amundsen, and Jack Welch understood the Law of Priorities. They recognized that activity did not equate with accomplishment. This focus enabled them to succeed in successfully reaching their goals.

18. The Law of Sacrifice: A Leader Must Give Up to Go Up

Points of the Principle

Leadership and success have costs. Leaders are oftentimes faced with the need to give up their rights to think of themselves. Instead, they have to sacrifice for the sake of the organization. Leadership requires sacrifice. Usually, the higher the position, the higher the sacrifice.

Leaders Who Lived Out the Law: Lee Iacocca's sacrifices for Chrysler included reducing his annual salary to one dollar. And then, he requested other managers to accept a 10% pay cut. Soon after, the company turned around even if the economic circumstances were not favorable.

Martin Luther King paid an even higher price; he sacrificed his life for his dream and found joy and fulfillment in doing so.

19. The Law of Timing: When to Lead Is As Important As What to Do and Where to Go

Point of the Principle

Success is inevitable when a leader does the right thing at the right time. The success impacts the leader and the organization. When either the action or the timing is wrong, the results are disastrous.

A Leader Who Lived Out the Law

The Watergate scandal and the Vietnam War produced in the American people mistrust for traditional politicians. Jimmy Carter was a virtual unknown in the national political scene. His being an outsider became an advantage and enabled him to win the presidential race. Four years later, the United States was experiencing social, political, economic, and security disorder. Jimmy Carter lost his bid for reelection. In

both cases, the Law of Timing was at play.

Pointers for Practice

Every leader's action produces any of the four possible scenarios:

1. The wrong action at the wrong time leads to disaster.
2. The right action at the wrong time brings resistance.
3. The wrong action at the right time is a mistake.
4. The right action at the right time results in success.

20. The Law of Explosive Growth: To Multiply, Lead Leaders

Point of the Principle

When leader develops followers, the growth rate is one person at a time. But when leaders develop leaders who will develop leaders, growth is multiplied, and the highest possible level of success is achieved.

Leaders Who Lived Out the Law

Papa John's chain of pizza restaurants grew explosively in the late 90s. This was due to founder John Schnatter's deliberate move to develop new leaders within the organization. He hired and developed CEO Wade Oney who says, "The reason we're successful in the marketplace is our focus on quality and our desire to keep things simple. The reason we're successful as a company is our good people."

Pointers for Practice

Leaders who develop leaders want others to succeed, focus on people's strengths, treat leaders as individuals, and invest time in these leaders.

21. The Law of Legacy: A Leader's Lasting Value is Measured by Succession

Point of the Principle

This law requires leading with both today and tomorrow in mind. By creating a leadership culture, preparing the organization for change, and by planning for smooth succession, a leader can leave a lasting legacy.

Leaders Who Lived Out the Law

Roberto Goizueta was considered one of the finest leaders in the world. As Chairman and CEO of Coca-Cola Company, he strengthened the company and raised its financial value from \$4billion to \$150billion. When he died suddenly, the company continued to flourish. This is a testament to Goizueta's leadership abilities. He left a legacy of leadership.

Pointers for Practice

A leader's lasting value is measured by the legacy left behind.