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Great Leaders Have No Rules
THE SUMMARY

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INTRODUCTION

I know two things about leadership that most people do not believe. First, leadership is a superpower. Second, almost everything we've been taught about leadership is wrong.

Lack of leadership at work drove my first two companies into the ground. Leading effectively enabled me to go on to start, build, and sell several multimillion-dollar companies.

Lack of leadership at home ended my marriage. Family leadership enabled me to raise three amazing kids as a single dad.

Lack of self-leadership had me walking around half asleep, overweight, and depressed. Leading myself first now has me healthy, focused, and energized.

If you are following traditional old-school management advice, you will derail your career or derail your family or both. This book has one purpose: to teach you how to be both the boss everyone wants to work for and the high achiever every CEO wants to hire—all without drama, stress, or endless hours in the office. The advice you're about to read is grounded in solid research and based on my entrepreneurial experience starting and growing companies for the last three decades. These are

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companies that have won *Inc. 500* awards for fast growth, as well as "best place to work" awards for employee satisfaction. It's also based on my interviews with over two hundred guests on the *LEADx Leadership* podcast.

I believe leadership is the greatest force for good. If leadership is influence, it means all of us are leading those around us every single day. To get the most out of this book, I encourage you to suspend disbelief—every chapter is filled with advice and tactics that go against conventional wisdom. You can overcome your cognitive dissonance by questioning the effectiveness of your current leadership approach, and by testing out your new superpowers one at a time.

1. CLOSE YOUR OPEN DOOR POLICY

The three-word question that used to send chills down my spine: "Got a minute?" An open-door policy refers to the practice of business or organizational leaders leaving their doors open so that employees feel welcome to stop by and meet informally, ask questions, or discuss matters that have been weighing on their minds. The theory is that an organization uses such openness to build a culture of trust, collaboration, communication, and respect regardless of an individual's position in the hierarchy.

Communication and problem solving are admirable goals, but the traditional open-door policy is a passive effort, utilized by only half of all workers. It can also discourage autonomy, empowerment, and the productivity of managers. Team leaders and executives reap the most adverse effects.

As you might imagine, the open-door policy makes for a productivity nightmare. Various research studies indicate the typical office worker is interrupted fifty to sixty times a day, and the average time between interruptions is about three minutes.

Researchers who study productivity have varying estimates of the impact of interruptions. On the high side, one study found that it takes an office worker an average of twenty-five minutes to fully return to a task after being interrupted. That research doesn't address how interruptions affect the quality of our work. It doesn't take a mathematician to see how even a few unplanned meetings can destroy your flow over the course of a day.

So with all the problems that come with an open door policy, is it time to slam these doors completely shut? Should leaders refuse unscheduled one-on-one meetings? Should they remain distant and aloof? Of course not. The danger is in poorly trained managers accepting the open door policy in its most simplistic definition. The open-door policy can be fixed. A more effective solution is to schedule more limited "office hours," and weekly one-on-ones, to proactively solicit the opinions of quieter team members, and to actively foster an environment of trust. The bottom line is that the more frequently you communicate and ask questions of your team members, the more they'll come to believe that you care and it's a safe environment to bring things to your attention.

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2. SHUT OFF YOUR SMARTPHONE

What do gambling, sex, drugs, and smartphones have in common? Dopamine.

Dopamine is a chemical released in the brain to reinforce pleasurable activities. It turns out we get a dopamine response from the simple activity of checking our phone throughout the day. Many make the comparison to pulling the lever on a slot machine. With every pull—every phone check—we're wondering, what are we going to get this time? The fact that you don't win every single time is what makes it fun and makes it addicting! Psychologists refer to this as the effect of variable rewards. It's the anticipation.

More than 40 percent of people check their phones within five minutes of waking up. Then we check our phones on average of forty-seven more times throughout the day (young adults use their phones eighty-five times a day), and 30 percent of people check the phone right before going to bed.

Biologically, our craving for pleasure is only half our addiction equation. The other half comes from cortisol or the stress hormone. It is released by the adrenal glands in response to fear or stress. When it comes to our smartphones, many of us have FOMO ("fear of missing out"). Even if we aren't using social media for fun, we relentlessly check our email inbox and text messages because we'll feel anxious if we don't.

The combination of the internet and smartphones provides us with an unprecedented connection to information, entertainment, colleagues, family and friends. The ubiquity of smartphones with the never-ending stream of new message notifications now leads to chronic distraction, which impairs productivity and can jeopardize safety. Leaders should model the way by silencing their phones and keeping them out of sight.

Managers can set the example for team members by not carrying your phone wherever you go. When you are meeting with someone, practice active listening and don't try to multitask with your phone. Display a NO SMARTPHONES sign in the conference rooms and encourage people to stay focused and productive throughout the day.

The single easiest, most life-changing thing you can do right now is to shut off all notifications on your phone. Instead of responding to every beep and vibration, like Pavlov's dogs to a bell, you will look at your phone when you want to. Now for most, that's still going to be way too often. I challenge you to put your phone in another room tonight when you sit down for dinner. Leave your phone in your car for two hours as you watch your daughter's soccer game. Stop checking work messages after 9:00 p.m. Never check it in the presence of your children.

3. HAVE NO RULES

Rules, policies, and procedures are implemented with the best of intentions to minimize risk (primarily financial loss). We as leaders can't be everywhere and we can't watch everyone, so we implement rules to protect against wasteful spending, wasting time, and poor quality.

By protecting against the bad choices of the minority (about 3 percent according to Netflix experience) we are taking away the opportunity for 97 percent of our team members to reflect on company values, to develop decision-making skills, and to deepen their feelings of ownership and accountability. Instead of rules, leaders need to hire talent who can be trusted, make company values actionable, set guidelines, and be willing to coach those who make honest mistakes.

A major problem with rules is that they are applied to activities when what really matters is outcomes. This is a common management mistake. For example, in an attempt to make sure employees are giving a full day's worth of work, there are often rules against working from home. But who's to say workers sitting in their cubicles aren't playing solitaire on their computer, checking Facebook on their phone, or hiding out in the bathroom?

Netflix, well-known as one of the great success stories of the last two decades, asserts that a business should focus specifically on two things. (1) Invest in hiring high-performance employees. (2) Build and maintain a culture that rewards high performers and weeds out continuous, unimproved low performers.

Netflix leaders believe that responsible people—the people every company wants to hire—are not only worthy of freedom, they thrive on it. Creating an environment where these individuals are not inhibited by myriad rules allows them to become the best version of themselves. Taking this belief to its literal meaning has spawned a series of human resource innovations that were previously unheard of. For example, consider Netflix "unlimited vacation policy." Instead of establishing a formally tracked vacation policy, Netflix decided to allow salaried employees to take as much vacation time as they liked. Certain guidelines were provided; for example, anyone who wanted more than thirty days off in a row should meet with HR.

Netflix also resisted the urge to institute any type of formal travel and expense policy. "We decided to simply require adult-like behavior." The company's expense policy is five words long, "Act in Netflix's best interest."

Instead of using rules, look for opportunities to build accountability by assigning ownership and consequences to your team's decision making. Give guidelines, emphasize standards and values, and instead of rules, focus on holding people responsible for results.

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4. BE LIKABLE, NOT LIKED

Everyone except people with severe psychological disorders has an inner need to be liked and accepted. Have you ever met anyone who would rather be disliked by everyone?

Being liked at work (i.e., having friends at work) is a very good thing and encouraged. Having a "best friend" at work is strongly correlated with high employee engagement (Gallup 2017). It's why so many companies spend so much time on company parties, foosball tables, free beer Fridays, and other mixers. It's for fun, and it's for bonding.

It's just not true that if you're the boss, that you and your direct reports are "equals" or peers, just with different jobs. Needing to be liked can cause specific problems as you execute your duties as team leader such as delayed or skewed decision making or the tough conversations that never happen.

Peter Drucker says, "Effective leadership is not about making speeches or being liked; leadership is defined by results, not attributes." Striving to be liked may feel good in the short term, but it's a recipe for disaster in the long term. Instead, you should try to be friendly, without striving to be friends. You should try to be likable, without caring whether you are liked. You should care for your colleagues and also maintain the highest standards.

Managers, it's time for honest introspection. Have you been withholding direct feedback or delaying tough decisions? Remember that your team needs a leader, not another friend. You are in a unique position to help employees to improve their performance, which will help their careers. Remind everyone of the standards—your expectations—and actively look for ways to hold people accountable. Replace your need to be liked with the need to lead right. If you are living your values and if you are leading your values, then let other people think whatever they want. You don't have to be a jerk, but you need to respect yourself above all else.

Even as an individual, you can practice self-leadership. Individuals are also leaders—influencers—of those around them. It's been said that we teach others how to treat us. Do you need people to like you so badly that you let them treat you poorly? Does your fear of confrontation prevent you from standing up for your beliefs? Are you always the one compromising? Realize that true friends will like you despite the disagreements, fights, or decision as to where to go for dinner tonight. The next time you think someone is treating you badly, remember your pride and your values, and address the situation.

5. LEAD WITH LOVE

"It is better to be feared than loved" has been the prevailing leadership wisdom for five hundred years, ever since an Italian diplomat penned *The Prince* in 1513. Traditional wisdom along with many

modern managers argue that you can't get close or personal with your team members because doing so undermines respect in the boss-worker relationship, prevents maintaining objectivity, and makes it more difficult to reprimand or fire others.

Research and our own experiences indicate that while leadership based on fear may be the norm, and can be motivating, it doesn't actually lead to good long-term results. Fear crushes creativity, innovation, and new ideas. Fear shuts down communication. When we fear, we are more likely to sweep problems under the rug. Fear contributes to stress, blocks engagement, and causes us to look for a new job. Love is the opposite of fear.

If you're thinking, *I show them I care when I hand them their paycheck*, I get it. I used to be the guy that walked past everyone in the hallway without acknowledging them. It wasn't because I didn't care or thought I was better than them. I was just inside my own head thinking about work.

Too often we withhold our feelings at work due to our own insecurities, or because we were taught that managers need to stay aloof to remain objective. Great leaders know that caring for their people is a secret to activating employee engagement. You don't have to even like them but you can still love them. People perform better and stay longer when they know you care.

It has been said that Eskimos have dozens of words for snow, and it turns out the ancient Greeks had at least six different words for love. The love I'm referring to is what the Greeks called "agape" which is a selfless love of everyone. The concept of universal love is an anchor of many world religions.

With agape love you don't love someone for who they are, or for what they do, or for how they make you feel. You love them unconditionally as a human. You have a genuine heartfelt concern and care for their well-being. You love each team member as an individual (an individual who has a life outside of work), not as a soulless cog in your production machine.

You can show love by committing to greet your team members in the morning and acknowledge them as you pass in the hall. Learn the names of their family members. Hold informal career-path meetings with each of your directs to find out what their goals are, how you might help them get there. Catch people doing things right and show your appreciation.

6. CROWD YOUR CALENDAR

Hang around with me for even a little while and you'll see that I'm obsessed with time. At the bottom of my computer monitor is a sticker that says "1440." It's a constant reminder that there are 1,440 minutes in a day and once they're gone, they're never coming back. As research for an earlier book, I interviewed 7 billionaires, 13 Olympic athletes, 29 straight-A students, and 239 entrepreneurs. One of the findings that shocked me was that almost none of them used a to-do list.

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How could this be? We've all been taught from the "Getting Things Done" (GTD) system and others that we put our tasks onto to a big list and then we prioritize that list. When we're done with the first thing, we move on to the second thing.

It turns out that to-do lists have many flaws. Research indicates that 41 percent of what we put on to-do lists is never done at all! Of the many things that are done, many are jotted and down and then crossed off the very same day. How many items have been sitting on your list for a month or longer?

To-do lists can also contribute to stress triggered by the Zeigarnik effect. This is the psychological term describing how, consciously or unconsciously, undone items flood our minds with uncontrolled thoughts. We just worked a ten-hour day but when we go home, rather than feeling productive and satisfied, our brain ruminates on all the things that are still on our list.

If you're not supposed to use a to-do list, what are you supposed to use? Simply put, use your calendar. While traditional time management systems teach us that our calendar is for meetings and phone calls, those who achieve extreme productivity put everything on their calendar and then live by that calendar.

Great leaders actually schedule everything. Instead of placing things on a to-do list, they pick a date, time, and duration and schedule it on their calendar. This is the only guaranteed way to know that you are investing your minutes in alignment with your values and goals. Known as time-blocking, when applied to everything, it can dramatically improve your results. As a force multiplier, schedule your most important tasks (MITs) during your most productive time of day.

7. PLAY FAVORITES

In a misguided attempt to be objective and fair, too many managers treat all their team members the same. That's an extremely unfair way to treat your best performers, and they'll surely leave for better opportunities when they see they benefit no better than the slackers.

People are different, so treating everyone the same doesn't mean we're treating them fairly. In fact, that would be very unfair. I play favorites. I spend more time with my high performers than my low performers. I give more opportunities to those who show potential. I even handle mistakes differently for those who rarely make them than who make them all the time. If I have a star player—someone who is outperforming the others by a lot—they deserve to be treated differently.

When it comes to discipline, great leaders know that while the rules and standards need to apply to everyone, the consequences of infractions should vary based on circumstances. Great leaders also know to take time to identify each person's strengths and then align opportunities and career path options to take advantage of them.

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Dave Munson says, "If I were hiring for someone to fetch sticks out of the pond in front of the house, and a cat applied for the job who has a master's degree in stick-fetching, and then a Lab shows up, and he's all wet, I would totally hire the Lab! I wouldn't ask a cat to go swimming all day long fetching sticks."

Take extra time to get to know your new team members. Ask them what they are doing when they are performing at their best. Ask them what they like doing when they're not at work. Consider purposely mixing up roles and assignments to see how people perform. When it comes to infractions, remember to use the same rules and standards, but vary the punishments.

As I speak at conferences and company retreats all around the world I'm frequently asked about the 16 percent of employees that Gallup labels "actively disengaged." Individual managers will ask, "My overall engagement scores are really high and almost everyone on the team is fully engaged, but there is one woman who I just can't seem to get to—how do I engage that last person on my team?" Surprisingly my answer is to just fire her. You can do it kindly, you can help her find a new job elsewhere, but you should force her not to work on your team.

8. REVEAL EVERYTHING (EVEN SALARIES)

The hierarchical command-and-control structure, where information flowed up and decisions flowed down, made sense when the world moved at a slower place. In that environment, where competing for resources was a zero-sum game, one's individual career could advance by withholding information from others. In today's world marked by VUCA—volatility, uncertainty, complexity, ambiguity—organizations that survive and thrive are the ones that adapt to the changing environment in real time; they push information, including key metrics and financial information, as far forward as possible so frontline workers can make good decisions.

As leaders in the twenty-first century we have to realize that radical transparency, meaning sharing everything, is like a fertilizer for so many valuable things. First, radical transparency provides the situational awareness your team members need to make good decisions quickly. Second, radical transparency directly drives employee engagement. Employees want more information, all the time. It's impossible to over-communicate. Third, radical transparency drives trust (which drives engagement). Too many leaders still believe what Colonel Jessup (played by Jack Nicholson) believed in *A Few Good Men*, "You can't handle the truth!"

We need our team leaders to be fully informed so they can make good decisions quickly, and we need them to be full engaged so they'll give discretionary effort to the cause. Radical transparency is the driver for both.

The military is not the place you'd expect to learn lessons about transparency and the distribution of sensitive information, but by necessity even that culture is changing. The traditional information system is no longer effective. A decision made by a young marine on the other side of the world

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could be headline news the next day, and even have strategic impact. So in order for frontline leaders to make the right decisions, they need to be clear on the strategic intent of senior leaders and they must have total situational awareness—the same information their general has.

If you are a manager, start with the basics. Are team members clear on your annual goals and quarterly objectives? Do they know how much your team's budget is and what the limits are on spending for various areas? Do you share all other metrics that are being tracked for the team and the organization? When it comes to transparency on performance, have you been relentlessly providing feedback on how they can improve and advance in their careers? Have you asked them to critique your performance as a leader?

9. SHOW WEAKNESS

Why do we instinctively hide our weaknesses? Anyone who's ever watched the Discovery Channel knows there's an evolutionary component. Nothing good ever happens to the slowest gazelle. Today, we might not have to outrun a hungry lion, but we still learn early lessons about what happens to the weak. Our parents may give not-so-subtle signals like "suck it up" or "stop being a baby." In grade school we get picked last for dodgeball. In high school we get cut from the team. Socially our instinct is to do everything we can to fit in; we'll do almost anything to avoid the shame and pain of failing. If the herd rejects us, well, we're back to that hungry lion.

So why should we publicly share our weaknesses? We no longer live in the jungle; we are not at risk from the lion, neither literally nor metaphorically. Behaviors that worked through the industrial revolution have now become liabilities. Vulnerability is the key to thriving in the new environment. Power and authority are no longer the keys to getting things done. Today it's all about relationships, social capital, and building a "team of teams."

If you think about your closest friends, invariably they're the ones you can tell anything to. So when someone at work reveals a weakness or some kind of fault or shortcoming, we can't help but trust them a bit more than before. Trust is reciprocal; the more you trust me, the more I trust you, and a virtuous cycle begins.

Sharing your weaknesses, mistakes, and failures—your pratfalls—will help you to build trust, engage your team members, and foster a culture of innovation. Don't use it in a contrived or manipulative way. That's an inauthentic way of being authentic. Great leaders know how to drop their masks and just be the best version of their unique selves. They know that showing weakness actually is the strongest sign of courage and confidence. People trust people who openly share their weaknesses and their failures.

Is there such a thing as too much information or over sharing as an authentic leader? Not if your team members can handle it. If you're ever in doubt about whether your attempts at self-disclosures are

going to do more harm than good, consider these questions before you possibly over share: What is your intent? Are they equipped to handle it? How close is the relationship? Will it violate the trust of anyone else?

Building trust, increasing engagement, and fostering a culture that fuels innovation is as easy as showing more of the real you. Take advantage of all the times you can answer, "I have no idea, but I'll find out for you." Or, "We missed our quarterly goal, and ultimately it's my fault." You'll also improve your own performance when you spend time on self-awareness so you can lean into your strengths and hire for your weaknesses.

10. LEADERSHIP IS NOT A CHOICE

Leadership is an influence relationship. If leadership is influence, then leadership isn't a choice. You are always leading those around you, whether you want to be or not. In 1895, Gustave Le Bon wrote the first detailed analysis of crowd psychology, formulating the theory of social contagion (using the word *contagion* thirty times in one hundred pages) to describe how emotions, ideas, and behaviors spread from person to person like a virus.

The phenomenon of social contagion is why I say leadership is not a choice. For an example close to home, you are leading your family at the dinner table in ways you may not expect. Studies show that if you *talk* to your teenagers about safe sex, they are twice as likely to use a condom. If you don't talk to teens about safe sex, they are half as likely to use a condom.

Research data also shows that if you simply eat dinner as a family for five or more meals a week your daughters are half as likely to abuse substances in high school. If you don't regularly eat as a family, your daughters are twice as likely to abuse substances in high school. (Interestingly, there was no correlation with the teenage boys.)

Research shows that if you regularly eat dinner as a family, your teenage children are one-third as likely to be sexually active. If you don't regularly eat dinner as a family, your teenage children are three times more likely to be sexually active.

You are a role model whether you want to be or not. Your emotions and actions cross over to those around you. Want your teenagers to be safe drivers? Then you should never let them see you text and drive. Want them to maintain a healthy weight? Keep your own BMI in check. Wish your spouse was more grateful for all that you do? Make sure you are expressing gratitude freely, too. Frustrated that your employees at work show up late to meetings? Make sure you are always on time (and close the door and start the presentation the very second the meeting is supposed to begin). Want people to care about the company? Ask about their kids and how they spent their weekend, so they know you care about them. Want your players to show respect to the referees? Don't yell or curse at the refs with every bad call.

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CONCLUSION

What we need is a real-world modern approach to management and leadership. Today's leaders need to focus on both people and profits; they should be measured on both retention and results. How do we reconcile this duality? We must throw out conventional management 101 lessons and embrace fresh, forward-looking tenets:

Close Your Open Door Policy fosters the autonomy and empowerment of team members and enables you to increase the amount of time you spend on deep work.

Shut Off Your Smartphone improves safety and focus among team members and leadership alike.

Have No Rules shifts your focus from enforcement to hiring, values, and guardrails, all of which in turn yield greater accountability and engagement.

Be Likable Not Liked ensures there is just enough separation for you to make tough decisions and to give candid feedback, without you having to be a jerk at work.

Lead with Love is a reminder that you don't need to like someone in order to care about them deeply. Caring drives engagement and loyalty.

Crowd Your Calendar reflects the reality that every minute wasted is a minute that can't be spent coaching team members or working on your most important tasks.

Play Favorites enables individuals to leverage their strengths and also gives you the flexibility to retain top performers.

Reveal Everything (Even Salaries) enables team members to move fast, adapt to change, and make wise decisions and reduces their need to knock on your door with "got a minute" questions.

Show Weakness contributes to a culture of psychological safety and trust, thus reducing the magnitude of mistakes and fostering innovation.

Leadership is Not a Choice reminds you that there are no time-outs in leadership; stay in your office or walk around, say good morning or keep your head down, maintain your values or ignore them—you are always leading.

Finally, great leaders care. *You* care; otherwise you wouldn't be reading this book. When you put this book down, you do have a choice to make. Will you live your life on autopilot, or will you *lead with intent?* Remember, leadership = influence. You are influencing—leading—those around you whether you want to be or not. The question is: Are you leading in a positive direction or are you leading in a negative direction?