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SERIES

*Business Leaders: Thought and Action*

**Seven Fundamentals  
of Effective Leadership**

*An Original Essay Written for CSAB*

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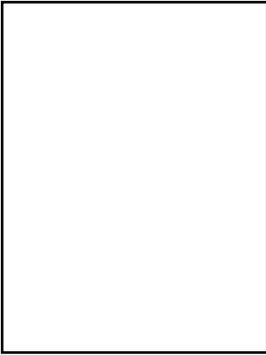
CEO Series Issue No. 27  
October 1998



Center for the Study of American Business  
Washington University in St. Louis

# Seven Fundamentals of Effective Leadership

*by Norman R. Augustine*



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In the history of human accomplishment, effective leadership has been the one indispensable ingredient. Leadership is essential, whether one seeks to manage a business, build a university, win on the athletic field, raise a family, or win a war. Without leadership, the failure of any enterprise is not left to chance; it is assured.

In the course of a career that has taken me from industry to government to industry again and—most recently—to academia, I have had the opportunity to observe and study the qualities of a number of individuals generally recognized as leaders. One such opportunity came a few years ago when I participated in a “Newstour” sponsored by *Time* magazine—an eight-day, sleepless journey around the world undertaken by a group of about 25 “honorary journalists,” mostly CEOs of major U.S. corporations, to visit with world figures of different styles and persuasions.

We began one morning at the White House’s Executive Office Building, and ended the day over dinner with Fidel Castro in Havana. The next evening we were in Moscow with Viktor Chernomyrdin, then Russian prime minister. And so we went around the globe, wrapping up in Hanoi with Do Muoi, General Secretary of the Vietnamese Communist Party, and in Hong Kong with Christopher Patten, the last British Governor of that island.

Between meetings, the honorary journalists—themselves leaders of firms employing several million people—had ample opportunity to wander around in the airplane and critique the leadership qualities we were encountering. I found my-

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self comparing our findings with those drawn from a list I had previously compiled of historical figures who had exhibited extraordinary leadership qualities.

I had made no effort to be comprehensive, although my list was certainly eclectic. It included obvious names like Abraham Lincoln and Winston Churchill, giants who would make anyone's list. And it also included less-well-known figures, such as a personal favorite, the Antarctic explorer Sir Ernest Henry Shackleton, whose indomitable will saved his entire sailing party after their ship was crushed in the Antarctic ice pack.

To these, I added the leaders I had been privileged to know firsthand. Among these—and there were many, many more—were individuals from vastly different walks of life. They included Generals Omar Bradley, Jimmy Doolittle, and Colin Powell ...CEOs Jack Welch of GE, David Packard of Hewlett Packard, and Bill

Marriott of Marriott International ...Presidents Harold Shapiro of Princeton and Chuck Vest of MIT ...Elizabeth Dole, President of the American Red Cross

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...George Bush and several other U.S. Presidents ...Wes Unseld from the world of sports ...and the list went on.

The most obvious conclusion from this list was that effective leaders exhibit no single style. In fact, complete opposites can be extraordinarily effective: the fiery George Patton and the sanguine “soldier’s soldier,” Omar Bradley ...Admiral Hyman Rickover, the brilliant engineer who never led a sea battle, and Admiral Arleigh Burke, who became famous in the heat of battle as “31 Knot Burke” ...Chrysler’s outspoken Lee Iacocca and the gentlemanly Tom Watson, founder of IBM ...an emotional Vince Lombardi and the unflappable Tom Landry ...the flamboyant Joe Namath, “Broadway Joe,” opposite the disciplined Roger Staubach.

While the achievements of these and other leaders suggest that differences in style are commonplace, a further examination reveals that there are underlying qualities that all leaders seem to share. I have identified seven such common qualities,

which I call the fundamentals of effective leadership.

The first among these qualities is **Integrity**. Successful leaders are invariably individuals of strong ethical standards, people who know what they stand for, people of character. They set a moral compass, a sense of ethical direction in all that they undertake.

Former President Ronald Reagan—who surprised many detractors with his forceful leadership—said it as well as anyone:

The character that takes command in moments of crucial choices has already been determined. It has been determined by a thousand other choices made earlier in seemingly unimportant moments. It has been determined by all those “little” choices of years past—by all those times when the voice of conscience was at war with the voice of temptation—whispering a lie that “it doesn’t really matter.” It has been determined by all the day-to-day decisions made when life seemed easy and crises seemed far away, the decisions that piece by piece, bit by bit, developed habits of discipline or of laziness; habits of self-sacrifice, or self-indulgence; habits of duty and honor and integrity—or dishonor and shame.

A habit of integrity was vital at Johnson & Johnson when that company was confronted with the tragic Tylenol murders, a series of fatalities caused by products that were deliberately contaminated after they had left the Johnson & Johnson plants. CEO Jim Burke and his company are widely admired to this day for their courageous handling of that crisis. Their response was to recall every single container of Tylenol from stores and homes and to highly publicize the hazards of taking Tylenol until tamper-proof packaging could be developed.

Jim once told me that the decision was actually not a difficult one. There was, he said, no choice. Management had talked for years about their commitment to ethics. When the crisis erupted, there could be no alternative but to do the right thing, no matter the cost. To do otherwise would shatter any hope of future effectiveness of the management team and of the company.

But if ethical standards are so important to a leader, how does one explain the apparent leadership effectiveness of such

unethical individuals as Adolf Hitler, Pol Pot, or Blackbeard the pirate? The answer is twofold. First, as Aristotle would say, leadership is about ends as well as means. There is an essential difference between the genuine leader who pursues great and desirable goals in the interest of the common good and the demagogue or tyrant who employs similar skills to achieve evil, self-serving ends. Moreover, the term, "leader," implies the support of those who are led. That is, people follow leaders voluntarily, not through coercion. Dictators, on the other hand, impose their own will by force. They may achieve their objectives, but their rule is not leadership.

The second prerequisite for successful leadership is **Vision**, a sense of where one wants to go, what one wants to accomplish.

Vision guided Margaret Thatcher, who served the longest continuous term as British prime minister in more than 150 years. Facing strong political opposition, intense personal criticism, even plummeting popularity ratings, she never wavered in her vision of a revitalized Great Britain. Dismissing her critics, she told the Conservative

Party Conference,

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“We shall not be diverted from our course....You turn if you want; the lady’s not for turning.”

When he became president of the University of Notre Dame at the age of 35, Father Ted Hesburgh was guided by a bit of wisdom from his predecessor, who told him that leadership is simple. All you need is a vision of where you want to go and the ability to inspire a lot of people to help you get there. Father Hesburgh learned the lesson well, and by the time he retired in 1987, his leadership had been recognized with more than 120 honorary degrees, reputedly a world record.

One also recalls President John F. Kennedy’s remark about the Space Program, fraught as that burgeoning endeavor was with risks known and unknown: “We do these things not because they are easy, but because they are hard.”

As a native of Massachusetts, Kennedy was no doubt influenced by the breakfast-table philosopher, Oliver Wendell Holmes, who wrote:

I find the great thing in this world is not so much where we stand, as in what direction we are moving: To reach the port of heaven, we must sail sometimes with the wind and sometimes against it—but we must sail, and not drift, nor lie at anchor.

Holmes's own son apparently took to heart this message about sometimes sailing against the wind—being wounded five times as he carried out his duties as an officer on the battlefields of the Civil War.

The third quality of those who lead is so obvious that it is easy to overlook—until one encounters the lack of it. That quality is **Competence**. As the Swedish proverb puts it, “In calm waters, every ship has a good captain.”

Not long ago the leaders of a major university made a heart-warming, but ill-fated, decision in hiring a football coach. Instead of recruiting an established coach from the collegiate or professional ranks, they selected someone who led a remarkably successful high school program. He was a man of unquestioned integrity and a renowned motivator of young players. But while he was a great success at the high school level, it turned out that he lacked the necessary knowledge of the college game ...and there was no time to learn. Decency and enthusiasm were not enough to bridge the gap, and after several difficult years, he was reluctantly replaced.

Likewise, it is noteworthy that Michael Jordan is not remembered as a leader of his baseball team during his brief sojourn into that sport.

The importance of competence—combined with integrity and vision—has shaped my own view of management, a philosophy which, if learned, can save two years tuition at business school. It can be summarized in just 14 words: “Find good people, tell them what you want, and get out of their way.”

The fourth ingredient in great leaders is among the most essential—**Courage**. In the song from *Man of La Mancha*, it is the will “to fight the unbeatable foe ...to right the unrightable wrong ...to be willing to march into hell for a heavenly cause.”

There is no better example than that of Winston Churchill in 1940. With the French defeated and the British Army licking its wounds after the evacuation from Dunkirk, Britain's prospects seemed bleak at best. But the old lion never faltered. In a speech that has been termed “the most magnifi-

cent words” ever uttered in the English language, Churchill thundered:

We shall not flag or fail...We shall defend our island whatever the cost may be....We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender.

The following year Churchill had lost none of his fire. He told the students at Harrow, his former boarding school: “Never give in, never give in, *never, never, never, never*—in nothing, great or small, large or petty—never give in except to convictions of honor and good sense.”

Few leaders ever confront circumstances that call for such eloquence. But even when the stakes are less momentous, a leader must be able to inspire confidence among followers, and the foundation of that confidence is the leader’s own courage and decisiveness. It involves

a willingness to pursue difficult and lofty goals despite the risks involved, a willingness, in the immortal words of Admiral David Far-

ragut, to “damn the torpedoes—full speed ahead!”

In the business world, courage was a major factor in the creation of the Inland Container Corporation in 1925. At the time, Herb Krannert was a rising executive at another container company, so much so that the company’s president offered him a seat on the board of directors. But his hopes were dashed when the president added a condition to his appointment: “As a board member, you will vote exactly as I tell you.” A principled man, Krannert’s reply was straightforward. He quit.

A few days later, he was visited by six other executives from the company. “We heard what happened,” they said. “We quit, too. We want to work for you.” A stunned Krannert explained that he did not even have a job himself, let alone any for his colleagues. But they were not dissuaded. Working together, Krannert and his colleagues created the Inland Container Corporation, which today has sales of more than a billion dollars a year.

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Their example also illustrates that courage for a day is rarely enough. It must be paired with the fifth ingredient of leadership, **Perseverance**, the drive to endure. American history is a chronicle of leaders who persevered in the face of uncertainty and daunting odds:

- Columbus, sailing on into the unknown.
- George Washington at Valley Forge, during “times that try men’s souls.”
- John Paul Jones and his battle cry, “I have not yet begun to fight.”
- And in our century, General Anthony McAuliffe at Bastogne who was surrounded and called upon to surrender. He replied in one word: “Nuts!” His perseverance helped to check the German advance and contributed a few months later to Allied victory.

Examples of extraordinary perseverance abound in the world of sports: Mark McGwire, striking out 155 times this season, yet setting a new home run record. Michael Jordan, failing to qualify for his high school basketball team, but going on to lead the Chicago Bulls to six NBA championships. And Cal Ripken, playing in 2,632 consecutive games for the Baltimore Orioles.

Is it any wonder that leaders bear scar tissue? It is an occupational hazard. When I was a youth, my father put a card on my mirror, which remained there all the years that I was growing up. It said, “Great men, like fine steel, are made from hard knocks.”

Among the examples he might have cited was George Washington. His first command, as a colonel in The French and Indian War, ended with the surrender of his unit. The experience affected Washington profoundly and helped to prepare him for the greater challenges he would face in the War for Independence.

From the business world, I know of no better illustration of perseverance than that of my predecessor as CEO of Martin Marietta, Tom Pownall, when the corporation was the intended victim of an attempted hostile takeover by The Bendix Corporation. Having struck first, Bendix acquired 72 percent of Martin Marietta’s stock before our company could react. For all practical purposes, Bendix owned Martin Marietta—lock, stock, and barrel.

But under the law, there was a prescribed delay separating ownership and actual control of a company. It was during this brief and intense period that Tom Pownall and his advisors came up with a daring new strategy to maintain independence for the corporation whose proud history dated from the days when Glenn Martin was a partner of Wilbur and Orville Wright.

In short, Pownall set out to buy Bendix. If Bendix was going to own Martin Marietta, then Martin Marietta was going to own Bendix! An unprecedented stalemate ensued in which Bendix owned a majority of Martin Marietta shares, but Martin Marietta also owned a majority of Bendix shares. This gave Martin Marietta the time and leverage to negotiate a solution. In the end, it was Bendix that disappeared, and Martin Marietta went on to prosper.

The example, incidentally, of Tom's courage and perseverance served me well a few years later when, shortly after succeeding him as CEO, I confronted what was undoubtedly the greatest leadership challenge of my own career. At that time, Martin Marietta's business depended heavily on national defense spending. When the Berlin Wall collapsed, so did America's defense budget. It was clear that the companies in our industry would not only be greatly challenged, most would not survive. As one of the smaller firms, Martin Marietta faced a seemingly insurmountable challenge. Meeting that new world as bravely as we could, our team persevered in helping to create the Lockheed Martin Corporation, a global aerospace and technology leader that today is the largest defense firm in the world.

Part of our inspiration was a full-page ad that appeared in newspapers, courtesy of United Technologies Corporation. It consisted of a single paragraph which went as follows:

Dropped out of grade school. Ran a country store. Went broke. Took 15 years to pay off his bills. Took a wife. Unhappy marriage. Ran for House. Lost twice. Ran for Senate. Lost twice. Delivered a speech that became a classic. Audience indifferent. Attacked daily by the press and despised by half the country. He signed his name, "A. Lincoln."

Still another ingredient of leadership is the ability to **Motivate** others, to inspire individuals to greatness beyond what they themselves could have imagined.

There is a wonderful story Joe Namath tells about leadership: “Let’s say the Baltimore Colts are losing by four points. There are three seconds left and Baltimore has the ball on...[the] 19 yard line. In the huddle, quarterback Johnny Unitas calls a quarterback sneak—and the other 10 players believe they are going to score.”

In world-class competition, the difference between victory and defeat, success and failure, is often a mere sliver of margin:

- In the 100-meter dash in a recent Olympics, the difference between first place and last was only three-tenths of a second.
- In the Tour de France—over 2,030 miles in 23 days—Greg LeMond prevailed over whomever was second by a mere eight seconds.
- In the Iditarod dog-sled race—a 16-day event over 1,049 miles, in 70-degree-below-zero temperatures and 100-mile-per-hour winds—Susan Butcher won by three minutes and 43 seconds. In 1978, the margin of victory was one second!
- In a recent year, Al Unser, Jr. beat Scott Goodyear in the Indy 500 auto race by 43 *milliseconds*—barely half a car length after 500 miles of racing.

Knowing this, leaders have to be able to inspire passion for a cause and a willingness to endure risks and to self-sacrifice in order to further that cause. How? Through example—by demanding even more of themselves than they expect from others—in order to gain that extra yard, to achieve that final burst of speed, in short, to dig even deeper within themselves.

After his remarkable victory in Italy, Napoleon was asked how he forced his army over the Alps. He replied: “One does not make a French army cross the Alps; one leads it across.”

Great leaders also tend to nurture other great leaders. Walter Lippmann, in his eulogy of FDR, said:

The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on....The genius of a good leader is to leave behind him a situation which common sense, without the grace of genius, can deal with successfully.

In this regard, there seem to be seeds of leadership buried within a surprising number of individuals—only to emerge when that leadership is most direly needed...when an Audie

Murphy suddenly appears on the battlefield...or when a Harry Truman, in whom few initially had any confidence, is thrust upon the world stage at a critical moment to illustrate that, as he himself put it, “a leader has to lead.”

And finally, great leaders are **Selfless**. They are team players, who are not afraid to give credit to others. As President Reagan was fond of saying, it is amazing what you can accomplish if you don't mind who gets the credit.

Someone once facetiously wrote that an honest executive is one who shares credit with the people who did all the work. Someone else said, “There are two kinds of leaders—those interested in the flock and those interested in the fleece.”

My own father made much the same point in folksier terms on an occasion when I was being recognized for some accomplishment. He reminded me, “When you see a frog on top of a flagpole, he didn't get there by himself.”

One of my favorite stories about team thinking involves the Chicago Bulls and a game in which Michael Jordan scored a remarkable 69 points. After the game, a reporter

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stuck a microphone in the face of rookie forward Stacy King, who had contributed but a single point to the victory. Asked to comment, King replied, “I'll always remember this as the night that Michael and I combined for 70 points.”

General George Armstrong Custer is no doubt best remembered for his failure at the Little Big Horn. But no military leader ever said a truer word about leadership. As he put it, “The reward of command is the opportunity to lead, not to have a bigger tent.”

More than two millennia ago, Alexander the Great provided a dramatic illustration of what Custer meant. Leading his army across scorching and barren terrain for 11 days, Alexander greeted foragers who returned with a single container of water. Instead of taking it for his own use, he poured the water onto the ground, saying, “It's no use for one to drink when many are thirsty.” Alexander the Great was, incidentally, just 32 years old when he died.

These then are seven essential attributes that emerged from my study of great leaders—Integrity ...Vision ...Competence ...Courage ...Perseverance ...Motivation ...and Selflessness.

Of course, no two leaders exhibit these desirable qualities in identical proportions. One leader may demonstrate greater courage, another greater vision. Moreover, it is not a person's strongest trait that is the measure of their leadership. On the contrary, it is the weakest quality that seems to define the limits to one's effectiveness as a leader. In short, leadership resembles a chain; its strength is determined by the weakest link.

In whatever measure, the leaders who possess these seven qualities bring out the best in those who surround them, individuals who otherwise might merely be average human beings. The British writer, George Orwell, speaking of World War II, noted that,

the high sentiments always win in the end. The leaders who offer blood, toil, tears, and sweat always get more out of their followers than those who offer safety and a good time. When it comes to the pinch, human beings are heroic.

In the final analysis, experience shows that the most effective leaders are those who know this elementary fact of human existence and who employ their talents to evoke that heroism.☞

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