

MULTIPLIERS

Multipliers

*How the Best Leaders
Make Everyone Smarter*

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CHAPTER 1

THE MULTIPLIER EFFECT

It has been said that after meeting with the great British Prime Minister William Ewart Gladstone, you left feeling he was the smartest person in the world, but after meeting with his rival Benjamin Disraeli, you left thinking you were the smartest person.¹

BONO

During the summer of 1987 Gabriel Oz, like virtually all of his peers, entered the army as part of the national military obligation of Israeli citizens to serve in a combat unit. Gabriel, a smart, confident, eighteen-year-old with a boisterous laugh, was selected for tank commander instruction and sent to the Golan Heights for basic training.

After six months of training, Gabriel and six of his peers were selected out of basic training for special assignment. There was an urgent need for soldiers to patrol the six-mile-deep belt along the border between Lebanon and Israel. In lieu of completing the remaining three months of basic training, these young soldiers were deployed to Lebanon and would soon experience real combat conditions. Gabriel and his peers faced a complex and chaotic set of battle conditions as they woke the next day in the desert to the sound of gunfire and bombs. Under these intense circumstances, Gabriel worked well with his commanders and was considered a star for his intelligence and his ability to surmise situations quickly and accurately.

After three months of real-world experience, with ten times the amount of in-tank hours that their peers had received at basic training, Gabriel and his fellow soldiers returned to their class in the south of Israel just as the class completed basic training. As they entered the more advanced tank commander training, they experienced a change of command and were assigned to serve under a new commanding officer, Yuval.²

Yuval was considered to be the cream of the crop—the top 0.1 percent of talent—and had been fast-tracked through basic training after having left the elite pilot training program due to a medical issue. He was an intelligent and highly skilled tank commander who had just received officer status. But it appeared he still had a reputation to build and something to prove—to Gabriel in particular.

Yuval had a superior knowledge of tank operations and flaunted it as if competing with Gabriel's battlefield savvy. During navigational exercises, Yuval publicly mocked Gabriel and his team's efforts when they failed to find all the designated waypoints. As the scrutiny of their performance continued, Gabriel and his team became less and less capable. Within a week, Gabriel was convinced he couldn't navigate.

In a typical tank maneuver, the tank commander must observe the terrain, find the enemy, command the gunner, aim, shoot, and hit the target—all in rapid succession and while being fired upon by the enemy. Hundreds of things are happening at once that need to be processed, prioritized, decided, and acted upon. Successful completion of these drills requires intense concentration and keen mental aptitude. These maneuvers are particularly intimidating because the commanding officer sits ten inches above the tank commander's head, in a special chair bolted on top of the tank. Commanding officers watch every decision and take constant notes on clipboards attached to their thighs. Gabriel now performed these maneuvers under the wary inspection of Yuval.

In the training field, Gabriel didn't just perform poorly in one maneuver; he nearly failed every maneuver. He was stellar in the

classroom, but every time he took command of the tank while Yuval was mounted in the chair, he failed. As Yuval barked orders, controlled every detail, and found every mistake, the tension mounted. Gabriel got tense, couldn't think properly, and struggled to perform.

The failure was so clear that Yuval recommended to the dismissal committee that Gabriel be ejected from the tank commander program. Protocol for dismissal required that Gabriel perform a maneuver under the supervision of the company commander, Lior, the highest-ranking officer in the program. Gabriel considered his fate if he failed officer training and returned to the battlefield with just the rank of a soldier. Gabriel's friends wished him luck in this, the most stressful of situations.

The company commander took Gabriel out for his dismissal test, which consisted of a single maneuver, the Ringo—the most complex maneuver in the test suite. In the Ringo, nothing is scripted and conditions change constantly and unpredictably. Prior to entering the tank, the company commander stopped Gabriel at a model of the battle-grounds. Lior pointed out various aspects of the terrain and said, "Gabriel, what are we going to do here?" And "If the enemy moves here, how will you respond?" Lior was calm and inquisitive. Gabriel no longer felt like he was being tested. He felt like he was learning and working together with Lior to solve a challenge. With Lior now in the chair above him, Gabriel performed the most complex maneuver beautifully—perfectly, even. As Gabriel completed the drill, Lior dismounted from the chair and said, "You are not dismissed."

Gabriel continued with his tank commander training, performing the maneuvers under a different sergeant, all with stellar results. Lior placed Gabriel in the top 10 percent of the class and nominated him to go directly to the officer academy, where he again faced difficult navigational exercises. Interestingly, he found all the waypoints and consistently returned in the top of his class. Curiously, he had become a great navigator once again.

Gabriel completed officer training and was asked to become a

ganan, Hebrew for a commanding officer who trains or cultivates other officers. He finished his time in the Israeli army as a major and then went on to a successful career in technology, both in Israel and the United States where, incidentally, he found his performance again rising and falling under leaders much like Yuval and Lior.

Gabriel's army experience illustrates that often a change in command can cause a change in capability. Gabriel was smart and capable under one leader, but stupefied with fear under another. What did Yuval say and do that so diminished Gabriel's intelligence and capability? And what did Lior do that restored and expanded Gabriel's ability to reason and navigate complexity?

Some leaders make us better and smarter. They bring out our intelligence. This book is about these leaders, who access and revitalize the intelligence in the people around them. We call them Multipliers. This book will show you why they create genius around them and make everyone smarter and more capable.

QUESTIONING GENIUS

There are bird watchers, and there are whale watchers. I'm a genius watcher. I am fascinated by the intelligence of others. I notice it, study it, and have learned to identify a variety of types of intelligence. Oracle Corporation, the \$22 billion software giant, was a great place for genius watching. In the seventeen years I worked in senior management at Oracle, I was fortunate to work alongside many intelligent executives, all systematically recruited from the best companies and out of elite universities as top performers. Because I worked as the vice president responsible for the company's global talent development strategy and ran the corporate university, I worked closely with these executives and had a front-row seat to study their leadership. From this vantage point, I began to observe how they used their intelligence in very different ways, and I became intrigued by the effect they had on the people in their organizations.

The Problem with Genius

Some leaders seemed to drain intelligence and capability out of the people around them. Their focus on their own intelligence and their resolve to be the smartest person in the room had a diminishing effect on everyone else. For them to look smart, other people had to end up looking dumb. We've all worked with these black holes. They create a vortex that sucks energy out of everyone and everything around them. When they walk into a room, the shared IQ drops and the length of the meeting doubles. In countless settings, these leaders were idea killers and energy destroyers. Other people's ideas suffocated and died in their presence and the flow of intelligence came to an abrupt halt around them. Around these leaders, intelligence flowed only one way: from them to others.

Other leaders used their intelligence in a fundamentally different way. They applied their intelligence to amplify the smarts and capability of people around them. People got smarter and better in their presence. Ideas grew; challenges were surmounted; hard problems were solved. When these leaders walked into a room, light bulbs started going off over people's heads. Ideas flew so fast that you had to replay the meeting in slow motion just to see what was going on. Meetings with them were idea mash-up sessions. These leaders seemed to make everyone around them better and more capable. These leaders weren't just intelligent themselves—they were intelligence Multipliers.

Perhaps these leaders understood that the person sitting at the apex of the intelligence hierarchy is the genius maker, not the genius.

Post-Oracle Therapy

The idea for this book emerged from my post-Oracle therapy. Leaving Oracle was like stepping off a high-speed bullet train and suddenly finding everything moving in slow motion. This sudden calm gave way

to wonder about the lingering question: How do some leaders create intelligence around them, while others diminish it?

As I began teaching and coaching executives, I saw the same dynamic playing out in other companies. Some leaders seemed to boost the collective IQ while others sucked the mental life out of their employees. I found myself working with highly intelligent executives who were struggling with their own tendency to either overtly or subtly shut down the people around them. I also worked with many senior leaders struggling to make better use of their resources. Most of these leaders had developed their leadership skills during times of growth. However, in a more austere business climate, they found themselves unable to solve problems by simply throwing more resources at the problem. They needed to find ways to boost the productivity of the people they already had.

I recall one particularly pivotal conversation with a client named Dennis Moore, a senior executive with a genius-level IQ. As we discussed how leaders can have an infectious effect on the intelligence in their organization and spark viral intelligence, he responded, “These leaders are like amplifiers. They are intelligence amplifiers.”

Yes, certain leaders amplify intelligence. These leaders, whom we have come to call Multipliers, create collective, viral intelligence in organizations. Other leaders act as Diminishers and deplete the organization of crucial intelligence and capability. But what is it that these Multipliers do? What is it that Multipliers do differently than Diminishers?

Scouring business school journals and the Internet looking for answers to these questions, as well as for resources for clients, yielded only frustration. This void set the course for my research into this phenomenon. I was determined to find answers for leaders wanting to multiply the intelligence of their organizations.

The Research

The first major discovery was finding the perfect research partner, Greg McKeown, who was studying at Stanford University's Graduate School of Business. Greg, originally from London, England, had worked as both a management advisor and a leadership development analyst for global companies. Greg has a curious and tenacious mind and a passion for leadership that gave him my same measure of determination to find the answers. After I convinced Greg to divert from a PhD program, we formalized our research effort and went to work. Greg brought rigor to our analysis and our debates and asked the hard questions as we wrote up our findings. He has focused on teaching and testing these ideas inside organizations, which has allowed me to teach and write, giving voice to the ideas I have observed and studied for many years.

We began our formal research by defining the question that would consume us for the next two years: "What are the vital few differences between intelligence Diminishers and intelligence Multipliers, and what impact do they have on organizations?" Waking up for 730 days with the same question was like the movie *Groundhog Day*, in which Bill Murray wakes each day to the same time and song on his alarm clock, destined to repeat the events of the previous day. In the singular and prolonged pursuit of this question, Greg and I began to develop a deep understanding of this Multiplier effect.

We began our research by selecting a set of companies and industries in which individual and organizational intelligence provide a competitive advantage. Because these organizations rise or fall based on the strength of their intellectual assets, we assumed the Multiplier effect would be pronounced. We interviewed senior professionals inside these organizations, asking them to identify two leaders, one who fit the description of a Multiplier and one a Diminisher. We studied more than 150 of the resulting leaders through interviews and a quantitative assessment of their leadership practices. For

many leaders, we then followed an intensive 360 degree interview process with both former and current members of their management teams.

As our research expanded, we studied additional leaders from other companies and industries, looking for common elements that spanned the business and nonprofit sectors as well as geographies. Our research journey took us across four continents and introduced us to an incredibly rich and diverse set of leaders. We came to know some of these leaders quite well, studying them and their organizations in depth.

Two of the leaders we studied provide a sharp contrast between these two leadership styles. They both worked for the same company and in the same role. One had the Midas touch of a Multiplier and the other had the chilling effect of a Diminisher.

A TALE OF TWO MANAGERS

Vikram³ worked as an engineering manager under two different division managers at Intel. Each leader could be considered a genius. Both had a profound impact on Vikram. The first leader was George Schmeer, who was a division manager for one of Intel's businesses.

Manager #1: The Midas Touch

George had a reputation for running successful businesses at Intel. Every business he ran was profitable and grew under his leadership. But what most distinguished George was the impact he had on the people around him.

Vikram said, "I was a rock star around George. He *made* me. Because of him I transitioned from an individual contributor to big-time manager. Around him, I felt like a smart SOB—everyone felt like that. He got 100 percent from me—it was exhilarating." George's team

echoed the same sentiments: “We are not sure exactly what George did, but we knew we were smart and we were winning. Being on this team was the highlight of our careers.”

George grew people’s intelligence by engaging it. He wasn’t the center of attention and didn’t worry about how smart he looked. What George worried about was extracting the smarts and maximum effort from each member of his team. In a typical meeting, he spoke only about 10 percent of the time, mostly just to “crisp up” the problem statement. He would then back away and give his team space to figure out an answer. Often the ideas his team would generate were worth millions. George’s team drove the business to achieve outstanding revenue growth and to deliver the profit bridge that allowed Intel to enter the microprocessor business.

Manager #2: The Idea Killer

Several years later, Vikram moved out of George’s group and went to work for a second division manager who had been the architect of one of the early microprocessors. This second manager was a brilliant scientist who had now been promoted into management to run the plant that produced the chips. He was highly intelligent by every measure and left his mark on everyone and everything around him.

The problem was that this leader did all the thinking. Vikram said, “He was very, very smart. But people had a way of shutting down around him. He just killed our ideas. In a typical team meeting, he did about 30 percent of the talking and left little space for others. He gave a lot of feedback—most of it was about how bad our ideas were.”

This manager made all the decisions himself or with a single confidant. He would then announce those decisions to the organization. Vikram said, “You always knew he would have an answer for everything. He had really strong opinions and put his energy into selling his ideas to others and convincing them to execute on the details. No one else’s opinion mattered.”

This manager hired intelligent people, but they soon realized that they didn't have permission to think for themselves. Eventually, they would quit or threaten to quit. Ultimately Intel hired a second-in-command to work alongside this manager to counter the intelligence drain on the organization. But even then, Vikram said, "My job was more like cranking than creating. He really only got from me about 50 percent of what I had to offer. And I would *never* work for him again!"

Diminisher or Multiplier?

The second leader was so absorbed in his own intelligence that he stifled others and diluted the organization's crucial intelligence and capability. George brought out the intelligence in others and created collective, viral intelligence in his organization. One leader was a genius. The other was a genius maker.

It isn't how much you know that matters. What matters is how much access you have to what other people know. It isn't just how intelligent your team members are; it is how much of that intelligence you can draw out and put to use.

We've all experienced these two types of leaders. What type of leader are you right now? Are you a genius, or are you a genius maker?

THE MULTIPLIER EFFECT

Multipliers are genius makers. Everyone around them gets smarter and more capable. People may not become geniuses in a traditional sense, but Multipliers invoke each person's unique intelligence and create an atmosphere of genius—innovation, productive effort, and collective intelligence.

In studying Multipliers and Diminishers, we learned that at the most fundamental level, they get dramatically different results from their people, they hold a different logic and set of assumptions about

people's intelligence, and they do a small number of things very differently. Let's first examine the impact of the Multipliers—why people get smarter and more capable around them and why they get twice as much from their resources as do the Diminishers. We call this the Multiplier effect.

Because Multipliers are leaders who look beyond their own genius and focus their energy on extracting and extending the genius of others, they get more from their people. They don't get a little more; they get vastly more.

2X Multiplier Effect

The impact of a Multiplier can be seen in two ways: first, from the point of view of the people they work with and second, from the point of view of the organizations they shape and create. Let's begin by examining how Multipliers influence the people who work around them.

Extracting Intelligence

Multipliers extract all of the capability from people. In our interviews, people told us that Multipliers got *a lot* more out of them than Diminishers. We asked each person to identify the percentage of their capability that a Diminisher received from them. The numbers typically ranged between 20 and 50 percent. When we asked them to identify the percentage of their capability that the Multiplier extracted, the numbers typically fell between 70 and 100 percent.⁴ When we compared the two sets of data, we were amazed to find that Multipliers got 1.97 times more. That represents an almost two-fold increase or a 2X effect. After concluding our formal research, we continued to pose this question in workshops and with management teams, asking people to reflect on their past Multiplier and Diminisher bosses. Across industries and in the public, private, and non-profit sectors, we continued to find that Multipliers get at least two times more from people.

What could you accomplish if you could get twice as much from your people?

The reason for the difference is that when people work with Multipliers, they hold nothing back. They offer the very best of their thinking, creativity, and ideas. They give more than their jobs require and volunteer their discretionary effort, energy, and resourcefulness. They actively search for more valuable ways to contribute. They hold themselves to the highest standards. They give 100 percent of their abilities to the work—and then some.

Extending Intelligence

Not only do Multipliers extract capability and intelligence from people, they do it in a way that extends and grows that intelligence. In our interviews people often said Multipliers accessed *more* than 100 percent of their capability. They would say, “Oh, they got 120 percent from me.” Initially, I pushed back, citing that getting more than 100 percent is mathematically impossible. But we continued to hear people claim Multipliers got more than 100 percent from them. Greg pushed this issue, suggesting this pattern was an important data point. We began to ask: Why would people insist that intelligence Multipliers got more out of them than they actually had?

Our research confirmed that Multipliers not only access people’s current capability, they stretch it. They get more from people than they knew they had to give. People reported actually getting smarter around Multipliers. The implication is that intelligence itself can grow.

This is an insight that is corroborated by other recent research into the extensible nature of intelligence. Consider a few recent studies:

- Carol Dweck of Stanford University has conducted groundbreaking research that found that children given a series of progressively harder puzzles and praised for their intelligence stagnate for fear of reaching the limit of their intelligence. Children given the same series of puzzles but then

praised for their hard work actually increased their ability to reason and to solve problems. When these children were recognized for their efforts to think, they created a belief, and then a reality, that intelligence grows.⁵

- Eric Turkheimer of the University of Virginia has found that bad environments suppress children's IQs. When poor children were adopted into upper-middle-class households, their IQs rose by 12 to 18 points.⁶
- Richard Nisbett of the University of Michigan has reviewed studies that show: 1) students' IQ levels drop over summer vacation, and 2) IQ levels across society have steadily increased over time. The average IQ of people in 1917 would amount to a mere 73 on today's IQ test.⁷

After reading these studies, I took Greg's advice and recalculated the data from our research interviews at face value, using the literal percentage of capability that people claimed Multipliers received from them. When factoring this excess capability (the amount beyond 100 percent) into our calculations, we found that Multipliers actually get 2.1 times more than Diminishers. What if you not only got 2X more from your team—what if you could get everything they had to give plus a 5 to 10 percent growth bonus because they were getting smarter and more capable while working for you?

This 2X effect is a result of the deep leverage Multipliers get from their resources. When you extrapolate the 2X Multiplier effect to the organization, you begin to see the strategic relevance. Simply said, resource leverage creates competitive advantage.

Resource Leverage

When Tim Cook, COO of Apple Inc., opened a budget review in one sales division, he reminded the management team that the strategic

imperative was revenue growth. Everyone expected this but they were astounded when he asked for the growth *without* providing additional headcount. The sales executive at the meeting said he thought the revenue target was attainable but only *with* more headcount. He suggested they follow a proven linear model of incremental headcount growth, insisting that everyone knows that more revenue means you need more headcount. The two executives continued the conversation for months, never fully able to bridge their logic. The sales executive was speaking the language of addition (that is, higher growth by adding more resources). The COO was speaking the language of multiplication (that is, higher growth by better utilizing the resources that already exist).

The Logic of Addition

This is the dominant logic that has existed in corporate planning: that resources will be added when new requests are made. Senior executives ask for more output and the next layer of operational leaders request more headcount. The negotiations go back and forth until everyone settles on a scenario such as: 20 percent more output with 5 percent more resources. Neither the senior executive nor the operational leaders are satisfied.

Operational leaders entrenched in the logic of resource allocation and addition argue:

1. Our people are overworked.
2. Our best people are the most maxed out.
3. Therefore, accomplishing a bigger task requires the addition of more resources.

This is the logic of addition. It seems persuasive but, importantly, it ignores the opportunity to more deeply leverage existing resources. The logic of addition creates a scenario in which people become both

overworked *and* underutilized. To argue for allocation without giving attention to resource leverage is an expensive corporate norm.

Business school professors and strategy gurus Gary Hamel and C.K. Prahalad have written, “The resource allocation task of top management has received too much attention when compared to the task of resource leverage. . . . If top management devotes more effort to assessing the strategic feasibility of projects in its allocation role than it does to the task of multiplying resource effectiveness, its value-added will be modest indeed.”⁸

Picture a child at a buffet line. They load up on food, but a lot of it is left on the plate uneaten. The food gets picked at and pushed around, but it is left to go to waste. Like these children, Diminishers are eager to load up on resources, and they might even get the job done, but many people are left unused; their capability wasted. Consider the costs of one high-flying product development executive at a technology firm.

THE HIGH-COST DIMINISHER Jasper Wallis⁹ talked a good game. He was smart and could articulate a compelling vision for his products and their transformational benefits for customers. Jasper was also politically savvy and knew how to play politics. The problem was that Jasper’s organization could not execute and realize the promise of his vision because they were in a perpetual spin cycle, spinning around Jasper.

Jasper was a strategist and an idea man. However, his brain worked faster and produced more ideas than his organization could execute. Every week or so, he would launch a new focus or a new initiative. His director of operations recalled, “He’d tell us on Monday, we need to catch up with ‘competitor X,’ and we need to get it done this week.” The organization would scurry, throw a “Hail Mary” pass, and make progress for a few days, and then eventually lose traction when they were given a new goal to chase the following week.

This leader was so heavily involved in the details that he became a bottleneck in the organization. He worked extremely hard, but his

organization moved slowly. His need to micromanage limited what the rest of the organization could contribute. His need to put his personal stamp on everything wasted resources and meant his division of 1,000 was only operating at about 500 strong.

Jasper's modus operandi was to compete for resources with a larger division in the company that produced similar technology. Jasper's overriding goal was to outsize the other division. He hired people at a breakneck pace and built his own internal infrastructure and staff—all of which was redundant with infrastructure that existed in the other division. He even convinced the company to build a dedicated office tower for his division.

Things eventually caught up with Jasper. It became clear that his products were hype and the company was losing market share. When the real return on investment (ROI) calculation was made, he was removed from the company and his division was folded into the other product group. The duplicate infrastructure he built was eventually removed, but only after many millions of dollars had been wasted and opportunities lost in the market.

Diminishers come at a high cost.

The Logic of Multiplication

We have examined the logic of addition and the resource inefficiencies that follow. Better leverage and utilization of resources at the organizational level require adopting a new corporate logic. This new logic is one of multiplication. Instead of achieving linear growth by adding new resources, you can more efficiently extract the capability of your people and watch growth skyrocket.

Leaders rooted in the logic of multiplication believe:

1. Most people in organizations are underutilized.
2. All capability can be leveraged with the right kind of leadership.

3. Therefore, intelligence and capability can be multiplied without requiring a bigger investment.

For example, when Apple Inc. needed to achieve rapid growth with flat resources in one division, they didn't expand their sales force. Instead, they gathered the key players across the various job functions, took a week to study the problem, and collaboratively developed a solution. They changed the sales model to utilize competency centers and better leverage their best salespeople and deep industry experts in the sales cycle. They achieved year-over-year growth in the double digits with virtually flat resources.

Salesforce.com, a \$1 billion software firm that has pioneered software as a service, has been making the shift from the logic of addition to the logic of multiplication. They enjoyed a decade of outstanding growth using the old idea of "throwing resources at a problem." They addressed new customers and new demands by hiring the best technical and business talent available and deploying them on the challenges. However, a strained market environment created a new imperative for the company's leadership: get more productivity from their currently available resources. They could no longer operate on outdated notions of resource utilization. They started developing leaders who could multiply the intelligence and capability of the people around them and increase the brainpower of the organization to meet their growth demands.

Resource leverage is a far richer concept than just "accomplish more with less." Multipliers don't necessarily get more with less. They get more by using more—more of people's intelligence and capability. As one CEO put it, "Eighty people can either operate with the productivity of fifty or they can operate as though they were 500." And because these Multipliers achieve better resource efficiency, they enjoy a strengthened competitive position against companies entrenched in the logic of addition.

This book strikes at the root of this outdated logic. To begin to see how, we will turn to the question of how Multipliers access intelligence

and get so much from people. The answer, we found, is in the mindset and the five disciplines of the Multiplier.

THE MIND OF THE MULTIPLIER

As we studied both Diminishers and Multipliers, we consistently found that they hold radically different assumptions about the intelligence of the people they work with. These assumptions appear to explain much of the difference in how Diminishers and Multipliers operate.

THE MIND OF THE DIMINISHER The Diminisher's view of intelligence is based on elitism and scarcity. Diminishers appear to believe that *really intelligent people are a rare breed and I am one of the few really smart people*. They then conclude, *other people will never figure things out without me*.

I recall a leader I worked with whom I can only describe as an “intellectual supremacist.” This senior executive ran a technology organization of over 4,000 highly educated knowledge workers. Most of these employees were graduates of top universities from around the world. I joined one of his management meetings in which twenty members of his senior management team were troubleshooting an important go-to-market problem for one of their products. As we walked out of the meeting, we were reflecting on the conversation and the decisions made. He stopped, turned to me, and calmly said, “In meetings, I typically only listen to a couple people. No one else really has anything to offer.” I think he saw the alarm on my face because after his words came out, he added the awkward postscript, “Well, of course you are one of these people.” I doubted it. Out of the top twenty managers representing a division of 4,000 people, he believed only a couple had anything to offer. As we walked down the hallway, we passed by rows and rows of cubicles and offices occupied by his staff. Seen through new eyes, this expanse now suddenly looked like a massive brainpower wasteland. I wanted to make a public announcement and tell them all

that they could go home since their senior executive didn't think they had much to offer.

In addition to assuming intelligence is a scarce commodity, Diminishers see intelligence as static, meaning it doesn't change over time or circumstance. Our research showed that Diminishers see intelligence as something basic about a person that can't change much. This is consistent with what Dr. Carol Dweck, noted psychologist and author, calls a "fixed mindset," which is a belief that one's intelligence and qualities are carved in stone.¹⁰ Diminishers' two-step logic appears to be *people who don't "get it" now, never will; therefore, I'll need to keep doing the thinking for everyone*. In the Diminisher world, there is no vacation for the smart people!

You can probably predict how the executive described above actually operated on a day-to-day basis. You might ask yourself how *you* would operate if, deep down, you held these beliefs. You would probably tell people what to do, make all the important decisions, and jump in and take over when someone appeared to be failing. And in the end, you would almost always be right, because your assumptions would cause you to manage in a way that produced subordination and dependency.

THE MIND OF THE MULTIPLIER Multipliers hold very different assumptions. Multipliers have a rich view of the intelligence of the people around them. If Diminishers see the world of intelligence in black and white, Multipliers see it in Technicolor. They don't see a world where just a few people deserve to do the thinking; Multipliers see intelligence as continually developing. This observation is consistent with what Dweck calls a "growth mindset," which is a belief that basic qualities like intelligence and ability can be cultivated through effort.¹¹ They assume: *people are smart and will figure it out*. They see their organization as full of talented people who are capable of contributing at much higher levels. They think like one manager we interviewed who takes stock of her team members by asking herself, *In what way is this*

person smart? In answering this question, she finds colorful capabilities often hidden just below the surface. Instead of writing people off as not worth her time, she is able to ask, What could be done to develop and grow these capabilities? She then finds an assignment that both stretches the individual and furthers the interests of the organization.

Such Multipliers look at the complex opportunities and challenges swirling around them and assume: *there are smart people everywhere who will figure this out and get even smarter in the process.* Therefore, they conclude that their job is to bring the right people together in an environment that liberates people's best thinking and then to get out of their way.

How would you operate if you held these assumptions? In the most trying times, you would trust your people; you would extend hard challenges to them and allow them space to fulfill their responsibilities. You would access their intelligence in a way that would actually make them smarter.

The chart below summarizes how these very different sets of assumptions have a powerful effect on the way Diminishers and Multipliers lead others:

How would you:	Diminisher "They will never figure this out without me."	Multiplier "People are smart and will figure this out."
Manage talent?	Use	Develop
Approach mistakes?	Blame	Explore
Set direction?	Tell	Challenge
Make decisions?	Decide	Consult
Get things done?	Control	Support

These core assumptions are essential to unearth and understand because, quite simply, behavior follows assumptions. If someone wants to lead like a Multiplier, he or she can't simply mimic the practices of the Multiplier. An aspiring Multiplier must start by thinking like a Multiplier. In twenty years of watching and coaching executives,

I have observed how leaders' assumptions affect their management. When someone begins by examining and potentially upgrading their core assumptions, they will more easily adopt the five disciplines of the Multiplier with authenticity and impact.

THE FIVE DISCIPLINES OF THE MULTIPLIER

So what are the practices that distinguish the Multiplier? In analyzing data on over 150 leaders, we found a number of areas in which Multipliers and Diminishers do the same thing. They both are customer driven. Both have strong business acumen and market insight. Both surround themselves with smart people, and both consider themselves thought leaders. However, as we searched the data for the active ingredients unique to the Multiplier, we found five disciplines in which Multipliers differentiate themselves from Diminishers.

1. ATTRACT AND OPTIMIZE TALENT. Multipliers lead people by operating as *Talent Magnets*, whereby they attract and deploy talent to its fullest regardless of who owns the resource. People flock to work with them directly or otherwise because they know they will grow and be successful. In contrast, Diminishers operate as *Empire Builders*, insisting that they must own and control resources to be more productive. They tend to divide resources into those they own and those they don't, allowing these artificial separations to hamstring effective use of all resources. People may initially be attracted to work with a Diminisher, but it is often the place where people's careers die.

The Diminisher is an Empire Builder. The Multiplier is a Talent Magnet.

2. CREATE INTENSITY THAT REQUIRES BEST THINKING. Multipliers establish a unique and highly motivating work environment where everyone has permission to think and the space to do their best work. Multipliers operate

as *Liberators*, producing a climate that is both comfortable *and* intense. They remove fear and create the safety that invites people to do their best thinking. But they also create an intense environment that demands people's best effort. In contrast, Diminishers operate as *Tyrants*, introducing a fear of judgment that has a chilling effect on people's thinking and work. They demand people's best thinking, yet they don't get it.

The Diminisher is a Tyrant. The Multiplier is a Liberator.

3. EXTEND CHALLENGES. Multipliers operate as *Challengers* by seeding opportunities, laying down a challenge that stretches an organization, and generating belief that it can be done. In this way, they challenge themselves and others to push beyond what they know. In contrast, Diminishers operate as *Know-It-Alls*, personally giving directives to showcase their knowledge. While Diminishers set direction, Multipliers ensure direction gets set.

The Diminisher is a Know-It-All. The Multiplier is a Challenger.

4. DEBATE DECISIONS. Multipliers make decisions in a way that readies the organization to execute those decisions. They operate as *Debate Makers*, driving sound decisions through rigorous debate. They engage people in debating the issues up front, which leads to decisions that people understand and can execute efficiently. In contrast, Diminishers operate as *Decision Makers* who tend to make decisions efficiently within a small inner circle, but they leave the broader organization in the dark to debate the soundness of the decision instead of executing it.

The Diminisher is a Decision Maker. The Multiplier is a Debate Maker.

5. INSTILL OWNERSHIP AND ACCOUNTABILITY. Multipliers deliver and sustain superior results by inculcating high expectations across the organization. By serving as *Investors*, Multipliers provide necessary resources for

success. In addition, they hold people accountable for their commitments. Over time, Multipliers' high expectations turn into an unrelenting presence, driving people to hold themselves and each other accountable, often to higher standards and without the direct intervention of the Multiplier. In contrast, Diminishers serve as *Micromanagers* who drive results by holding on to ownership, jumping into the details, and directly managing for results.

The Diminisher is a Micromanager. The Multiplier is an Investor.

The following chart summarizes the five vital disciplines that differentiate Diminishers and Multipliers:

THE 5 DISCIPLINES OF THE MULTIPLIERS

Diminisher		Multiplier	
The Empire Builder	Hoards resources and underutilizes talent	The Talent Magnet	Attracts talented people and uses them at their highest point of contribution
The Tyrant	Creates a tense environment that suppresses people's thinking and capability	The Liberator	Creates an intense environment that requires people's best thinking and work
The Know-It-All	Gives directives that showcase how much they know	The Challenger	Defines an opportunity that causes people to stretch
The Decision Maker	Makes centralized, abrupt decisions that confuse the organization	The Debate Maker	Drives sound decisions through rigorous debate
The Micro Manager	Drives results through their personal involvement	The Investor	Gives other people the ownership for results and invests in their success

SURPRISING FINDINGS

As we studied Multipliers across the world, we found a remarkable amount of consistency and several patterns that confirmed our early observations. But here are three findings that were surprising and intriguing.

A Hard Edge

One of the most critical insights from our study of Multipliers is how hard edged these managers are. They expect great things from their people and they drive people to achieve extraordinary results. They are beyond results-driven managers. They are tough and exacting. Indeed, Multipliers make people feel smart and capable; but Multipliers aren't "feel-good" managers. They look into people and find capability, and they want to access all of it. They utilize people to their fullest. They see a lot, so they expect a lot.

During our research interviews, people oozed appreciation for the Multipliers they had worked with, but the gratitude was rooted in the deep satisfaction found in working with them, not in the pleasantries of a relationship. One person described working with Deb Lange, a senior vice president of taxation at a large firm: "Working with her was like an intense workout. It was exhausting but totally exhilarating." Another said of his manager: "He got things from me I didn't know I had to give. I would do almost anything to not disappoint him."

The Multiplier approach to management isn't just an enlightened view of leadership. It is an approach that delivers higher performance because it gets vastly more out of people and returns to them a richly satisfying experience. As one early reader of this book noted, these leaders aren't about "cupcakes and kisses."

A Great Sense of Humor

It turns out that Multipliers have a great sense of humor. On a whim we added “Great Sense of Humor” to our leadership survey. Our suspicion proved right. Not only is this trait prominent among Multipliers, it is one of the traits that is most negatively correlated with the mind-set held by Diminishers. Multipliers aren’t necessarily comedians, but they don’t take themselves or situations too seriously. Perhaps because they don’t need to defend their own intelligence, Multipliers can laugh at themselves and see comedy in error and in life’s foibles. Their sense of humor liberates others.

The humor of the Multiplier is very George Clooney—esque—a self-deprecating wit and an ability to put others at ease, allowing people to be themselves. As one journalist wrote of Clooney, “After fifteen minutes, he made me feel comfortable in my own house.”¹² A Clooney costar said, “He has a way of daring you . . . which can be irresistible.” Multipliers use humor to create comfort and to spark a natural energy and intelligence in others.

The Accidental Diminisher

Perhaps one of our biggest surprises was realizing how few Diminishers understood the restrictive impact they were having on others. Most of the Diminishers had grown up praised for their personal intelligence and had moved up the management ranks on account of personal—and often intellectual—merit. When they became “the boss,” they assumed it was their job to be the smartest and to manage a set of “subordinates.” Others had once had the mind and even the heart of the Multiplier, but they had been working among Diminishers for so long that they inherited many of their practices and absorbed their worldview. As one executive put it, “When I read your findings, I realized that I have been living in Diminisher land so long that I have gone native.” Many people have worked for Diminishers and, although they

may have escaped unscathed, they carry some of the residual effects in their own leadership. The good news for the Accidental Diminisher is that there is a viable path to becoming a Multiplier.

THE PROMISE OF THIS BOOK

As we studied Multipliers and Diminishers, we heard case after case of smart individuals being underutilized by their leaders. We heard their frustration as they told us how little some leaders got from them, despite how hard they were working and how they tried to give more. We learned that it is indeed possible to be both overworked and underutilized. Latent talent exists everywhere. Organizations are replete with underchallenged masses.

Multipliers are out there. Multipliers know how to find this dormant intelligence, challenge it, and put it to use at its fullest. They exist in business, in education, in nonprofits, and in government. Consider just a few that you will learn more about later.

1. Narayana Murthy, founder and chairman of India-based Infosys Technologies, who led the company over a twenty-year period, growing revenue to \$4.6 billion and becoming one of India's largest and most successful companies (with over 100,000 professionals) by hiring people smarter than himself, giving them room to contribute, and building a management team that would succeed him without skipping a beat.
2. Sue Siegel, former biotech president turned venture capitalist for Mohr Davidow Ventures (MDV), whose partner says, "There is a Sue effect. Everything around her gets better and companies grow under her guidance. I often wonder what people are like when they aren't around Sue."

3. Lutz Ziob, general manager of Microsoft Learning, whose team says of him, “He creates an environment where good things happen. He recruits great people, allows them to make mistakes, and ferociously debates the important decisions. He demands our best, but then shares the success with the whole team.”

4. Larry Gelwix, head coach of Highland Rugby, whose high school varsity team’s record is 392 wins and just nine losses in thirty-four years. He attributes this extraordinary record to a deliberate leadership philosophy that engages the intelligence of his players on and off the field.

5. K.R. Sridhar, successful green-tech entrepreneur and CEO, who recruits A+ talent, then gives them an environment with a lot of pressure but very little stress, and allows them to experiment and take risks until the right technology and solutions emerge.

Leaders like these provide an aspiration point for those who would be Multipliers.

The promise of this book is simple: You can be a Multiplier. You can create genius around you and receive a higher contribution from your people. You can choose to think like a Multiplier and operate like one. This book will show you how. And it will show you why it matters.

This is a book for every manager trying to navigate the resource strain of tough economic times. It is a message for leaders who must accomplish more by getting more out of their people. As companies shed excess resources, the need for leaders who can multiply the intelligence and capability around them is more vital than ever. This book is also for the raging Multiplier who seeks to better understand what he or she does naturally. It is for the aspiring Multiplier who wishes to

get the full capability and intelligence from his or her people. And it is most certainly for the Diminishers, so they can better understand the negative effects of leadership centered on their own intelligence. It is for every manager seeking the promise of the Multiplier: to increase intelligence everywhere and with everyone.

As you read this book, you will find a few central messages:

1. Diminishers underutilize people and leave capability on the table.
2. Multipliers increase intelligence in people and in organizations. People actually get smarter and more capable around them.
3. Multipliers leverage their resources. Corporations can get 2X more from their resources by turning their most intelligence resources into intelligence Multipliers.

Before turning our attention to the practices of the Multiplier, let's clarify what this book is not. This book is not a prescription for a nice-guy, feel-good model of leadership. It is a hard-edged approach to management that allows people to contribute more of their abilities. And although there will be much discussion of Multipliers and Diminishers, this book isn't about what they achieve themselves. It is about the impact that these leaders have on others. It is about the impact and the promise of the Multiplier. And lastly, the ideas offered in this book are not intended to be terms for labeling your diminishing boss and your colleagues. Rather, it is offered as a framework for helping you to develop the practices of a Multiplier.

This book has been designed as an end-to-end learning experience, offering an opportunity to both understand and implement the Multiplier ideas. This introduction has provided a first glance into the Multiplier effect and an overview of what Multipliers do. The

successive chapters will clarify the differences between Multipliers and Diminishers and will present the five disciplines of the Multiplier. You will read stories of real Multipliers and Diminishers; be aware that we've changed the Diminishers' names (and companies) for rather obvious reasons. The book concludes with a road map for becoming a Multiplier.

MY CHALLENGE TO YOU

Although the Multiplier/Diminisher framework might appear binary, I wish to emphasize that there is a continuum between Multipliers and Diminishers, with just a small number of people at either polar extreme. Our research showed that most of us fall along this spectrum and have the ability to move toward the side of the Multiplier. With the right intent, the Multiplier approach to leadership can be developed. The good news is that 1) Multipliers are out there, 2) we have studied them to uncover their secrets, and 3) you can learn to become one. And not only can you become a Multiplier yourself, you can find and create other Multipliers. That will make you a multiplier of Multipliers.

It is within this context that I challenge you to read this book at several levels. At the most fundamental level, you might read it to illuminate what you undoubtedly have experienced—that some leaders create genius while others destroy it. Or you might go beyond this and read to reflect on the quintessential Multipliers and Diminishers that have been part of your career and life experience. But perhaps the best way to approach this book is to look beyond the idea that you or your colleagues are Multipliers, and instead spot yourself at times in the anatomy of a Diminisher. The greatest power of these ideas might be in realizing that you have the mind of a Multiplier but that you've been living in a Diminisher world and you've lost your way. Perhaps you are an Accidental Diminisher.

As Greg and I have journeyed into the world of Multipliers and Diminishers, we have often seen glimpses of ourselves—either in the present or from years past—and have found ways to better exemplify the Multiplier in our own work teaching and coaching leaders around the world.

The book is a guide to those who wish to follow the path of the Multiplier and, like British Prime Minister Benjamin Disraeli, leave those you meet thinking they, rather than you, are the smartest person in the world. It is a book for executives who want to seed their organization with more Multipliers and watch everyone and everything get better.

Let me now introduce you to the fascinating and diverse set of leaders we call the Multipliers. They come from all walks of life—from corporate board rooms, to our schools' classrooms, and from the Oval Office to the fields of Africa. We've selected leaders who represent diverse ideologies. I encourage you to learn from everyone, even those whose political views you do not share. I hope you will find their stories, their practices, and their impact as inspiring as we did when we entered their worlds.

THE MULTIPLIER FORMULA

MULTIPLIERS VERSUS DIMINISHERS

MULTIPLIERS: These leaders are genius makers and bring out the intelligence in others. They build collective, viral intelligence in organizations.

DIMINISHERS: These leaders are absorbed in their own intelligence, stifle others, and deplete the organization of crucial intelligence and capability.

The Five Disciplines of the Multipliers

1. *The Talent Magnet:* Attract and optimize talent
2. *The Liberator:* Require people's best thinking
3. *The Challenger:* Extend challenges
4. *The Debate Maker:* Debate decisions
5. *The Investor:* Instill accountability

The Results

By extracting people's full capability, Multipliers get twice the capability from people than do Diminishers.