

The background of the slide is a photograph of four business professionals (two men and two women) in a meeting. They are gathered around a table with a laptop, looking at the screen and smiling. The image is overlaid with a semi-transparent yellow filter. The bottom right corner of the slide is a solid dark blue triangle.

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Don't let power corrupt you



In the behavioral research I've conducted over the past 20 years, I've uncovered a disturbing pattern: While people usually gain power through traits and actions that advance the interests of others, such as empathy, collaboration, openness, fairness, and sharing; when they start to feel powerful or enjoy a position of privilege, those qualities begin to fade. The powerful are more likely than other people to engage in rude, selfish, and unethical behavior. The 19th-century historian and politician Lord Acton got it right: Power does tend to corrupt.

I call this phenomenon “the power paradox,” and I've studied it in numerous settings: colleges, the U.S. Senate, pro sports teams, and a variety of other professional workplaces. In each I've observed that people rise on the basis of their good qualities, but their behavior grows increasingly worse as they move up the ladder. This shift can happen surprisingly quickly. In one of my experiments, known as “the cookie monster” study, I brought people into a lab in groups of three, randomly assigned one to a position of leadership, and then gave them a group writing task. A half hour into their work, I placed a plate of freshly baked cookies—one for each team member, plus an extra—in front of everyone. In all groups each person took one and, out of politeness, left the extra cookie. The question was: Who would take a second treat, knowing that it would deprive

others of the same? It was nearly always the person who'd been named the leader. In addition, the leaders were more likely to eat with their mouths open, lips smacking, and crumbs falling onto their clothes.

Studies show that wealth and credentials can have a similar effect. In another experiment, Paul Piff of UC Irvine and I found that whereas drivers of the least expensive vehicles—Dodge Colts, Plymouth Satellites—always ceded the right-of-way to pedestrians in a crosswalk, people driving luxury cars such as BMWs and Mercedes yielded only 54% of the time; nearly half the time they ignored the pedestrian and the law. Surveys of employees in 27 countries have revealed that wealthy individuals are more likely to say it's acceptable to engage in unethical behavior, such as taking bribes or cheating on taxes. And recent research led by Danny Miller at HEC Montréal demonstrated that CEOs with MBAs are more likely than those without MBAs to engage in self-serving behavior that increases their personal compensation but causes their companies' value to decline.

These findings suggest that iconic abuses of power—Jeffrey Skilling's fraudulent accounting at Enron, Tyco CEO Dennis Kozlowski's illegal bonuses, Silvio Berlusconi's bunga bunga parties, Leona Helmsley's tax evasion—are extreme examples of the kinds of misbehavior to which all leaders, at any

level, are susceptible. Studies show that people in positions of corporate power are three times as likely as those at the lower rungs of the ladder to interrupt co-workers, multitask during meetings, raise their voices, and say insulting things at the office. And people who've just moved into senior roles are particularly vulnerable to losing their virtues, my research and other studies indicate.

The consequences can be far-reaching. The abuse of power ultimately tarnishes the reputations of executives, undermining their opportunities for influence. It also creates

stress and anxiety among their colleagues, diminishing rigor and creativity in the group and dragging down team members' engagement and performance. In a recent poll of 800 managers and employees in 17 industries, about half the respondents who reported being treated rudely at work said they deliberately decreased their effort or lowered the quality of their work in response.

So how can you avoid succumbing to the power paradox? Through awareness and action.



A Need for Reflection

A first step is developing greater self-awareness. When you take on a senior role, you need to be attentive to the feelings that accompany your newfound power and to any changes in your behavior. My research has shown that power puts us in something like a manic state—making us feel expansive, energized, omnipotent, hungry for rewards, and immune to risk—which opens us up to rash, rude, and unethical actions. But new studies in neuroscience find that by simply reflecting on those thoughts and emotions—“Hey, I’m feeling as if I should rule the world right now”—we can engage regions of our frontal lobes that help us keep our worst impulses in check. When we recognize and label feelings of joy and confidence, we’re less likely to make irrational decisions inspired by them. When we acknowledge feelings of frustration (perhaps because subordinates aren’t behaving the way we want), we’re less likely to respond in adversarial or confrontational ways.

You can build this kind of self-awareness through everyday mindfulness practices. One approach starts with sitting in a comfortable and quiet place, breathing deeply, and concentrating on the feeling of inhaling and exhaling, physical sensations, or sounds or sights in your environment. Studies show that spending just a few minutes a day on such exercises gives people greater focus and calm, and for that reason techniques for them are now taught in training programs at companies like Google, Facebook, Aetna, General Mills, Ford, and Goldman Sachs.

It’s also important to reflect on your demeanor and actions. Are you interrupting people? Do you check your phone when others are talking? Have you told a joke or story that embarrassed or humiliated someone else? Do you swear at the office? Have you taken sole credit for a group effort? Do you forget colleagues’ names? Are you spending a lot of money than in the past or taking unusual physical risks?



If you answered yes to at least a few of these questions, take it as an early warning sign that you’re being tempted into problematic, arrogant displays of power. What may seem innocuous to you probably doesn’t to your subordinates.

Consider a story I recently heard about a needlessly hierarchical lunch-delivery protocol on a cable television writing team. Each day when the team’s sandwiches arrived, they were doled out to the writers in order of seniority. In failing to correct this behavior, the group’s leaders were almost certainly diminishing its collaborative and creative potential. For a contrast, consider U.S. military mess halls, where the practice is the reverse, as the ethnographer and author Simon Sinek notes in the title of his most recent book, *Leaders Eat Last*. Officers adhere to the policy not to cede authority but to show respect for their troops.

Practicing Graciousness

Whether you've already begun to succumb to the power paradox or not, you must work to remember and repeat the virtuous behaviors that helped you rise in the first place. When teaching executives and others in positions of power, I focus on three essential practices—empathy, gratitude, and generosity—that have been shown to sustain benevolent leadership, even in the most cut throat environments

For example, Leanne ten Brinke, Chris Liu, Sameer Srivastava, and I found that U.S. senators who used empathetic facial expressions and tones of voice when speaking to the floor got more bills passed than those who used domineering, threatening gestures and tones in their speeches. Research by Anita Woolley of Carnegie Mellon and Thomas Malone of MIT has likewise shown that when teammates subtly signal understanding, engagement, interest, and concern for one another, the team is more effective at tackling hard analytical problems.

Small expressions of gratitude also yield positive results. Studies show that romantic partners who acknowledge each other's value in casual conversation are less likely to break up, that students who receive a pat on the back from their teachers are more likely to take on difficult problems, and that people who express appreciation to others in a newly formed group feel stronger ties to the group months later. Adam Grant of Wharton has found that when managers take the time to thank their employees, those workers are more engaged and productive.

And my own research on NBA teams with Michael Kraus of Yale University shows that players who physically display their appreciation—through head raps, bear hugs, and hip and chest bumps—inspire their teammates to play better and win nearly two more games per season (which is both statistically significant and often the difference between making the play-offs and not).



Simple acts of generosity can be equally powerful. Studies show that individuals who share with others in a group—for example, by contributing new ideas or directly assisting on projects not their own are deemed more worthy of respect and influence and more suitable for leadership. Mike Norton at Harvard Business School has found that when organizations provide an opportunity to donate to charities at work, employees feel more satisfied and productive.

It might seem difficult to constantly follow the ethics of “good power” when you're the boss and responsible for making sure things get done. Not so. Your capacity for empathy, gratitude, and generosity can be cultivated by engaging in simple social behaviors whenever the opportunity presents itself: a team meeting, a client pitch or negotiation, a 360-degree feedback session. Here are a few suggestions:

To practice empathy:

- Ask a great question or two in every interaction, and paraphrase important points that others make.
- Listen with gusto. Orient your body and eyes toward the person speaking and convey interest and engagement vocally.
- When someone comes to you with a problem, signal concern with phrases such as “I’m sorry” and “That’s really tough.” Avoid rushing to judgment and advice.
- Before meetings, take a moment to think about the person you’ll be with and what is happening in his or her life.

Arturo Bejar, Facebook’s director of engineering, is one executive I’ve seen make empathy a priority as he guides his teams of designers, coders, data specialists, and writers. Watching him at work, I’ve noticed that his meetings all tend to be structured around a cascade of open-ended questions and that he never fails to listen thoughtfully. He leans toward whoever is speaking and carefully writes down everyone’s ideas on a notepad. These small expressions of empathy signal to his team that he understands their concerns and wants them to succeed together.

To practice gratitude:

- Make thoughtful thank-you’s a part of how you communicate with others.
- Send colleagues specific and timely e-mails or notes of appreciation for jobs done well.
- Publicly acknowledge the value that each person contributes to your team, including the support staff.
- Use the right kind of touch—pats on the back, fist bumps, or high fives—to celebrate successes.



When Douglas Conant was CEO of the Campbell Soup Company, he emphasized a culture of gratitude across the organization. Each day he and his executive assistants would spend up to an hour scanning his e-mail and the company intranet for news of employees who were “making a difference.” Conant would then personally thank them—everyone from senior executives to maintenance people—for their contributions, usually with handwritten notes. He estimates that he wrote at least 10 a day, for a total of about 30,000 during his decade-long tenure, and says he would often find them pinned up in employees’ workspaces. Leaders I’ve taught have shared other tactics: giving small gifts to employees, taking them out to nice lunches or dinners, hosting employee-of-the-month celebrations, and setting up real or virtual “gratitude walls,” on which co-workers can thank one another for specific contributions.

To practice generosity:

- Seek opportunities to spend a little one-on-one time with the people you lead.
- Delegate some important and high-profile responsibilities.
- Give praise generously.
- Share the limelight. Give credit to all who contribute to the success of your team and your organization.

Pixar director Pete Docter is a master of this last practice. When I first started working with him on the movie *Inside Out*, I was curious about a cinematic marvel he'd created five years before: the montage at the start of the film *Up*, which shows the protagonist, Carl, meeting and falling in love with a girl, Ellie; enjoying a long married life with her; and then watching her succumb to illness. When I asked how he'd accomplished it, his answer

was an exhaustive list of the 250 writers, animators, actors, story artists, designers, sculptors, editors, programmers, and computer modelers who had worked on it with him. When people ask about the box-office success of *Inside Out*, he gives a similar response. Another Facebook executive I've worked with, product manager Kelly Winters, shares credit in a similar way. When she does PowerPoint presentations or talks to reporters about the success of her Compassion team, she always lists or talks about the data analysts, engineers, and content specialists who made it happen.

You can outsmart the power paradox by practicing the ethics of empathy, gratitude, and generosity. It will bring out the best work and collaborative spirit of those around you. And you, too, will benefit, with a burnished reputation, long-lasting leadership, and the dopamine-rich delights of advancing the interests of others.



Mindfulness for people who are too busy to mediate



Mindfulness has become almost a buzzword. But what is it, really? Mindfulness is, quite simply, the skill of being present and aware, moment by moment, regardless of circumstances.

For instance, researchers have found that mindfulness can reprogram the brain to be more rational and less emotional. When faced with a decision, meditators showed increased activity in the posterior insula of the brain, which has been linked to rational decision making. This allowed them to make decisions based more on fact than emotion. This is good news since other research has found that reasoning is actually suffused with emotion. Not only are the two inseparable, but our positive and negative feelings about people, things, and ideas arise much more rapidly than our conscious thoughts, in a matter of milliseconds. We push threatening information away and hold friendly information close. We apply fight-or-flight reflexes not only to predators but to data itself.

In order to reap the benefits of mindfulness, there are specific techniques that you can practice to improve your skills. You may have heard about a mindfulness-enhancing technique where you sit in stillness and practice meditating for a period of time before going about the rest of your day. This

is definitely valuable. But I have a bias for being able to practice mindfulness all day, in every circumstance. In essence, you start living all of life mindfully and over time there is no distinction between your formal practice and making a presentation, negotiating a deal, driving your car, working out, or playing a round of golf.

Try a technique I call “micro meditations.” These are meditations that can be done several times a day for 1-3 minutes at a time. Periodically throughout the day, become aware of your breath. It could be when you feel yourself beginning to become stressed or overwhelmed with too much to do and too little time, or perhaps when you feel yourself becoming increasingly distracted and agitated.

For instance, if you have ever found yourself in a meeting and suddenly noticed that you missed what was just said or that you were “somewhere else” for the last few minutes, chances are you stopped listening. You could have been thinking about your next meeting or everything on your to do list, or perhaps you just zoned out or were focused on an incoming text message. This is incredibly common. Unfortunately, it is the cause of huge misunderstandings, missed opportunities and wasted time.

The next time you're in a meeting, try to do nothing but listen for seconds at a time. This is harder than it sounds, but with practice you will be able to listen continuously, without a break in concentration. Whenever you notice that your mind has wandered, come right back to listening to the voice of the person who is speaking. You may have to redirect your attention dozens of times in a single meeting-it's extremely common. Always bring yourself back gently and with patience. You are training the mind to be right here, right now.

These techniques can, as I've said, rewire the brain. As a result, three critical things happen. First, your ability to concentrate increases. Second, you see things with increasing clarity, which improves your judgment. And third, you develop equanimity. Equanimity enables you to reduce your physiological and emotional stress and enhances the likelihood that you will be able to find creative solutions to problems.

Practicing mindfulness-and reaping its benefits doesn't have to be a big time

commitment or require special training. You can start right now-in this moment.

Is something Lost When We Use Mindfulness as a Productivity Tool?

I came to mindfulness as a healing practice after overcoming an addiction to the drug Adderall during my junior year of college. I found myself in this situation because I thought that using Adderall to help me focus was no big deal-an attitude shared by 81% of students nationwide.

Adderall simply seemed like an innocuous shortcut to getting things done efficiently and effortlessly. I still remember the rush I felt my first night on Adderall: I completed every page of assigned Faulkner reading (not easy), started and finished a paper several weeks before the due date (because why not?), Swiffered my room (twice), and answered all of my unread emails (even the irrelevant ones). It's also worth noting that I had forgotten to eat all night and somehow found myself still awake at 4 a.m., my jaw clenched and my stomach rumbling. Sleep was no where in sight.



What I saw initially as a shortcut to more focus and productivity ultimately turned out instead to be a long detour toward self-destruction. Rather than thinking of focus as the by-product of my own power and capability, I looked outside of myself, thinking that a pill would solve my problems.

Long story short, I eventually came to grips with my problem, got off the drug, and found an antidote to my crippling self-doubt: meditation-particularly, mindfulness (or Vipassana) meditation.

So to me, it's somewhat ironic that mindfulness has taken the media by storm precisely because of its scientifically proven benefits for focus and productivity. And it's not just because I came to mindfulness as a way of healing from the fallout of the amount of pressure I put on myself to be productive. While mindfulness is not a little blue pill, it's starting to be thought of as a kind of shortcut to focus and productivity, not unlike a morning coffee. A wisdom tradition associated with personal growth and insight is now being absorbed by our culture as a tool for career development and efficiency. But should mindfulness really be used to attain a particular goal? Is it OK to think of a practice that's all about "being" as just another tool for "doing"?

Companies seem to think so. Given the mindfulness buzz, it's no surprise that corporate mindfulness programs are proliferating across the country. Google offers "Search Inside Yourself" classes that teach mindfulness meditation at work. As celebrated in the recent book *Mindful Work* by David Gelles, corporations like Goldman Sachs, HBO, Deutsche Bank, Target, and Bank of America tout the productivity related benefits of meditation to their employees.

The world of professional athletics-most recently the NFL-too has drawn attention to the achievement-oriented

underpinnings of the main stream mindfulness movement. The 2015 Wall Street Journal article that explored the Seattle Seahawks' success in the 2014 Super Bowl explained that the team's secret weapon was its willingness to work with a sports psychologist who teaches mindfulness. Sea hawks assistant head coach Tom Cable went so far as to describe the team as "incredibly mindful."

This article was written in January, a month before the Seahawks lost the 2015 Super Bowl. In the wake of their defeat, I heard several conversations among acquaintances and family members (all of whom were sports fans and were not meditating but aware of meditation) in which they expressed scepticism about the power of meditation for focus and success.

I mean, how much can we embrace mindfulness as a tool for success if a team famous for meditating lost the Super Bowl? Still a lot, I think. And I'm fine stopping here to admit (if you haven't already concluded yourself) that the commodification of mindfulness as a productivity tool leaves me with a strange taste in my mouth. Above all, I am resistant to the teleological attitude toward meditation: that it's a "tool" designed for a particular purpose, contingent on "results:"

And yet asserting this skepticism brings me back to a conversation I had with my vegan cousin a few years ago. He is a PhD student in biological anthropology, an animal activist, and a long time vegan. When I asked him if he was irked by all the celebrities going vegan to lose weight, he shook his head vigorously. "I'd rather have people do the right thing for the wrong reason than not do the right thing at all;" he explained (the "right" thing here being veganism). This philosophy seems applicable to the mindfulness craze (aka "McMindfulness") too. I'm happy more people are getting the myriad benefits of meditation.

I am glad that you're no longer thought of as a patchouli-scented hippie if you're an avid meditator. If corporate mindfulness programs mean that employee self-care is more valued in the workplace, then so be it. But I also think there's room to consider an alternative way of talking about meditation, especially when it comes to how we relate to our work.

Looking at mindfulness as a tool for accomplishing what we need to get done keeps us trapped in a future-oriented mindset, rather than encouraging us to dilate the present moment. Of course, this doesn't invalidate the neuroscience; mindfulness helps us get more stuff done. But what about allowing mindfulness to just be? To have the effects it is going to have, without attaching a marketing pitch to this ancient practice?

Psychologist Kristin Neff is renowned for coining the term "self-compassion." In particular, Neff has asserted that the first component of self-compassion is kindness, the ability to shrug off those times when we

"let ourselves down," when we don't get to check off everything from our to do lists. The other two components of self-compassion are awareness and mindfulness. The goal is not to get more done but to understand that we are enough-and that our worth is not contingent on what we get done. (Although studies have shown that self-forgiveness actually helps us procrastinate less.

I'm not an idealist. I'm not saying everyone should start "devoting themselves solely to self-compassion, and forgetting all about their to do lists. But I am saying that compassion, and self compassion, ought to move into the foreground as we talk about mindfulness-even in corporate mindfulness programs.

There's no shame in wanting to be productive at work. But there's also no shame in being able to cut yourself some slack, to extend yourself some love during those times at work when things don't feel so great.



There Are Risks to Mindfulness at Work



Mindfulness is close to taking on cult status in the business world. But as with any rapidly growing movement regardless of its potential benefits - there is good reason here for caution.

Championed for many years by pioneering researchers such as Ellen Langer and Jon Kabat-Zinn, mindfulness is a mental orientation and set of strategies for focusing one's mind on here and now experiences, such as abdominal muscle movements during respiration or the chirping of birds outside one's window. It is rooted in ancient Eastern philosophies, such as Taoism and Buddhism. Contemporary empirical research demonstrates its benefits for reducing anxiety and mental stress. A recent study suggested that it might cut the risk of stroke and heart attack as well.

Mindful meditation and related practices are now widely accepted. For example, the New Republic published an article entitled "How 2014 Became the Year of Mindfulness." Mindfulness has also recently been featured on CBS's 60 Minutes and been lauded by the Huffington Post. Dan Harris, a well-known ABC News correspondent, has published a

best-selling book called *Ten Percent Happier*, which describes his journey to discovering mindful meditation as an optimal way to manage his very publicly shared anxiety disorder. There is increasing interest in how mindfulness can be applied in clinical medicine and psychology, and some large insurance companies are even beginning to consider providing coverage for mindfulness strategies for certain patients.

As an executive coach and physician, I often sing the praises of mindfulness practices and recommend them to clients to manage stress, avoid burnout, enhance leadership capacity, and steady the mind when in the midst of making important business decisions, career transitions, and personal life changes. Drawing on concepts from Eastern philosophies and research evidence from contemporary neuroscience, I help some clients employ controlled breathing and similar strategies in our sessions and in their every day lives. I also refer clients to trusted colleagues who teach yoga and mindful meditation in greater depth than I can provide in my coaching sessions.

But my growing knowledge of (and enthusiasm for) mindfulness is now tempered by a concern about its potential excesses and the risk that it may be crowding out other equally important models and strategies for managing stress, achieving peak performance, and reaching professional and personal fulfillment. At times, it appears that we are witnessing the development of a “cult of mindfulness” that, if not appropriately recognized and moderated, may result in an unfortunate backlash against it. Here are a couple of my concerns.

The avoidance risk

Some people use mindfulness strategies to avoid critical thinking tasks. I’ve worked with clients who instead of rationally thinking through a career challenge or ethical dilemma, prefer to disconnect from their challenges and retreat into a meditative mind set. The issue here is that

some problems require more thinking, not less. Sometimes stress is a signal that we need to consider our circumstances through greater self-reflective thought, not a “mindful” retreat to focused breathing or other immediate sensory experiences. Mindfulness strategies can prime the mind for sounder rational thinking but the former clearly should not displace the latter. One of my clients spent so much time meditating and “mindfully” accepting her life “on its own terms” that she failed to confront underperforming workers (and discipline or fire the worst offenders) in her company. After periods of meditating, she struggled to return to focused, task oriented thinking. She required significant reminders and reassurance from me that embracing Buddhist meditation does not entail tolerating substandard performance from her employees. Mindful meditation should always be used in the service of enhancing, not displacing, people rational and analytical thought processes about their careers and personal lives.



The groupthink risk

As mindfulness practices enter mainstream American life, some organizations and companies are admirably encouraging their people to make use of them in the workplace. But I'm aware of situations where this new orientation has gone too far. In one case the director of a business unit in a financial services' corporation required his direct reports to participate several times per week in a 10- to 15-minute mindfulness session that involved controlled breathing and guided imagery. Many participants came to dread the exercise. Some of them felt extremely awkward and uncomfortable, believing that mindfulness practices should be done in private. The very exercise that was supposed to reduce their work-related stress actually had increased it. The practice continued for weeks until several members of the group finally gathered the courage to tell the group leader that they would strongly prefer the daily exercises be optional, with impunity for nonparticipants. Mindfulness is rooted in a philosophy and psychology of self-efficacy and proactive self-care. Imposing it on people in top down manner degrades the practice and the people who might benefit from using it of their own volition.

That mindfulness has emerged as a major cultural phenomenon on the contemporary American scene and in the business world in particular can be good news for people dealing with stress, burnout, and other realities of the modern workplace. But mindfulness practices need to be incorporated as one among many self-chosen strategies for people aiming to cope with stress, think effectively, make sound decisions, and achieve fulfillment. Mindfulness practices should be used to enhance our rational and ethical thinking processes, not limit or displace them. And mindfulness practices should never be imposed on people, especially in the workplace. At its very core, mindfulness will



be a huge step forward for Western culture if it stays focused on creating opportunities for individuals to discover their own personalized strategies for taming anxieties, managing stress, optimizing work performance, and reaching happiness and fulfillment.

WARREN BUFFETT INVESTOR

Up until the age of twenty, I was absolutely unable to speak in public. Just the thought of it made me physically ill. I would literally throw up. I selected courses in college where I didn't have to stand up in front of the class, and I arranged my life so that I would never find myself in front of a crowd. If I somehow did, I could hardly say my own name. I'm not sure what led to this problem, but it was there in a big way.

When I was at Columbia Business School, I saw an ad in the paper for a Dale Carnegie public-speaking course and figured it would serve me well. I went to Midtown, signed up, and gave them a check. But after I left, I swiftly stopped payment. I just couldn't do it. I was that terrified. I returned to Omaha after graduating and got a job as a salesman of securities. I knew that I had to be able to speak in front of people. So again, I saw an ad in the paper and went down to sign up; but this time I handed the instructor one hundred dollars in cash. I knew if I gave him the cash I'd show up. And I did.

There were about thirty other people in the class and we all had trouble saying our own names. We met once a week for a dozen or so weeks. They would give us different types of speeches to practice and taught us psychological tricks to overcome our fears. There was that communal feeling that we were all in the same boat and really helped one another get through the class. As soon as the course was over, I went to the University of Omaha and said, "I want to start teaching." I knew that if I did not speak in front of people quickly I would lapse back to where I'd started. I just kept doing it, and now you can't stop me from talking!

The impact that class had on my life was huge. In fact, I don't have my diploma from the University of Nebraska hanging on my office wall, and I don't have my diploma from Columbia up there either—but I do have my Dale Carnegie graduation



certificate proudly displayed. That \$100 course gave me the most important degree I have. It's certainly had the biggest impact in terms of my subsequent success.

In graduate school you learn all this complicated stuff, but what's really essential is being able to get others to follow your ideas. If you're a salesperson, you want people to follow your advice. If you're a management leader, you want them to follow you in business. Whatever you do, good communication skills are incredibly important and something that almost anybody can improve upon, both in writing and speaking. A relatively modest improvement can make a major difference in your future earning power, as well as in many other aspects of your life. In my case, I proposed to my wife during the time I was taking the public-speaking course. Who knows, but maybe if I had been talking in my voice of six months earlier I wouldn't have persuaded her to say yes. There are all kinds of good things that come out of sound communication skills.

One of the best things you can do in life is to surround yourself with people who are better than you are. High-grade people. You will end up behaving more like them, and they, in turn, will get it back from you. It's like a planetary system. If you hang around with people who behave worse than you, pretty soon you'll start being pulled in that direction. That's just the way it seems to work. Who you choose to associate with matters.

It's also imperative to select the right heroes. I have always been lucky in that respect. The people you look up to will form your vision of how you want to be in later life. I've had a number of terrific heroes who have never let me down. I've been able to pick up all sorts of valuable things from them.

My first hero was my dad. I grew up with this incredible love and admiration for him. I wanted to be like him. He gave me more good advice than anybody, and he was enormously helpful and important to me in all kinds of ways. He taught me that what's on your inner scorecard is more important than your outer scorecard. A lot of people are concerned with what the world will think about this or that instead of what they themselves think about it. If you are comfortable with your inner scorecard, you are going to have a pretty gratifying life. The people who strive too much for the outer scorecard sometimes find that it's a little hollow when they get through. My father died forty-six years ago. I have a large portrait of him on my office wall, and I still wonder how he would feel about anything I do.

The most important thing that ever happened to me was marrying Susie, another hero of mine. She had a terrific impact on me. In terms of living a happy life, it was night and day. I was not well-adjusted prior to meeting her. The biggest obstacle I had was a personality that hadn't fully developed, and that's a pretty big obstacle! I did not have the right social habits and wasn't very sensitive to how other people thought. I don't mean that

I was completely in the other direction. I got along fine with a lot of people, but my social abilities lagged behind my intellectual ones. There was a lot of catching up to do, and it didn't happen overnight. It was as if Susie had a little watering can. She poured water on me and, after a long enough time, flowers bloomed where weeds used to grow. She took care of both the outer and inner me. I needed that. If not for Susie, I think I would probably have gone through life like many people do. I would have made a lot of money—it isn't like I needed help in that respect—and maybe I would have even become well-known, but I don't think I would have been happy. I would have been a mess.

You have lived a successful life if, as you grow older, the people who you hope love you actually do. I have never known anyone who does not feel like a success when they have gotten close to my age and have a lot of people who love them. I know enormously wealthy individuals who have dinners held in their honor, hospital wings named after them, and all that sort of thing, but the truth is that no one thinks much of them. I have to believe that at some point they realize it, and everything gets quite empty after that.

Benjamin Graham, my old boss and mentor, was another hero. He was a genius. I took a job with him when I was getting started and never even asked what the salary was going to be (I found that out at the end of the month when I got my pay check). Try to work for whomever you admire most. It won't necessarily be the job that you'll have ten years later, but you'll have the opportunity to pick up so much as you go along. You don't want to take a job just for the money, and you should never work for people who make your stomach churn or who keep you up at night. If you are in a situation like that, think about changing it. And make sure you follow your passion—whatever turns you on. You want to be excited when you get out of bed in the morning. I tap dance to work every day, and I work with people I think are terrific.

When Ben was about twelve years old, he determined that it would be best to go through life with people liking and admiring him. He came to this conclusion not only because of how it would make him feel but also because it would make getting people to accept his ideas easier. So he sat down and wrote a list of the positive qualities in the people he looked up to. He then wrote a list of the negative qualities in the people who turned him off. When Ben reviewed these two lists, he realized that none of the attractive characteristics were impossible for him to obtain, and none of the negative ones were impossible for him to reject. They were qualities of behavior and character, not things like the ability to kick a football sixty yards or jump seven feet in the air. So Ben consciously decided to become the type of person he admired.

Qualities of good character and integrity make an enormous difference in achieving success. I urge students to conduct various forms of Ben's exercise. Most behavior is habitual. They say the chains of habit are too light to be felt until they are too heavy to be broken. There's no question about it. I see older people entrapped by self-destructive behavior patterns all the time. Bad habits are hard to kick, but good habits are too. So why not decide to have good habits? And form them as soon as you can. When you get to be my age, it's a lot tougher to do.

My good friend and hero, Tom Murphy, had an incredible generosity of spirit. He would do five things for you without thinking about whether you did something for him. After he was done with those five things, he'd be thinking about how to do the sixth. He was also an enormously able person in business and was kind of effortless about it. He didn't have to shout or scream or anything like that. He did everything in a very relaxed manner. Forty years ago, Tom gave me one of the best pieces of advice I've ever received. He said, "Warren, you can always tell someone to go to hell tomorrow." It's such an easy way of putting it. You haven't missed the opportunity. Just forget about it for a day. If you feel the same way tomorrow, tell them then—but

don't spout off in a moment of anger.

My brain is not a general-purpose brain that works marvelously in all situations. There are all sorts of things that I'm no good at. My son can do things with music that I couldn't do in a million years. I can't play football well; I never could. I can't play chess like other people can. But my mind does work well in terms of evaluating businesses. I have this one little skill, and I was dropped into a society where it's paid off in a huge, huge way. That being said, there are still all kinds of investment opportunities I'm not able to comprehend. I understand some kinds of simple businesses. I can't understand complicated ones. Coca-Cola, for example, isn't very complicated. It's a durable product and the appeal is universal. I try to find businesses I can grasp, where I like the people running them and think the price makes sense in relation to the future economics. I believe very strongly in operating within what I call my "circle of competence." The most important thing in terms of your circle of competence is not how large it is but how well you define the perimeter. If you know where your edges are, you are way better off than somebody who has a circle five times as large but is very fuzzy about the border. Knowing what to leave out is as important as knowing what to focus on. Tom Watson, the founder of IBM, put it best. He said, "I'm no genius, but I'm smart in spots, and I stay around those spots."

An important quality in my field is emotional stability. You have to be able to think independently. If I take a poll on every investment decision I make, I'm going to be doing exactly what everyone else is, and I usually don't think much of that. As your company gets larger and you have larger groups making decisions, the decisions get more homogenized. I don't think you will ever get brilliant investment decisions out of a large committee. I must have a temperament that lets me think for myself. When I come to a conclusion, I can't be bothered if others disagree with me. That's tough for a lot of people, but as long as I feel that I know the facts, I'm okay with it.

In the investment or business world, you have to be able to pull the trigger when you have a good idea and you've got to be willing to do it big. I usually don't have any troubles in that department. My personality goes down that line. But I've still made a few major mistakes of omission. There have been things that I've known enough about but either didn't participate in or did on a small scale. I was sucking my thumb, basically, instead of writing checks. There is no place that lists "missed opportunities," but I have passed up some big ones.

I have also made some bad investments. There is no question that you are going to make mistakes in life. I've made a lot, and I'm going to make more. You just have to make sure that your blunders are never fatal, and you don't want to make them on the really big decisions. For example, choosing the person you marry. I may try to minimize my errors, but I'm not one to dwell on them. It isn't worth it. You have to put your mistakes behind you and not look back. Tomorrow is another day. Just go on to the next thing and strive to do your best.

It's important to realize that others are going to make mistakes too. There is no way that anyone's going to make a lot of business decisions without messing up on occasion so I have to decide if the people working for me know what they are doing overall. I'm not big on blame and, by other people's standards, I'm probably quite tolerant of our managers' mistakes.

The triumphs in life are triumphs because you know that not everything is going to be one. If you played golf and got a hole in one on every hole, you'd get bored. Part of the fun is hitting one into the woods and then getting a great recovery shot. And sometimes you don't get great recovery shots. To me, making money is an interesting game. The reason I continue is similar to why top golfers keep playing. They're not doing it for the money; it's for the love of the sport. There

are a lot of people out there doing what I do, so it's exciting for me to be competing and doing well.

WARREN'S PEARLS

- Toward the end of college, I fixed my ambitions on attending Harvard Business School. I was almost certain that they would accept me. On the day of my big interview, I woke before dawn and caught a ten-hour train to Chicago. I then switched to a little inner-urban train—so it was another hour up to meet the alumnus who was interviewing me. We spoke for about ten minutes, he assessed my capabilities, and he turned me down on the spot. They didn't even send me a letter later on; it was crushing. My dad had always had these high expectations for me, so on my ride home I had about eleven hours to think about the fact that he was going to be disappointed. I felt terrible; it was that feeling of dread. But almost immediately I started investigating other schools and discovered that Benjamin Graham, whose book I had recently read and loved, was teaching at Columbia. I ended up being accepted by Columbia, Graham became a major influence in my life, and the rest is history. It's been my general experience that things that seem disastrous at the time usually do work out for the best. My rejection from Harvard is certainly a dramatic illustration of this.
- Reputation is very important. I ask the managers of my companies to judge every action that they take not just by legal standards (which, of course, is the first test) but also by what I call the "newspaper test." How would they feel about every given action if they knew it would show up the next day in their local paper, written by a smart but kind of unfriendly reporter and read by their families, friends, and neighbors? If it passes that test, it's okay. If anything is close to the line, it's out.

- Most people go through life using up a very, very small part of their potential. You could have a three-hundred-horsepower motor and get three hundred horsepower out of it or you can get a lot less. The people who I see function well are not the ones with the biggest “motors,” but the ones with the most efficient ones.
- Here’s a message that I think is very important to get across to younger people. I express it to them like this: “Every fifteen-year-old boy and most fifteen-year-old girls are constantly thinking, when do I get my first car and what will it be? Let’s say that I offer to buy you the car of your dreams. You can pick out any car that you want, and when you get out of class this afternoon, that car will be waiting for you at home. There’s just one catch ... It’s the only car you’re ever going to get in your entire life. Now, knowing that, how are you going to treat

that car? You’re probably going to read the owner’s manual four times before you drive it; you’re going to keep it in the garage, protect it at all times, change the oil twice as often as necessary. If there’s the least little bit of rust, you’re going to get that fixed immediately so it doesn’t spread—because you know it has to last you as long as you live. Here’s the thing, that’s exactly the position you are in concerning your mind and body. You have only one mind and one body for the rest of your life. If you aren’t taking care of them when you’re sixteen or seventeen, it’s like leaving that car out in hailstorms and letting rust eat away at it. If you don’t take care of your mind and body now, by the time you are forty or fifty you’ll be like a car that can’t go anywhere. So isn’t it just as important to take care of your mind and body as it is to take care of that car?” They seem to get that.

