

## CHAPTER 1

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# *The 10X Effect*

## *Performance Multipliers to Achieve Lasting Success and Fulfillment*

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**Y**ou probably feel you know these people:

We'll call him Tristan—and we'll call him tired. He manages a team at a large consulting firm, and he wakes up every morning feeling exhausted. Today, when he gets out of bed, the first thing he sees out the window is the rosebush he planted years ago, for his wife on their anniversary, now studded with spent blooms that need deadheading. He used to love gardening—and he still does, or he thinks he might, if he ever had the time for it. After his first of many cups of coffee, he makes lunches for his kids to take to school—the same lunches he's made for years now, and which they don't seem to like very much. But he can't seem to break the routine, because among the many things he hasn't had time to discuss with his kids recently, this seems pretty far down the list of priorities.

At work, the end of the quarter is looming, and Tristan is slammed with reports that need to be churned out—and like his kids' lunches, he never seems to get them exactly right. They've been sent back repeatedly for changes, and while he reworks them he falls behind on returning phone calls, e-mails, and texts from colleagues who need the information and guidance he usually provides when he's not sucked into the vortex of quarterly reports. His skill and ease at communicating with others is one of his greatest strengths—in fact it made him a standout in the interview that got him hired—but he turned down a public relations track to pursue what he thought would be a more

rewarding executive career. He's been trying ever since to shore up his weaknesses in finance and analytics, and though he's still not great with numbers, he insists on being involved in the financial details of these quarterly reports. He often asks other team members to stay up late with him, either at the office or at his home, where they skip the family dinner to eat takeout in the den while they go over reports.

Tristan was on the cross-country team in college, but he can't remember the last time he walked farther than the driveway, let alone hit the gym. He's giving the job everything he has, and to add insult to injury he's pretty sure he's being passed over for promotion. It's rumored that Felicity, the thoroughly-nice person he's viewed as his nemesis since business school, will end up with the senior position. He's been cranky at home and edgy at work, and he's felt increasingly isolated. He has a hard time recruiting younger people to his team, in part because when he gets a whiff of ambition from a colleague, he feels threatened and ends up working alone. Every day is a grind. When he gets home, the time he spends with his family is stressful, as he tries to juggle phone calls and text messages, while being somewhat attentive to his wife and kids relaying their daily adventures. He's almost 40 and wondering where it all went wrong.

Felicity will, in fact, get that promotion; actually, she'll end up running the firm in another few years. She has been carrying about the same workload as Tristan, and has young kids, but she wakes up every day feeling rested, with a deep sense of well-being. Like Tristan, she's knee-deep in quarterly reports, but she calls it a day—and urges her team members to do the same—when she feels too tired to think.

Felicity has a relaxed, trusting relationship with her team members, who often tease her about the fact that she can't create a spreadsheet to save her life. What she does better than anyone, however, is intuitively grasp the essence of a load of data, no matter how massive. When her team delivers numbers verbally, she's able to tell them exactly where problems and trends are emerging—and she's able to figure this out much more quickly than anyone could by studying a spreadsheet. People love working with Felicity—she seems to bring out the best in everyone, acknowledging employees' strengths and helping them find ways to build on those strengths. She is naturally respectful and usually has something positive to say about and to her colleagues. The firm's

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smartest employees are competing to join her team, and she welcomes them, knowing their skills complement one another. They all make one another look good.

She's not naturally athletic, but Felicity schedules exercise into her calendar at least three days a week. She sticks with it even in the busiest times, to keep herself energized and to avoid feeling burned out. Her energy is infectious. She becomes easily absorbed in her work and is able to draw others in with her—not only at work but also at home, where she's cultivated a support system, with her partner and others, to help care for her family.

Though she occasionally indulges in chocolate and red wine, Felicity makes the time and the effort to eat a healthy diet. Her world is much larger than the workplace. Like most people, she feels she should be spending more time with her family—but she makes sure their time together is well spent and gives her partner and children her undivided attention. Felicity is also an active and generous member of her local community, contributing time and money to several charitable boards.

And here's the thing about Tristan and Felicity: The differences between them—in their backgrounds, their education, their circumstances, and even in their innate abilities—are negligible. They both grew up in lower middle-class families; each was the first in his or her family to attend college. They went to the same business school and graduated near the top of the same class. They both began their careers with a sense of optimism and promise: smart, ambitious, and seemingly capable of anything. Tristan and Felicity could have followed twin trajectories to success.

But by their late thirties it was clear that Tristan was floundering while Felicity was flourishing. It's hard to overstate the difference between them, in terms of both job performance and overall happiness.

How does this apply to you? Think of the times you were at your best, and of the times when you were just getting by, going through the motions. It wasn't just a five percent difference in how you felt and what you produced. It was much more, even, than a 50 percent difference. The divide between flourishing and floundering is abysmally vast—in the quality of experience, the level of engagement, and the quantity of

production, it's more like a factor of 10. We have a term for people who function at this level: 10X leaders.

10X leaders make everything look effortless. Working with them feels easy. They bring out everyone's best, helping teams and organizations prosper. They're the dream bosses, the dream partners, and the dream colleagues. 10X leaders and organizations are real, though rare—and their rarity is what led us, Angus Ridgway and Tal Ben-Shahar, to begin asking the questions that culminated in the founding of our own organization, Potentialife, to help develop present and future generations of leaders.

## **THE ORIGIN OF THIS BOOK AT MCKINSEY AND HARVARD**

Angus began his career with McKinsey & Company, a worldwide consulting firm, as a student of strategy and eventually led the firm's strategic consulting practice for all of Europe, the Middle East, and Africa. He traveled constantly, helping clients design solutions to problems—but over time, something began to nag at him: He noticed that for some clients, no matter how good the strategy they'd developed was, the effort was doomed to fail. The strategy they'd so meticulously crafted would never be implemented. Soon Angus could almost predict when this would happen. The key, he learned, was leadership: the ability to influence the thinking and activities of other people in a shared effort to achieve goals and, ultimately, to realize a shared vision. Organizations that had good leaders—not just at the top but also at all levels—would be able to carry out an initiative. Others were almost certainly wasting their time.

The realization caused Angus to shift his focus to developing leadership, both within McKinsey and within the firm's client organizations. Over time he became the leader of McKinsey's global leadership development program, and in that role he began to intensely study the question of why so many smart, capable people failed to reach their potential and assume a leadership role in their organizations—why so many people ended up like Tristan, rather than Felicity. His investigations led him to the work of Tal, whom he knew as one of the

highest-rated lecturers at Harvard University. Tal's courses in positive psychology and the psychology of leadership were among the most popular ever offered at the school: About 1,400 students a semester signed up. Tal was an acclaimed author of several international best sellers, including *Happier* and *Being Happy*, which had been translated into over 25 languages; after leaving Harvard, he'd been traveling the world teaching personal and organizational excellence, leadership, happiness, resilience, ethics, and self-esteem.

In April of 2011, Angus was hosting the annual McKinsey Partners Conference, a gathering of the firm's 100 most senior partners worldwide, in Washington, DC. He invited Tal to address the leadership group on the topic of strengths.

We, Tal and Angus, sat together at dinner one night during the conference—and realized we were both struggling with the same troubling observations: Across the board, organizations—companies, communities, schools, and nonprofits—were failing in their attempts to create new generations of vibrant leaders. Wherever we went, whether in consulting assignments or speaking engagements, we saw ineffective leadership development.

And it was in this first meeting that we came to what we believed to be an important understanding. We realized that the problem was that most organizations were thinking about leadership in the wrong way. What was needed was a new paradigm, a new way of understanding what leaders, today, need to thrive.

*The core, the essence, of effective leadership is personal flourishing.*

Put differently, in today's disaggregated world, where all employees in an organization have personal wriggle space to interpret for themselves what they are supposed to do, the best way to think about leadership is associate it with personal flourishing.

If you have an organization full of flourishing or *on-fire* people (with individuals being the best version of themselves and helping others also become the best version of themselves), then you have a leadership organization ready to confront today's world. In short, personal flourishing and leadership are synonymous.

We also saw that this realization has revolutionary implications for how to think about winners and losers: The winning organizations will be those that see this, recognize this, and act on this—by developing flourishing leaders *throughout* the organization. So more people need to be leaders than ever before. Similarly, the losing organizations will be those that reject this idea, by trying to reimpose order, control, alignment, and compliance, and thereby squeeze out the oxygen and space for expression that disaggregation has created.

The upshot for us was twofold: First, a new definition of leadership for the modern era was required, one that focuses on personal flourishing, not command and control, and second, new intervention methods were required to be able to reach deeply into the organization in a way that existing, non-scalable, and labor-intensive approaches cannot do.

This realization that would change our lives and in turn lead to the creation of Potentiallife—indeed, it was at that same 2011 conference that we decided to join forces and create a new road map building on our shared expertise: to apply the science of positive leadership in an experience that would allow as many people as possible to thrive in an era that, although uncertain, is abundant with opportunity. And by reaching deeply into organizations, help those organizations implement winning strategies that leverage the power of positive leadership at scale.

We knew they needed a solution that was personalized, local, and context specific but also scalable to thousands of people around the world. The solution would have to integrate the best evidence-based thinking, not only about what defines good leadership but also about how to create lasting behavioral change. It would need to make clear why there's such an enormous gap, both in happiness and in performance, between those who are able to develop their potential for leadership and those who aren't—why Tristan flounders while Felicity flourishes.

So we embarked on a shared exploration, meeting dozens of times, working for hours together, often in windowless airport lounges—Paris, Tokyo, New York, and London—while PA systems droned on and streams of bored travelers flowed past on moving walkways. Each

time, before we headed off in different directions, we moved closer to our solution.

*The purpose of this book is to share what we've learned about the behaviors that make the very best leaders who they are and how everyone can put these behaviors into practice—to explore and define the scientific underpinnings of our company, Potentialife, and its 10X leadership program.*

## WHAT THIS BOOK IS FOR AND HOW IT'S UNIQUE

As we explored the new realities of the working world, we were guided by an important truth: The two questions that have fed the fires of each of our careers—*What makes a good leader?* and *What makes happy people flourish?*—have the same answers.

Of course, those answers are neither simple nor easy to come by. Angus had spent more than 20 years trying the answer the first, and Tal had spent an equal length of time focusing on the second. And in that relatively brief span of time, we'd watched the world of work undergo a historic upheaval: People are on the move, changing jobs and allegiances at an unprecedented rate. Roles at the workplace and in the marketplace are in constant flux. Absorbing and synthesizing information has become an overwhelming task. Such an uncertain and unsettled world requires creativity, adaptability, innovation, pattern discernment, vision, and endurance. This is true for individuals and for organizations. These are the very qualities that define 10X leadership.

The rate at which the business environment changes today is a key reason why there's such a wide gap between those who flourish and those who flounder. The inability to adapt constantly, to maintain your energy and continue to learn and grow, will leave you far behind. The 10X leadership program aims not merely to help you and your organization survive in today's world but also thrive.

This book combines expertise in the areas of study in which we each developed our careers: Angus's knowledge of the research-based leadership models that continue to be refined and adapted by an emerging generation of leaders and Tal's knowledge of positive psychology, the study of how individuals and organizations flourish. It's our hope that each chapter in this book will answer, in its own way, the

two crucial questions anyone wanting to develop a more positive and meaningful leadership role poses:

1. How can my role as a leader help my organization achieve our shared goals?
2. How can my role as a leader bring me, and those around me, joy?

The ambition of this book, which is based on Potentiallife's 10X program, is to contribute significantly to the world by fostering a redefinition of the way leaders are developed. The unique combination of our spheres of knowledge—of what makes a good leader and of what makes people happy—has allowed us to develop a leadership program that combines resources traditionally presented as mutually exclusive.

In their groundbreaking management treatise, *Built to Last: Successful Habits of Visionary Companies*, Jim Collins and Jerry Porras describe what they call the “tyranny of the OR,” a narrow approach to decision-making that dictates a choice between one of two options. The “tyranny of the OR” pushes people to believe that alternatives are mutually exclusive—either *X* or *Y*—and that they can't possibly choose both.<sup>1</sup>

As you read this book, you'll recognize its embrace of what Collins and Porras call the “genius of the AND”—the ability to embrace two or more different and seemingly contradictory possibilities at the same time—in several ways:

- Theory *AND* practice. This book presents sound and compelling theoretical arguments and illustrates them with examples of actual business practices.
- Scientific evidence *AND* case studies and personal stories. The backbone of this book and the 10X program is empirical science in organizational and individual behavior, which we bring to life with stories—from both the wider world and from individuals who've been through the Potentiallife experience.
- Individual *AND* society. We address not only the broader societal shifts taking place today but also how these shifts are affecting every one of us.



- **Breadth *AND* depth.** We integrate several different fields of study, collecting key ideas—from psychology, sociology, business, education, and other fields—about how to flourish. At the same time, we provide sufficient depth, drilling down far enough to provide practical advice for making real change.
- **Leadership *AND* well-being.** This book argues, based on mounting evidence, that the two fields are inseparable: Those who want to lead in today’s world must account for their own and others’ emotional well-being; and to be happier, we need to cultivate the characteristics of 10X leaders.

What are these characteristics? That’s a major part of what this book is about. Much of the time we’ve spent together developing the Potentiallife program has been spent studying the leaders we most admire in business, government, science, academia, and other pursuits. There’s more than one way to lead, succeed, and be happy, of course. But as we spoke to and observed these leaders, and continued to examine the research on success and fulfillment, we noticed five recurring areas of focus:

- **Strengths.** 10X leaders primarily focus on getting a lot more out of their strengths, rather than on getting a little more out of their weaknesses.
- **Health.** They stay productive and happy by avoiding burnout—by balancing periods of stress and exertion with recovery activities that restore both mind and body.
- **Absorption.** They succeed by spending much of their time living fully in the moment and immersing themselves in the work at hand, rather than by waiting for inspiration to strike at rare moments.
- **Relationships.** They lead not by wielding power and control, but by cultivating authentic and positive relationships to achieve a shared vision.
- **Purpose.** Rather than simply grind out tasks on a to-do list while waiting to discover life’s ultimate purpose, 10X leaders find meaning and commitment in their daily activities.

These aren't vanguard ideas. They're all well within the mainstream of psychology and organizational theory, and some have a decades-old body of research showing that by focusing on one, you can achieve remarkable results. When we looked into the traits of 10X leaders, we found that they tended to combine and integrate these performance multipliers to achieve lasting success and fulfillment, in both their professional and their personal lives.

## HOW THIS BOOK IS ORGANIZED

This book is divided into three parts. Part One introduces our view of leadership development, combining organizational science and positive psychology. In Chapter 2, we'll describe the increasingly disaggregated world we live in today. The ideas about living and working, defined during the industrial era, are fading as a more volatile postindustrial world takes shape. This new world, defined by fluidity of people, fluidity of roles, and fluidity of information, has had two important effects on society: It has made leadership behavior more important than ever, for both individuals and organizations, and it has made our commonly held views about happiness and success seem more conspicuously outdated and, frankly, wrong. In Chapter 3, we begin to introduce the vast body of peer-reviewed evidence that both exposes these falsehoods and suggests new and different strategies for being happy and successful.

In Part Two, Chapters 4 through 9, we share our examination of what makes 10X leaders and organizations—and despite their demonstration that there are a variety of ways to lead and flourish, we reveal what we have identified as the five essential performance multipliers common to 10X leaders: strengths, health, absorption, relationships, and purpose (SHARP). We'll explain exactly what we mean by each of these, provide concrete strategies for developing each, and give examples of how people have used these performance multipliers, both singly and in combination, to become happier and more capable.

In each of the SHARP chapters, we'll prompt you to take a SHARPening Moment to reflect on tactics that have worked for you in the past—and, given the science and information we present in each

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of these chapters, to identify some that may work well for you in the future—and to develop each of these performance multipliers as an asset. We'll also offer a brief sampling of tactics and techniques we've seen effective leaders use to cultivate each SHARP component among their colleagues, using SHARP to inspire and lead in the workplace.

In Part Three, Chapters 10 through 12, we will address the difficulty of making lasting change. We'll introduce some of the barriers that commonly get in the way of making meaningful change—but also provide an overview of the science that proves change is possible, both in the way we think and in the way we behave, and then explain some of the proven methods for making these changes. We'll introduce you to practices for changing undesirable habits and behaviors; for ritualizing healthier, more productive behaviors; and for making these rituals a permanent part of your life. Finally, in our last chapter, we will zoom out and take a last look at the 10X effect—at how people and organizations function, and maintain positive results, after putting to work the ideas and methods discussed in this book. Our hope is that all who read this book will make the leader's choice to be active agents of change, lifting themselves and everyone around them ever closer to shared happiness and success.

