

THE 7 HABITS OF HIGHLY EFFECTIVE PEOPLE

Author: Stephen Covey
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About the Author



Stephen Covey

Dr. Stephen R. Covey is co-founder/vice-chairman of FranklinCovey Company, a leading global professional services firm. Dr. Covey is perhaps best known as the author of *The 7 Habits of Highly Effective People*, which is ranked as a No. 1 bestseller by the *New York Times*, having sold more than 13 million copies in 36 languages throughout the world. He has made teaching principle-centered living and principle-centered leadership his life's work.

- In 2002, *Forbes* named *The 7 Habits of Highly Effective People* one of the top 10 most influential management books ever.
- Dr. Covey also authored the book *Principle-Centered Leadership*, with sales exceeding one million.
- *First Things First*, co-authored with A. Roger and Rebecca R. Merrill, doubled the first-year hardcover sales of *The 7 Habits of Highly Effective People* in the same time period. Over two million copies have been sold. Simon & Schuster expressed the opinion, "...*First Things First* is the best-selling time management book ever."
- Dr. Covey's book *The 7 Habits of Highly Effective Families* was released in October 1997 and ranked fourth on the *New York Times* list within three months of its release date. It is the No. 1 best selling hardcover book on family. His newest books are *The Nature of Leadership*, co-authored with Roger Merrill and Dewitt Jones, and *Living the 7 Habits: Stories of Courage and Inspiration*.

Wisdom in a Nutshell

Do you change the world, or do you change yourself, and the way you view the world? In this book, Stephen Covey talks about powerful lessons in personal change and argues that the personal premise towards the path to effectiveness starts from within. Perception is key to personal change. Change is a catalyst for continuous improvement, and without change, improvement cannot take place.

To effect change one must assess personal principles and paradigms that run deeply entrenched within a person. Principles and paradigms govern a person so an honest and careful assessment is called for.

The Seven Habits of Highly Effective People presents an "inside-out" approach to effectiveness that is centered on principles and character. "Inside-out" means that the change must start from within, moving through a paradigm shift towards a new level of thinking, feeling, and empowered interdependence reflected through actions.

Key Ideas

Change: Inside Out

For most people, change is an easy thing as their perception of change is anchored on the superficial so they are prone to easy fixes. Quick fixes, however, do not address the underlying chronic problems. People who want to change a situation must first change themselves. And to change themselves effectively, they must first change their perceptions, inner-values and ethics.

Character vs. Personality Ethics

Character ethics illustrate the struggles of a person to incorporate principles and habits into his lifestyle. Character is perceived to comprise the deeper principles and foundations of success such as: courage, integrity, justice, and patience. This ethic professes that certain principles, once integrated in the basic character of a person, will allow him to experience the true essence of success and happiness.

Personality ethic largely characterized the literature on self-improvement, psychology and personality development in the 1970's. This ethic attributes success to various personality traits such as skills, techniques, and maintaining a positive attitude in human interaction.

Power of a Paradigm

Paradigms are theoretical and philosophical framework or models that serve as the lens through which people see the world. It affects a person's biases and prejudices. Paradigms are the platform from which people judge other people. They are the source of people's perceptions and interpretations.

Stephen Covey talks about paradigm in terms of a map. Paradigms are maps where territories are outlined and boundaries are drawn. A map is not the territory per se but to be able to navigate through a territory one must employ the human tools of behavior and attitude. A person may have the right attitude to go about a territory, but if the person is using the wrong map, then he may not get anywhere near his goal. As long as a person is equipped with the right map, and coupled with proper behavior and right attitude, the goal will always be attained even

when frustrating conditions arise.

The Paradigm Shift

A paradigm is also subject to change and when this happens, a paradigm shift takes place. It happens because a person gains better insight and sees the bigger scheme of things. A necessary pre-requisite for a paradigm shift is an open mind and a willingness to understand and explore new things, meanings, and symbols in the light of advancement and changing circumstances.

*Personal habits shape
human character.*

A New Level of Thinking

To find creative solutions to problems, one must have a higher level of thinking and acknowledge the fact that fundamental problems cannot be solved at a superficial level or with quick fix solutions. This book espouses a new level of thinking that is principle-centered and character based with an "inside-out" approach to gaining effectiveness at both the personal and interpersonal level.

A Definition of Habit

In the book, habit is defined as the interspersed area between knowledge, skill and desire. Without any of the three or without a point of intersection, habits cannot be formed. Knowledge pertains to "what to do and the why." Skill refers to the technical know-how while desire is the spring of motivation within a person, the area that strives to want to do something.

Knowledge, skill and desire are three factors that bring about human habits; habits that become "lived" principles and patterns of behavior.

Habits Have It

Personal habits shape human character. Hence, it plays an important factor in life. They constitute and reinforce a person's character through conscious and unconscious patterns of actions or inactions. Once habits become deeply imbedded in a person, they are much harder to change or break.

*To achieve a goal,
a person must know where
she is going.*

The Maturity Continuum From Dependence to Interdependence

The Seven Habits illustrated in this book takes place within a Maturity Continuum. The continuum is a three-tiered model progressing from dependence to independence to interdependence.

Dependence is the first phase of each human existence. When an infant is born, his parents nurtures and takes care of him. An infant is totally dependent on his parents and the people around him for his continued growth.

As the infant grows to be a child, he becomes more and more independent. He learns to walk, to eat alone, and eventually at the right age, he goes to school and undertakes tasks that will lead to further **independence**.

The concept of **interdependence** figures more prominently through continued growth and maturity. Interdependence comes with the realization that human relationships must be fostered, that human beings need each others' skills, traits, knowledge, and existence in order to thrive as a community.

Continuum in a Nutshell

To summarize the continuum, dependence is "you-oriented": You should have done this, You didn't

arrive, it's Your fault. Independence is "I-oriented": I am capable of doing it. I can achieve the goal. I am in control. Interdependence is "we-oriented": we can do it, we can beat the deadline, we can achieve better things together.

The Continuum and the Seven Habits

Since the Maturity Continuum is tiered, one must master the first level first before he can move to the next. Dependent people cannot become interdependent overnight. With proper self-mastery, however, dependent people can become independent before moving on to become interdependent.

The Seven Habits An Overview

Habits 1, 2, and 3 will help a person move from a state of dependence to independence because it involves knowing of the self. The first three habits pertain to "Private Victories," victories that nurture character growth. A person must first feel worthy and capable of becoming independent before he can become truly independent. This reinforces the inside-out approach to effectiveness.

As a person becomes more independent, he can move to Habits 4, 5, and 6 which are more concerned with "Public Victories," or the more personality oriented aspects of interpersonal communication. Understanding first six habits is important in order for a person to manage his growth towards effectiveness.

Habit 7 is an all-encompassing habit; it pertains to all the first six habits in an attempt for a continuous personal improvement that will enable a person to become better. Habit 7 pushes a person to new levels of understanding and thinking.

Effectiveness and the P/PC Balance

Stephen Covey defines effectiveness as one that is in harmony with natural laws. It is, according to him, embodied in his concept of "P/PC Balance." This concept takes its idea from Aesop's fable of the Goose and the Golden Egg. The story starts with a poor farmer discovering that his goose can lay eggs of pure gold. He gets greedy eventually and decides to kill the goose so he can get all the gold inside. But

when he opens up the goose, he finds its insides empty. Now that the goose is dead, there is nowhere to get golden eggs anymore.

Covey professes that true effectiveness results from a careful combination of two things: the product (golden eggs) and the producing asset (the goose). Focus on the golden eggs alone will harm the goose while too much focus on the goose without the golden eggs in mind will lead to a bleak future.

True effectiveness is a balance of two factors: P is for production of desired outcomes and results (golden eggs) while PC stands for production capability (ability or the golden eggs-producing asset). The P/PC Balance is the framework from which the Seven Habits are formed; it is the main paradigm that will lead readers to live a well-balanced life and increased personal effectiveness.

Organizational PC

People in organizations must learn to find the P/PC Balance in order to achieve greater organizational effectiveness. The use of physical assets for instance such as machineries and fixtures must be planned along with maintenance and conditioning in order to achieve maximum benefit like increased productivity and effectiveness. Maintenance is just as important to a machine as rest is to human beings.

The human assets of the organization customers and employees must also fit in the scheme of the P/PC Balance. Most organizations often fail to give the credit back to the employees. Covey states that the best way to treat employees is to treat them like clients or customers in order to win their hearts. The "shape up or ship out" manner of handling employees only promote bad feelings and does not promote organizational effectiveness.

Always a Judgment Call

In order to achieve effectiveness, balance is a key factor. One must maintain the P/PC Balance the balance between production (P) and production capability (PC) however it is always a matter of judgment call on how to strike the proper balance in this equation.

Habit 1: Be Pro-active

What are the things that set humans apart from animals? On top of the list is self-awareness. Humans have the ability to know themselves and to control their own thought processes. Because of self-awareness, people can observe, evaluate and learn from others' experiences.

The act of examining oneself enables persons to have an objective view of ones individuality or uniqueness. Self-examination allows a person to separate himself from his feelings, from his moods and thoughts, so he can have a better view of how he functions as a person.

Conditioning and Determinism

Though conditioning plays an important factor in life, it does not define a person. Man's response to stimulus is determined by three theories of determinism. Genetic determinism states that a person possesses certain characteristics, behaviors or attitudes due to his DNA. Psychic determinism says that a person's upbringing determines his character in the later stage of his life. Environmental determinism states that factors in the present environment such as the office, school, community and the economy are responsible for a person's situation.

Choose to Become a Proactive Person

Humans possess independent will and therefore have the freedom to choose to be responsible for their own lives. Because of man's independent will, behaviors become a function of their personal decisions and not of pre-conditions. Humans can choose and will things to happen.

There is a tendency to let the conditions control and empower ones life that results in becoming reactive. One example of this is the weather. If it's good, some people feel good, and if it is bad, people also feel bad and it affects their performance. Proactive people know that they have control over their own feelings hence their performance remain consistent because it is not hinged on external factors.

Reactive vs. Proactive

While reactive persons are governed by social conditions, proactive people are driven by values and principles. Proactive people can control their feelings and are guided by internalized values and paradigms and their response to external stimuli is a value-based choice.

Draw Your Own Circles of Concern and influence

To increase self-awareness, a person must look at where his time and energy is spent. Proactive people focus their efforts and energy in the Circle of Influence. This is a smaller circle where they have control over things and where they can do something about it. A Circle of Influence is a circle inside the Circle of Concern.

“The crucial step in taking the path to personal effectiveness is to start from “within” and create an “inside-out” approach to improvement.”
- Stephen Covey

Proactive Circle

The Circle of Influence allows a person to focus on the things that matter to him and those where they can have power over. This is the circle of proactive people. On the other hand, reactive people focus their efforts in the wider Circle of Concern where they have no control over. Thus, reactive people get frustrated and start to blame other people's weaknesses and the external environment over their predicament due to their perceived helplessness.

In your personal and organizational life, do you want

to be reactive or pro-active?

Making and Keeping Commitments

The ability to make and keep commitments lies in the heart of the Circle of Influence. Proactive people know that keeping commitments builds integrity and self-worth. Making and keeping commitments, no matter how small, build inner-integrity that leads to greater self-control. It also makes proactive people become more responsible for their actions in life.

Habit 2: Begin with the End in Mind

Covey believes that “all things are created twice.” Things are created in the mind (mental creation) and then the action follows (physical creation). An effective person begins each day or task with a clear understanding in his mind of desired direction, destination or outcome.

Develop a Personal Mission Statement

To begin with the end in mind, one must develop a personal mission statement or philosophy or creed. This exercise allows a person to focus on the things that he wants to do in life and the values and principles that will guide him in the achievement of his goals.

A personal mission statement must be based on correct guiding principles because it becomes a benchmark for an individual when he makes life-changing decisions. The personal mission statement will empower the individual with strength and will be the source of courage when changes arise.

Be Principle-Centered

Principles create a solid foundation for development of what Covey believes to be the four life-support factors that include security, wisdom, guidance and power.

Correct principles are fundamental truths that remain deeply entrenched within a person. A mission statement that is principle-centered is marked with **security**, as it is not subject to immediate and

frequent change as opposed to work-centered or money-centered mission statements.

Principle-centered living allows a person to use **wisdom** and **guidance** as tools to see things as they really are. This helps us make decisions that will make our lives more meaningful.

Personal power is strengthened by principles. A principle-centered person wields a personal **power** that makes him more self-aware and proactive. He is not limited by constricting circumstances and external influences.

Routes of Enrichment

To achieve a goal, a person must know where she is going. With a personal mission statement, a person can chart the route of her journey so she can examine her life with a much deeper direction and meaning, leading her to enriching experiences.

Habit 3: Put First Things First

This habit involves organizing and managing time and events according to the personal priorities established in Habit 2. Covey professes that a person must spend time doing what fits into his personal mission. In so doing, the P/PC Balance, which is the balance between production and production capability must be observed properly.

Time Management Matrix

In order to organize and prioritize things to be done, it is necessary to learn tools for time management. The matrix highlighted in the book divides activities into four quadrants.

Quadrant I involves activities that are important and urgent these include crisis, pressing problems and deadline-driven projects.

Quadrant II concerns those that are important and not urgent which includes relationship building activities and recognizing new opportunities.

Quadrant III includes those activities that are not important and urgent such as interruptions, some calls and meetings.

Quadrant IV contains trivial activities such as time wasters that are classified as not important and not urgent.

Quadrant for Effective People

People who value effectiveness stay out of Quadrants III and IV because they are in the unimportant grid whether they are urgent or not. A person who focuses too much on Quadrant I will eventually be overwhelmed because it consumes too much time, effort, and energy.

The crucial quadrant for effective personal management is Quadrant II. It falls in the grid of things that are not urgent but important. Because effective people are opportunity-minded, the second quadrant is the perfect vehicle for them. This quadrant focuses on the P/PC balance because the activities are forward-looking such as visioning, preparation, long-range planning, etc.

Allocate Time

For a person to be increasingly effective, more time must be spent on Quadrant II. The best place to get more time from is to do less activities belonging to Quadrant III and IV. Learn to prioritize things to be a more proactive individual.

Quadrant II Paradigm

Quadrant II empowers people to look at things according to importance instead of urgency. In working towards internalizing the Quadrant II paradigm, one will experience increased effectiveness in organizing ones life around principle-centered priorities.

Effective Life Management

If done properly, living the Quadrant II paradigm will make a positive difference in a person's life because it elicits effectiveness and allows a person to rely on himself in managing his life.

Habit 4: Think Win/Win

In negotiation and bargaining, win/win is the ideal outcome for both parties. The same idea holds true in personal and organizational context. To arrive at a win/win situation, one must constantly seek to arrive at a mutually beneficial outcome. Win/Win situations empower both parties to a strong commitment after reaching a mutually satisfying decision. This paradigm views life as an arena of cooperation and not of competition.

Foundation of Win/Win

Character is the basic building block of Win/Win. As such there are three characters that are essential in cultivating a win/win culture.

First is integrity, it is the value one places on the self. A person who has integrity works from a set of clearly defined values by making and keeping promises and commitments that increase effectiveness.

Second is maturity, which Covey defines as “the balance between courage and consideration.” A mark of maturity is a person's ability to pursue a win/win situation with courage and high consideration.

Third is abundance mentality. It is the belief that there is abundance for everyone to enjoy. A win/win situation does not constrict outcomes instead it enlarges it for both parties.

Win/Win Relationship

People must strive to maintain and build win/win relationships. In the negotiation context, both parties must focus on the issues and not on the personalities, positions, or power play involved. Trust and compromise are things that need to be considered to maintain a win/win relationship.

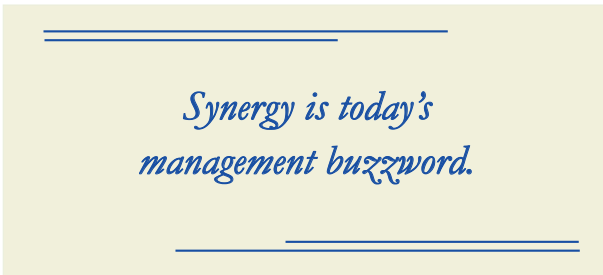
Habit 5: Seek First to Understand, then to be Understood

This habit is the most important principle of interpersonal relations as it is anchored on communication. Humans need to communicate in order to go through life. Without communication, life

will be a complete wreck as people will not be able to come to an understanding of each other's point of views.

Empathic Listening

Communication is not a one-way street but most people disregard the listening part of the communication process. Most people fail to listen for understanding. Empathic listening according to Covey is listening with the intention of understanding the other person. When one empathically listens, the listener understands the point of view, the feelings and emotions of the other person.



*Synergy is today's
management buzzword.*

Refrain from Autobiographical Responses

A typical conversation often ends up as collective monologues. A person who intends to listen empathically must refrain from listening autobiographically. Autobiographical listening means evaluation, probing, advising, and interpreting based on personal biases and experiences before fully understanding what the other person is actually saying.

Habit 6: Synergize

Synergy is today's management buzzword. However, there is enough merit in this paradigm. It simply means that the whole is greater than the sum of its parts. Translated into organizational context, a person must establish relationships that wield creative cooperation to achieve more than what each individual can contribute independently.

Valuing Difference Creates Synergy

Synergy means effectiveness in an interdependent

reality. Proper use of synergy allows people to make use of the full potentials of their strengths in order to come up with a better outcome. The essence of synergy works best in a team setting where it serves as a platform for valuing differences and bringing various perspectives together in the spirit of mutual respect.

Fishing for a Third Alternative

When synergy comes to fore, a higher level of communication takes place between individuals and it opens the heart and mind to new possibilities, alternatives and options. A synergistic approach to problem solving creates better solutions something that is even better than a compromise where the P/PC Balance is strengthened and reinforced.

Habit 7: Sharpening the Saw

The last habit is one of self-renewal. A person is one's own greatest asset. Sharpening the saw means taking time out from production to build production capacity through personal renewal. Renewal must be a balanced one between the four dimensions of human nature: the physical, the spiritual, the mental and the social/emotional. Neglecting one aspect will create a negative impact on the rest.

The Physical Dimension

The physical needs of the body must be taken cared of. Proper care involves regular exercise, eating foods that provide proper nourishment, doing relaxing activities that promote sufficient rest. Exercise for instance belongs to Quadrant II because it is important although it isn't urgent. When one fails to engage in regular exercise, the person moves to Quadrant I with health problems resulting from the neglect.

A person must exercise the body in order to promote endurance, flexibility and strength.

The Spiritual Dimension

One area that most persons neglect is the spiritual life. A person's core and value system is linked to the spiritual dimension. Common activities that strengthen the spirituality of a person involve prayerful meditation, yoga, going to church or temple or mosque, and communing with nature. Activities that strengthen the spirit become a source of enlightenment for most leaders.

The Mental Dimension

Learning doesn't end after getting a degree. A person must continually sharpen his mental acumen through exploring new things and constant updating of knowledge. Continuous learning activities include reading, writing and further education. These activities expand the mind and enrich lives.

The Social/Emotional Dimension

A person's emotional life is tied together with the social dimension because emotional security is important in dealing with other people. One must be emotionally secure inside in order to successfully interact with others.

Final Note

According to Stephen Covey, the crucial step in taking the path to personal effectiveness is to start from "within" and create an "inside-out" approach to improvement. A person who has correctly aligned principles will be empowered to break old paradigms that hinder growth. It is important to note that the quest for effectiveness is not an easy task, nor is it a quick fix. It takes a lot of discipline and willpower to nurture a character aligned with principles of human effectiveness. It is worth all the hard work, because it will lead you to an existence marked by healthy interdependence, and decisions will come from a strong set of core values and principles.