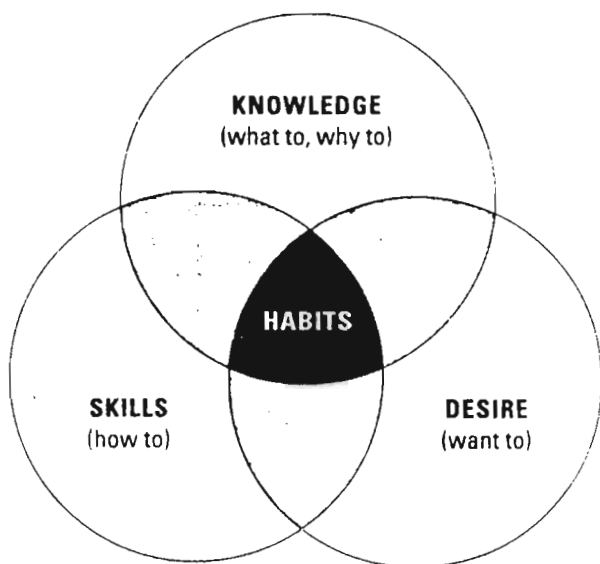


# The 7 Habits of Highly Effective People<sup>1</sup>

by Stephen R. Covey

The 7 Habits of Highly Effective People provide a holistic, integrated approach to personal and interpersonal effectiveness. Habits are patterns of behavior that involve three overlapping components: knowledge, desire, and skill. Because these three components are learned rather than inherited, our habits are our second nature, not our first. Thus, we are not our current habits. We can make or break our habits.



## Principles

Principles are guidelines for human conduct that are proven to have enduring, permanent value. They're fundamental. They're essentially unarguable because they are self-evident. Just as there are natural laws such as gravity which govern the physical dimension, principles are natural laws which govern the human dimension.

Examples of principles in the human dimension include *fairness*, out of which the whole concept of equity and justice is developed. Also, *integrity* and *honesty*, which create the foundation of trust. Another principle is *service*, or the idea of making a contribution. Another is *quality* or *excellence*. Principles surface time and time again, and the degree to which people in society recognize and live in harmony with them moves them toward either survival and stability, or disintegration and destruction.

The 7 Habits of Highly Effective People embody many of the fundamental principles of human effectiveness. These habits are basic; they are primary. They represent the internalization of correct principles upon which enduring happiness and success are based. Before reviewing the 7 Habits,<sup>2</sup> we explain a few foundational principles to help you better understand the habits.

## Paradigms

The astronomer Ptolemy defined the earth as the center of the universe. Breaking with this view, Copernicus fixed the sun at the center. By changing his perception of the center of the universe, Copernicus experienced a Paradigm Shift.

Before we can really understand the 7 Habits, we need to understand our own paradigms and how to make a Paradigm Shift. The word paradigm was originally a scientific term, and is more commonly used today to mean a model, theory, perception, assumption, or frame of reference. In the more general sense, it's the way we see the world, not in terms of our visual sense of sight, but in terms of perceiving, understanding, and interpreting.

A simple way to understand paradigms is to see them as maps. Assume you wanted to arrive at a specific location in central Chicago. But suppose you were given the wrong map. Through a printing error, the map labeled Chicago was actually a map of Detroit. Can you imagine the frustration and ineffectiveness of trying to reach your destination?

You might work on your behavior—you could try harder, be more diligent, double your speed. But your efforts would only succeed in getting you to the wrong place faster.

You might work on your attitude—you could think more positively. But having a positive mental attitude still wouldn't get you to the right place. The point is, the fundamental problem has nothing to do with your behavior or attitude. It has everything to do with having a wrong map.

Each of us has many maps in our heads. We interpret everything we see through these mental maps. We seldom question their accuracy; we're usually even unaware that we have them. Each of us tends to think we see things as they are, that we are objective. But this is not the case. We see the world not as it is, but as we are—or as we are conditioned to see it.

### PARADIGM

The way an individual perceives, understands, and interprets the surrounding world. A mental map.

The more we are aware of our basic paradigms, maps, or assumptions, and the extent to which we have been influenced by our experiences, the more we can take responsibility for those paradigms, examine them, test them against reality, change them if necessary, and listen to others and be open to their perceptions, thereby getting a larger picture and a far more objective view.

It becomes obvious that if we want to make relatively minor changes in our lives, we can focus on our attitudes and behaviors. But if we want to make significant quantum changes, we need to work on our basic paradigms—the way we view ourselves and the world around us.

## The Two Sides of Success

Aesop's fable "The Goose and the Golden Egg" is the story of a poor farmer who one day visits the nest of his goose and finds at her side a glittering golden egg. Though he suspects it to be a trick, he decides to take it home, where he learns, to his delight, that the egg is actually pure gold. Every morning thereafter the farmer gathers one golden egg from the nest of the goose and soon becomes fabulously wealthy. As he grows rich, however, he also grows greedy and impatient with the output of the goose. Finally, in an attempt to get at once all the gold in the goose, he kills and opens it, only to find nothing.

The moral of this fable has a modern ring to it. True effectiveness is a function of two things: what is produced (the golden eggs) and the producing asset, or capacity to produce (the goose). Like the foolish farmer, we often emphasize short-term results at the expense of long-term prosperity.

Effectiveness lies in the balance—what we call the P/PC Balance: "P" stands for production of desired results, the golden eggs. "PC" stands for production capability, the ability or asset that produces the golden eggs. Excessive focus on P results in ruined health, worn-out machines, depleted bank accounts, and broken relationships. Too much focus on PC is like people who run three or four hours a day, bragging about the extra ten years of life it creates, unaware they are spending them running. Or a person endlessly going to school, never producing, living on other people's golden eggs—the eternal student syndrome.

### EFFECTIVENESS = P/PC BALANCE



P = Production  
(Golden Egg)



PC = Production Capability  
(Goose)

In spite of the obvious need for balancing P and PC, we frequently neglect and abuse physical, financial, and human resources. For instance, we don't properly maintain our bodies, the environment, or our valuable physical possessions. We raid principal to increase our standard of living. Of greater concern, we overlook relationships, neglecting kindnesses and courtesies. Thus, the goose's health suffers and threatens the production of golden eggs.

On the other hand, PC investments (i.e., professional development activities, exercising and eating properly, increasing skills, maintaining and repairing assets, developing relationships) contribute to our quality of life. Relationships are stronger, finances are more secure, and physical assets last longer. The goose—happy and healthy—continues producing.

The P/PC Balance is validated in every arena of life. We can work with it or against it, but it's there. It's the definition and paradigm of effectiveness upon which the 7 Habits are based.

## Emotional Bank Account™

With each new relationship we make, we open what could be termed an Emotional Bank Account. Much like a financial bank account, deposits are made in and withdrawals are taken from an Emotional Bank Account. When withdrawals exceed deposits, the account is overdrawn. One important difference between the two kinds of accounts is that the human relationship requires continual small deposits in order to maintain its balance. The following are common deposits and withdrawals we make into the Emotional Bank Accounts of others:

DEPOSITS	WITHDRAWALS
Kindnesses, Courtesies	Unkindnesses, Discourtesies
Keeping Promises	Breaking Promises
Clear Expectations	Unclear Expectations
Loyalty to the Absent	Disloyalty, Duplicity
Apologies	Pride, Conceit, Arrogance

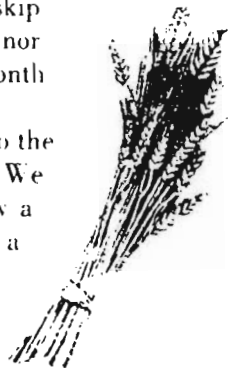
Our motives for making deposits should be sincere or others will feel manipulated and grow cynical and distrustful. By maintaining a large Emotional Bank Account, you will operate from a high level of trust with your family, friends, and associates. In relationships the little things are the big things.

## The Law of the Harvest

In all of life, there are sequential stages of growth and development. A child learns to turn over, to sit up, to crawl, and then to walk and run. Each step is important and each takes time. No step can be skipped.

This is true in all phases of life, in all areas of development, whether it be learning to play the piano or to communicate effectively with a work associate. It is true with individuals, with marriages, with families, and with organizations. The great illusion in life is that there is a quick and easy way to achieve quality of life—personal effectiveness and rich relationships with others—without going through the natural process of work and growth that makes it possible. It's symbolism without substance. It's the "get rich quick" scheme promising "wealth without work." Farmers can't skip vital steps like preparing the ground or planting seeds, nor can they save planting and cultivating until the last month and expect a successful crop.

In like manner, there is no shortcut, no quick fix to the development of a character or habits of effectiveness. We tend to reap what we sow. As the maxim goes, "Sow a thought, reap an action; sow an action, reap a habit; sow a habit, reap a character; sow a character, reap a destiny."



## The Maturity Continuum\*

The 7 Habits are not a set of separate or piecemeal psyche-up formulas. In harmony with natural laws of growth, they provide a sequential approach to move us progressively on a Maturity Continuum from dependence to independence to interdependence.

Dependence is the paradigm of *you*—*you* take care of me.

Independence is the paradigm of *I*—*I* am self-reliant.

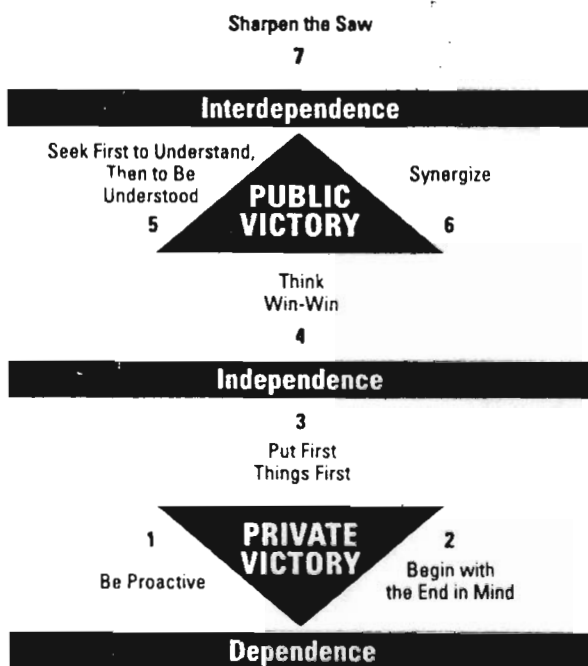
Interdependence is the paradigm of *we*—*we* can do it; we can combine our talents and abilities to create something greater together. Despite independence being the avowed goal of many individuals and social movements, interdependence is a far more effective and advanced concept.

The Maturity Continuum is built on an Inside-Out™ approach. Habits 1, 2, and 3 deal with self-mastery. They will help you achieve the Private Victory™ and progress from dependence to independence.

As you become truly independent, you have the foundation for effective interdependence. You have the character base from which you can effectively work on Habits 4, 5, and 6—the more personality-oriented Public Victories of teamwork, cooperation, and communication.

Private Victories precede Public Victories. You can't invert that process any more than you can harvest a crop before you plant it. It's inside out.

Habit 7 is the habit of renewal—a regular, balanced renewal of the four basic dimensions of life. It circles and embodies all the other habits, and sustains the process of growth.



# Habit 1: Be Proactive™

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## The Habit of Personal Vision

Be Proactive means that as human beings we are responsible for our own lives. Our basic nature is to act, and not be acted upon. It's instructive to break the word responsibility into two parts—response-ability, the ability to choose your response.

Highly proactive people recognize that responsibility. They do not blame circumstances, conditions, or conditioning for their behavior. Their behavior is a product of their own conscious choices, based on values, rather than a product of their conditions, based on feelings.

The opposite of proactive is reactive. The spirit of reactive people is the transfer of responsibility. Their language absolves them of responsibility.

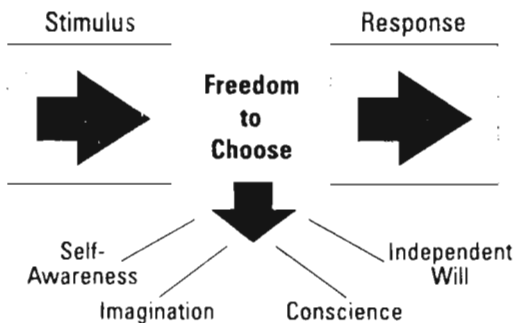
"That's me. That's just the way I am." *I am determined. There's nothing I can do about it.*

"He makes me so mad!" *I'm not responsible. My emotional life is governed by something outside of my control.*

Many behavioral scientists have built reactive, deterministic stimulus-response models of human behavior. The basic idea is that we are conditioned to respond in a particular way to a particular stimulus. In contrast, the proactive model states that between stimulus and response lies our freedom to choose our response.

As human beings, we have four unique human endowments that distinguish us from the animal world. These endowments reside in that space between stimulus and response:

- **Self-Awareness** is our capacity to take a look at ourselves and examine our own thinking, our motives, our habits, and our paradigms.
- **Conscience** serves as our internal guidance system, which allows us to sense when we act or even contemplate acting in a way that's contrary to principle.
- **Creative Imagination** is our ability to create in our minds beyond our present reality.
- **Independent Will** is our capacity to act, free of all other influences.



Proactive people focus their time and energy on things they can control (their Circle of Influence™) in lieu of reacting to or worrying about conditions over which they have little or no control (their Circle of Concern™). In so doing, proactive people use positive energy to influence conditions and increase their Circle of Influence.

## Habit 2: Begin with the End in Mind™

### The Habit of Personal Leadership

Begin with the End in Mind means to begin each day or task with a clear understanding of your desired direction and destination. By keeping that end in mind you can make certain that whatever you do on any particular day does not violate the criteria you have defined as supremely important, and that each day of your life contributes in a meaningful way to the vision you have of your life as a whole.

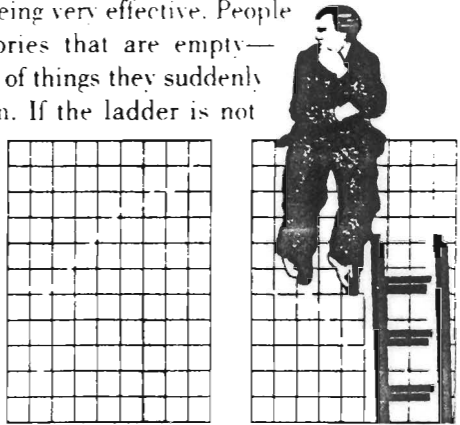
It's incredibly easy to get caught up in an activity trap, in the "busyness" of life, to work harder and harder at climbing the ladder of success only to discover, upon reaching the top rung, that the ladder is leaning against the wrong wall. It is possible to be busy, very busy, without being very effective. People often find themselves achieving victories that are empty—successes that have come at the expense of things they suddenly realize were far more valuable to them. If the ladder is not leaning against the right wall, every step we take just gets us to the wrong place faster.

Begin with the End in Mind is based on the principle that all things are created twice. There's a mental or first creation, and a physical or second creation. The second creation follows from the first, just as a building follows from a blueprint. In our personal lives, if we do not develop our own self-awareness and become responsible for first creations, we empower other people and circumstances to shape our lives by default.

Habit 2 is based on *imagination*—the ability to envision, to see the potential, to create with our minds what we cannot at present see with our eyes; and *conscience*—the ability to detect our own uniqueness and the personal, moral, and ethical guidelines within which we can most happily fulfill it.

Leadership is the first creation. Management is the second creation. Management is a bottom-line focus: How can I best accomplish certain things? Leadership deals with the top line: What are the things I want to accomplish? In the words of both Peter Drucker and Warren Bennis, "Management is doing things right; leadership is doing the right things." Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.

The most effective way we know to begin with the end in mind is to develop a personal mission statement, philosophy, or creed. It focuses on what you want to be (character) and do (contributions and achievements). Because each person is unique, a personal mission statement will reflect that uniqueness, both in content and form.



## Habit 3: Put First Things First™

### The Habit of Personal Management

What are first things? First things are those things that you, personally, find most worth doing. They move you in the right direction and help you achieve the purpose expressed in your mission statement.

Put First Things First involves organizing and managing time and events according to the personal priorities you established in Habit 2. Habit 2 is the first or mental creation. Habit 3, then, is the second or physical creation.

E. M. Gray spent his life searching for the one denominator that all successful people share. The one factor that seemed to transcend all the rest embodies the essence of Habit 3—Put First Things First.

In his essay, "The Common Denominator of Success," E. M. Gray writes: "The successful person has the habit of doing the things failures don't like to do. They don't like doing them either necessarily. But their disliking is subordinated to the strength of their purpose."

Basically, we spend our time in one of four ways, as illustrated in the Time Management Matrix. This matrix defines activities as "urgent" or "not urgent," and "important" or "not important." With careful analysis, most people discover that they spend far too much time responding to the urgent crises of Quadrants I and III, escaping occasionally for survival to the not urgent, unimportant time wasters of Quadrant IV.

Most time management tools focus on prioritizing and accomplishing Quadrants I and III "urgent" activities. But research indicates that truly effective people focus on Quadrant II.

The ideal to work toward is eliminating time spent in Quadrants III and IV, and increasing time spent in Quadrant II. As you invest more time on the planning, prevention, and relationship-building activities of Quadrant II, you'll find that you spend far less time picking up the broken pieces in Quadrant I or reacting to the urgent demands of others in Quadrant III. If you're struggling to find time to invest in Quadrant II, Quadrant III is the primary place to get it.

Most of the activities essential to the development of the 7 Habits—creating a personal mission statement, identifying long-range goals, nurturing relationships, and obtaining regular physical, spiritual, mental, and social/emotional renewal—are all Quadrant II activities. They are "important"—vitaly important—but because they aren't "urgent," they often don't get done. Only by saying no to the unimportant can we say yes to the important (Quadrant II).

	Urgent	Not Urgent
Important	<b>I</b> <ul style="list-style-type: none"><li>• Crises</li><li>• Pressing problems</li><li>• Deadline-driven projects, meetings, preparations</li></ul>	<b>II</b> <ul style="list-style-type: none"><li>• Preparation</li><li>• Prevention</li><li>• Values clarification</li><li>• Planning</li><li>• Relationship building</li><li>• Needed relaxation</li><li>• Empowerment</li></ul>
Not Important	<b>III</b> <ul style="list-style-type: none"><li>• Needless interruptions</li><li>• Unnecessary reports</li><li>• Unimportant meetings, phone calls, mail</li><li>• Other people's minor issues</li></ul>	<b>IV</b> <ul style="list-style-type: none"><li>• Trivia, busywork</li><li>• Some phone calls</li><li>• Time wasters</li><li>• "Escape" activities</li><li>• Irrelevant mail</li><li>• Excessive TV watching</li><li>• Excessive relaxation</li></ul>

## Habit 4: Think Win-Win™

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### The Habit of Interpersonal Leadership

In relationships and businesses, effectiveness is largely achieved through the cooperative efforts of two or more people. Marriages and other partnerships are interdependent realities, and yet people often approach these relationships with an independent mentality, which is like trying to play golf with a tennis racket—the tool isn't suited to the sport.

Most of us learn to base our self-worth on comparisons and competition. We think about succeeding in terms of someone else failing. That is, if I win, you lose. Or if you win, I lose. Life is a zero-sum game. There is only so much pie, and if you get a big piece, there is less for me. People with this type of Scarcity Mentality™ find it difficult to share recognition and power, and to be happy for the successes of others, especially those closest to them.

Win-win, on the other hand, is based on the paradigm that there is plenty for everybody, that one person's success is not achieved at the expense or exclusion of the success of others. Win-win sees life as a cooperative, not a competitive, arena. Win-win is a frame of mind and heart that constantly seeks mutual benefit in all human interactions. Win-win means that agreements or solutions are mutually beneficial and satisfying.

Character is the foundation of win-win, and everything else builds on that foundation. There are three character traits essential to the win-win paradigm:

- **Integrity**—integrity is the value we place on ourselves being true to our values and commitments, and making our deeds match our words.
- **Abundance Mentality™**—people with Abundance Mentalities believe there is plenty for everyone.
- **Maturity**—mature people can express their feelings and convictions with courage balanced with consideration for the feelings and convictions of others.

A Win-Win Agreement™ is an effective tool for establishing the win-win foundations necessary for long-term effectiveness, and may be created between employers and employees, between teams, between companies and suppliers, or between any two or more people who need to interact to accomplish desired results. In a Win-Win Agreement, the following five elements are made explicit:

- **Desired Results** (not methods) identify what is to be done and when.
- **Guidelines** specify the parameters (principles, policies, etc.) within which results are to be accomplished.
- **Resources** identify the human, financial, technical, or organizational support available to help accomplish the results.
- **Accountability** sets up the standards of performance and the time of evaluation.
- **Consequences** specify—good and bad, natural and logical—what does and what will happen as a result of achieving or not achieving desired results.

# Habit 5: Seek First to Understand. Then to Be Understood™

## The Habit of Communication

Communication is the most important skill in life. We spend most of our waking hours communicating. But consider this: You've spent years learning how to read and write. Years learning how to speak. But what about listening? What training or education have you had that enables you to listen so that you really, deeply understand another human being from that individual's own frame of reference?

Seek first to understand, or Diagnose before You Prescribe,™ is a correct principle manifest in many areas of life. A wise doctor will diagnose before writing a prescription. A good engineer will understand the forces, the stresses at work, before designing the bridge. An effective salesperson first seeks to understand the needs of the customer before offering a product. Similarly, an effective communicator will first seek to understand another's views before seeking to be understood. Until people feel properly diagnosed they will not be open to prescriptions.

We typically seek first to be understood. Most people do not listen with the intent to understand; they listen with the intent to reply. They're either speaking or preparing to speak. They're filtering everything through their own paradigms, reading their autobiography into other people's lives, listening within their own frame of reference.

"Oh, I know exactly how you feel."

"I went through the very same thing. Let me tell you about my experience."

They're constantly projecting their own home movies onto others' behavior.

In contrast, Empathic Listening™ gets inside another person's frame of reference. You look out through it, you see the world the way he or she sees it, you understand how he or she feels. This does not mean that you agree necessarily, simply that you understand his or her point of view.

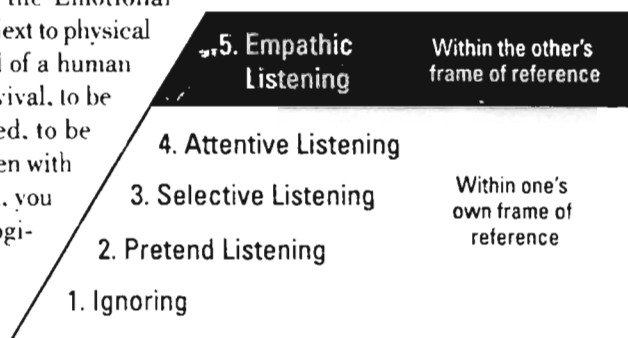
Empathic Listening is, in and of itself, a tremendous deposit into the Emotional Bank Account of another. Next to physical survival, the greatest need of a human being is psychological survival, to be affirmed, to be appreciated, to be understood. When you listen with empathy to another person, you give that person psychological air.

Empathic Listening is also risky. It takes a great deal of security

to go into a deep listening experience because you open yourself up to be influenced. You become vulnerable. It's a paradox, in a sense, because in order to have influence, you have to first be influenced. You have to really understand.

Once we understand, we can proceed with the second step of the interaction: seeking to be understood. Because the other person's need to be understood has been satisfied, we are much more likely to have influence and to be understood ourselves.

### LISTENING CONTINUUM



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## Habit 6: Synergize™

### The Habit of Creative Cooperation

Synergy is everywhere in nature. The intermingled roots of two plants growing closely together improve the quality of the soil. Two pieces of wood bonded together hold much more than the total of the weight held by each separately. The whole is greater than the sum of its parts. One plus one equals three or more.

The principle of synergy also holds true in social interactions. Two people, creatively cooperating, will be able to produce far better results than either one could alone. Synergy lets us discover jointly things that we are much less likely to discover by ourselves. It occurs when minds stimulate each other and ideas call forth ideas. I say something that stimulates your mind; you respond with an idea that stimulates mine. I share that new idea with you, and the process repeats itself and even builds.

Synergy works. It is the crowning achievement of all the previous habits. It is effectiveness in an interdependent reality—it is teamwork, team building, the development of unity and creativity with other human beings.

Valuing the differences is the essence of synergy—the mental, the emotional, the physiological differences between people. And the key to valuing those differences is to realize that all people see the world not as it is, but as they are. When we value differences and bring different perspectives together in the spirit of mutual respect, people feel free to seek the best possible alternative, often the Third Alternative™—one that is substantially better than either of the original proposals. Finding a Third Alternative is not a compromise; it represents a win-win solution for both parties.

COMPROMISE	SYNERGY
$1 + 1 = 1\frac{1}{2}$	$1 + 1 = 3 \text{ or more}$

The person who is truly effective has the humility and reverence to recognize his or her own perceptual limitations and to appreciate the rich resources available through interaction with the hearts and minds of other human beings. That person values the differences because those differences add to his or her knowledge, to his or her understanding of reality. When we're left to our own experiences, we constantly suffer from a shortage of data.

Insecure people, in contrast, tend to make others in their own image and surround themselves with people who think similarly. They mistake uniformity for unity, sameness with oneness. Real oneness means complementariness. The chance for synergy is greater when two people tend not to see things in the same way. Differences, therefore, become an opportunity. If two people have the same opinion, one is unnecessary.

## Habit 7: Sharpen the Saw™

### The Habit of Self-Renewal

Habit 7 surrounds the other habits because it is the habit that makes all the others possible. As the farmer in the fable learned from sad experience, success has two sides: the goose, which represents production capability (PC), and the golden egg, the production (P) of desired results.

It's wise to keep both sides in balance. Yet when people get busy producing, or sawing, they seldom take time to sharpen the saw because maintenance seldom pays dramatic, immediate dividends.

Sharpen the Saw means preserving and enhancing the greatest asset you have—you. It means having a balanced, systematic program for self-renewal in the four areas of our lives: physical, social/emotional, mental, and spiritual. Without this discipline, the body becomes weak, the mind mechanical, the emotions raw, the spirit insensitive, and the person selfish.

To do this, we must be proactive. Taking time to sharpen the saw is a Quadrant II activity, and Quadrant II must be acted on. This is the single most powerful investment we can ever make in life—investment in ourselves, in the only instrument we have with which to deal with life and to contribute.

The **physical** self is the body. We build its strength through nutrition, exercise, and rest.

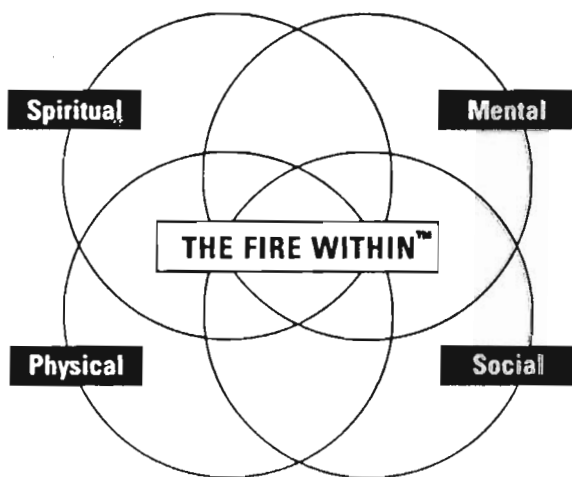
We exercise our **social/emotional** self by making consistent daily deposits into the Emotional Bank Accounts of our key relationships.

We exercise our **mental** self through learning—through reading, writing, challenging, and taking time to think.

We exercise our **spiritual** self through reading literature that inspires us, through meditation or prayer, and through spending time with nature.

Exercising these four areas regularly is like combining elements in chemistry that ignite a fire within and give vision, passion, and a spirit of adventure to life.

A minimum of one hour a day in renewal of the physical, spiritual, and mental dimensions is the key to the development of the 7 Habits, and it's completely within our control. Renewal is the principle and the process that empowers us to move in an upward spiral of growth and change, of continuous improvement.



**MODELING**

A leader becomes a model whom others trust and choose to follow.

**PATHFINDING**

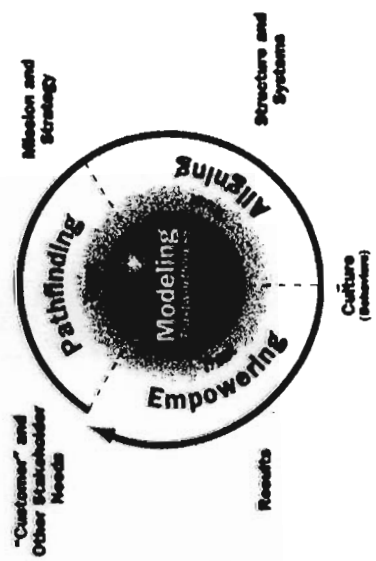
Leaders scan their environment, identify key customer and stakeholder needs, and develop a mission and strategy to meet those needs.

**ALIGNING**

Leaders align the systems and structure of the organization with the mission, strategy, and culture.

**EMPOWERING**

Leaders create conditions within the organization where empowerment can flourish, creating results that meet customer and stakeholder needs.



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