

College of Business Book Review by Janet Ford

Title: "Ego Check: Why Executive Hubris is Wrecking Companies and Careers and How to Avoid the Trap"

Author: Mathew Hayward

Publisher: Kaplan Publishing (2007)

Length: 225 pages

Price: \$24.95

Reading time: 4 hours

Reading rating: 6 (1 = very difficult; 10 = very easy)

Overall rating: 3 (1 = average; 4 = outstanding)

It seems that scarcely a week goes by without the media reporting on some new corporate scandal, reversal of fortune, or prominent business executive's fall from grace. While there may be many explanations for these corporate woes, Mathew Hayward has identified and researched a character trait possessed by many business executives and argues that if this character trait is unchecked it can lead to disastrous outcomes for the executive, his business, his employees, and his clients or customers. That character trait is executive hubris, which is explored in depth in Hayward's book Ego Check.

Hayward defines "hubris" as "the damaging consequences of overconfident decisions and actions that arise from false confidence." Hayward acknowledges that confidence, even extreme confidence, in one's abilities is a necessary quality if one aspires to successful business leadership. He stresses that he is not advocating for business executives to become consumed with self-doubt and uncertainty. Rather, Hayward presents a logical framework and process for evaluating executive decision-making that is designed to minimize if not eliminate destructive overconfidence or confidence that is based upon false premises. Hayward argues convincingly that sound decisions are the result of authentic confidence, which in turn is based upon thoughtful consideration of the best available information. Unsound decisions, by contrast, are typically based upon a false confidence that derives from limited or unreliable information or from an unrealistic assessment of one's situation.

The decision-making process advocated by Hayward consists for four components couched in layman's terms and thus readily understandable. A successful business executive should (1) not be too full of himself; (2) not get in his own way; (3) not kid himself about his situation; and (4) not forget to anticipate and manage the possible consequences of his decisions. Each of these components is explained in detail in separate chapters and given life through case studies of both good and bad executive decision-making. The case studies range from the fatal decision of prominent Mount Everest expedition guide, Rob Hall, to ignore his own safety rules in attempting an ill-advised push for the summit, to the prudent willingness of Michael Dell to cultivate relationships of trust and consultation with individuals who bring different yet complementary business skills to his venture. In each case study Hayward identifies the executive behavior that led to either a sound or unsound business decision. Where the

business decision was unsound, Hayward suggests how negative outcomes might have been avoided had the executive followed Hayward's four-part process.

Although Hayward's four-part decision-making process focuses on executive behavior in the business context, his process has application for decision-making on a personal level as well. Examples of personal hubris include self-diagnosing and self-treating medical conditions, perceiving ourselves as superior in intelligence, athletic ability, or other skills, and maintaining unrealistic expectations regarding our current and future financial situation. Unsound decision-making in these areas of our lives can have a devastating impact, but Hayward maintains that his four-part framework could help us minimize negative outcomes by ensuring that our decisions are grounded in authentic, not false confidence.

"Ego Check" is an intriguing read. Many of his arguments have a common-sense aspect, and at first blush appear to be so obvious as to not need mentioning. However, given that so many of us seem to ignore or defy common-sense in our personal and professional decision-making, Hayward's points are well-taken. This book is worthwhile reading not only for the high-powered CEO but also for anyone who wants to enhance his decision-making skills.

Janet Ford is an Assistant Professor of Business Law in the College of Business at Western Carolina University. For previously reviewed books visit our Web site at www.wcu.edu/cob/.