

# Outliers: The Story of Success

Author: Malcolm Gladwell

Book Summary

The author of five New York Times bestsellers, Malcolm Gladwell has been included in the TIME 100 Most Influential People List and is known for his keen insight into human psychology and the path to attaining success. In *Outliers: The Story of Success*, Gladwell challenges traditionally prevalent notions such as the rags to riches narrative of success by explaining the myth of the self-made man. He does this by analysing the various factors that come together to create success. These are usually a combination of lucky events, rare opportunities, and other external aspects which are not really controlled by the person attaining success.

Gladwell has built his insight through years of research into the human psyche, as well as a study of history, considering things both overlooked and misunderstood. *Outliers* challenges the popular narrative around success by sharing examples of successful people from across the globe and from sectors including hockey, science, law, and agriculture. The treatise is an excellent exposition on how aspects such as your generation, culture, family, and unique life experiences can play a part in your journey to success. Gladwell states that while ambition, intelligence, and hard work are important ingredients for success, they don't make it happen on their own.

Gladwell argues that the way most people, including you, view the notion of success is wrong and, through examples and analyses, will help you understand the logic behind the concept. While debunking success myths, Gladwell will also offer you the possibility of working towards personal success by imbibing the qualities and practices of successful people who came before us.

## Key takeaways

- The traditional narrative of success which states that a combination of passion, talent, and skill can lead to success, is inherently flawed.
- While the above are important in achieving success, it is also driven by the circumstances under which you are raised and live.
- While intellect is important to success, it cannot empower someone beyond a certain threshold.
- People from strong backgrounds have an upbringing based on practical intelligence, including soft and social skills which help them navigate society in a better way.
- Work is enjoyable only when it is meaningful and meaningful work paves the way to success.
- Science helps people understand the world but religion helps you understand the intangible connections between human beings.

Every day, you see new examples of success and you must be thinking that if others can achieve success, then why can't you. However, understanding the factors that help shape success can help you attain success in your own pursuits. It will also help you realise that people who are successful have a backstory, making them more relatable and humane.

## A person's abilities can only take them so far

How far can your abilities and skills actually take you? While it is true that your skills and abilities, along with practice, can help you achieve success, these are not the only metrics important to the equation. Factors such as a genetic predisposition and the circumstances you grow up in matters as well but, success is not attained through just these elements. For instance, height matters a great deal when it comes to the NBA and, since the 1980s, NBA players have an average height of 6.7 feet. However, does this mean that someone who is 7 feet tall would perform better on the court and have a better shot at success? Not really. Another instance worth considering involves the law degree, where studies have shown that people from racial minorities

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perform worse than their non-minority peers before and during their law degree course. However, post completion, the gap between the two parties vanishes, making them equally paid and equally valuable at the workplace. So, what is the differentiator here? The difference between the achievements of the successful and not so successful can, then, be attributed to aspects such as social skills and practical intelligence, as this helps people navigate the journey to success.

## Being slightly older than your peers goes a long way

Relative age matters tremendously when you are a young prodigy. In fields such as sports, where your strength and speed matter a great deal, having a slight age advantage makes all the difference. People who are born in the first six months of the year perform much better than their classmates who are born later in the year. Which is why, in many schools, the annual cutoff for teams is January 1<sup>st</sup>. This means that children born in January, and those born in December of the same year, end up butting heads and the almost one-year age gap makes the older kids much better at the game. This difference is especially enormous at school level, where the difference makes up a large percentage of your age. As you grow up, this factor becomes less important but, many times, success is attained and sealed during people's school-going years.

## Geographical affiliations affect success

There is a belief that people who have an Asian background are better at mathematics than their Caucasian peers. When analysed, it can be seen that there are actually several factors which lead to this stereotyping. Research indicates that Asian languages teach children to practice addition while learning numbers, making them better equipped at math, in comparison to their non-Asian peers. Further, discipline is an inherent part of the Asian psyche and this has been instilled through centuries of rice farming. As rice farming requires more precision, coordination, patience, and control than wheat or corn farming, Asians have a legacy which makes them more adept in such skills and this in turn, makes them better at mathematics. This is, therefore, a major advantage available to Asian mathematicians, ensuring that they perform better than their non-Asian peers. Additionally, the patience that you develop while rice farming helps Asians stick with complex problems and find solutions, as against non-Asians who may give up when the going gets tough.

## Following the 10,000-hour rule

While studies and psychologists have spent ages trying to decode the connection between talent and success, one fact has been confirmed – preparation plays a huge role in forming and boosting talent. A study by psychologist K. Anders Ericsson, revolving around Berlin's Academy of Music, indicated that the respondents in the top tier of violinists had practiced about a total of 10,000 hours in their lives. Those in the middle tier had practiced 8000 hours while those in the lowest tier had completed 4000 hours of practice. This study was repeated with the academy's pianists too, and the results ended up being the same! While this may lead you to believe that talent holds no role in success, that is not actually true. Yes, talent does matter, but it is preparation

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which helps hone the talent and the skill, thus helping you achieve success. The fact that the Beatles had performed live over 1200 times, by the time they received their big break in 1964, helped them be better on stage than all the other bands performing at the time. Preparation, therefore, helps increase the odds of attaining success.

## **IQ alone does not create a genius**

People with high IQ have been known to achieve success in their chosen fields but IQ is not the only necessity for being a successful genius. In fact, research indicates that IQ will only help you up to a certain point, after which other aspects such as practical intelligence, agility, resilience, adaptability, etc., will come into play. Therefore, if your IQ is above 120, your real-life benefits will not be very different from that of someone boasting an IQ of 180. Divergence tests highlight areas other than IQ, which play a role in crafting success, including creativity and imaginative capability. Further, practical intelligence helps you analyse situations correctly and react more successfully. Indeed, practical smartness helps more than actual IQ and, frequently, people acquire this from their families.

## **Cultural legacies help shape success**

An important factor contributing to success is the culture that you embrace during your childhood. For instance, the KIPP Academy in New York is based in one of the city's poorest neighbourhoods. While it does not offer typical benefits such as small classes, or extraordinary classmates, the school is one of the best public schools in New York because of its focus on cultural legacies. Students are selected via the lottery system and many hail from disingenuous backgrounds, but KIPP ensures that the children are best equipped for success through simple measures such as longer school hours and a higher focus on homework clubs and extracurricular activities. This helps KIPP's students perform well and achieve success in their college applications as well as their future lives.

There is no questioning the fact that success is aspirational and requires a variety of elements to be actualised but outliers are the people who receive an opportunity and run with it. They may not have ideal IQs or childhoods, they may not even be great at studies, but they have the capability to succeed when presented with the possibility. And that is what makes all the difference. Interestingly, outliers play a very important role in financial planning and wealth creation. If your portfolio has the outlier investments that perform then you will be on your way to creating great wealth. On the other hand, if you invest in outliers that don't do well, then the impact on your investment portfolio could be significantly negative. So, the challenge is 'how to pick the right outliers'. This is where mutual funds can be of great assistance. As you might already know, mutual funds are investment vehicles that pool investor money and then invest that money in a variety of investment instruments that span equity, fixed-income, commodities, etc. Mutual funds are managed by expert investment professionals who are supported by a team of research analysts and governed by strict regulations and investment mandates. While some funds are passively managed, i.e., they follow a particular index, there are others that are actively managed. These fund managers actively try to identify outliers and generate alpha. For example, there could be thematic, sector specific or mid and small cap mutual funds that focus on identifying the lesser known companies that have the potential to generate significant future returns. These are the outliers that can make your investment portfolio grow. While identifying these outliers can be challenging for retail investors, mutual fund managers are trained to do just that.

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