


BASED ON THE LARGEST LEADERSHIP STUDY OF ITS KIND, INCLUDING CANDID
INTERVIEWS WITH PRESIDENTS OF THE UNITED STATES AND THE HEADS OF HARVARD,
GE, JP MORGAN CHASE, AT&T, AND HUNDREDS OF POWERFUL INSTITUTIONS

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WITH M.G. HAGER

VIEW
FROM THE
TOP



AN INSIDE LOOK AT HOW PEOPLE IN POWER
SEE AND SHAPE THE WORLD

WILEY

Praise for *View from the Top*

“This is a seminal and compelling work. Dr. Michael Lindsay, university president and sociologist, gained unprecedented access to hundreds of leaders of America’s elite institutions, and reached many unexpected conclusions. For example, it’s not a privileged upbringing, but the influence of a caring mentor early in a developing career (as well as grit and opportunity) that launches careers of highly influential leaders. Dr. Lindsay found that the best leaders are not primarily ego-driven, but are able to influence a shared organizational vision and submerge their egos so as to be credible stewards of a greater cause. *View from the Top* reveals the hidden attributes of those blessed with the platform of leadership—and explores what defines a leader’s identity beyond the title on their business card.”

—**Rich McClure**
President, UniGroup
(United Van Lines
and Mayflower Transit)

“Michael Lindsay’s *View from the Top* recounts the experiences of a wide variety of leaders—in both success and failure—to reveal a deeper understanding of leadership: cause-oriented, people-driven, sacrificial, and reflective. Drawing from a variety of fields, Dr. Lindsay draws out some of the common elements of excellence. Anyone interested in the subject of leadership—or interested in exercising it—would benefit from reading *View from the Top*.”

—**Michael Gerson**
Columnist, the *Washington Post*

“This is an informative and inspiring book for any leader, drawing on unprecedented personal access and a keen sense of the dynamics of leaders’ institutions and personal lives. It contains both celebrations of the ways power can be used for good, and warnings of how slippery its effects can be on both leader and led. It is an indispensable catalog of stories and insights for those of us who want our use of power to be both effective and redemptive.”

—**Andy Crouch**

Executive editor, *Christianity Today*,
and author, *Playing God:
Redeeming the Gift of Power*

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Introduction

“What? What does that mean, ‘I’m *not* the job?’” I could hardly hear Price, the search consultant, on my cell phone over the screeching of the subway car pulling in next to me. I was changing trains at the Park Street T station in downtown Boston, on my way to interview Diana Chapman Walsh, the highly successful president of Wellesley College. I had traveled to Boston from Houston—where I worked as a professor at Rice University—for a dual purpose. Not only was I completing additional interviews for my research project, but I had come to be interviewed myself. I was a candidate for the presidency of a Christian liberal arts college north of Boston, Gordon College.

“You *got* the job!” he repeated. This time I understood. In that moment, surrounded by strangers in that subway station, my life changed forever. I agreed to meet the board chair and the head of the search committee back at the hotel after the Walsh interview, and I hung up in a euphoric daze. I don’t know how I managed to find my way to the Cleveland Circle T stop where I met up with Walsh, but I sobered up as soon as we greeted. I had been conducting interviews with leaders like Walsh for years, but now I had an even keener interest in learning from her. What went well for her early on, and what missteps does she wish she could do over? How does she handle her critics, including her inner critic? The lessons about leadership and power that I had been picking up for years were no longer strictly academic but were suddenly, startlingly relevant.

In other words, my social-scientific study had begun to morph into something more. The insights I had been gathering, sorting, and coding from interviews I conducted became a second doctoral education of sorts for me—one where the professors shared not only their achievements but also their failings, where their personal and institutional lives were the curriculum, and where the student’s task was to synthesize these insights and then draw his own conclusions. What follows is, in essence, my “dissertation” from this priceless education.

The research took 10 years to complete and formed the largest study ever undertaken based on in-depth interviews with high-profile leaders in the United States. There is great diversity among the leaders I met; they work in different sectors, have different backgrounds, and pursue varied purposes. They include over 250 CEOs (including the leaders of 20 percent of the Fortune 100), former presidents Jimmy Carter and George H. W. Bush, and dozens of cabinet secretaries, members of Congress, and heads of federal bureaus and agencies representing nine White House administrations (from Johnson to Obama). Also included are more than 100 leaders of the world's largest nonprofit organizations, including the American Red Cross, M.D. Anderson Cancer Center, and Harvard and Stanford universities. Working with a team of two dozen research assistants, I collected data on the lives and institutions of all 550 people I interviewed and then applied hundreds of analytic frames to their responses and life stories, searching for patterns as well as inconsistencies in their ascent to the upper reaches of power. The combined response rate of interviews requested was 87 percent.

The leaders in this study account for less than .003 percent of the United States population, but they have a disproportionate impact for such a small group. Their influence varies according to the power inherent in their positions, the dominance of their organizations, and the scope of their industries. While local elites can be found all over the world, leaders with global impact are clustered in major cities and commercial centers. So when I traveled to conduct interviews for this book—from Bar Harbor, Maine, to Pearl Harbor, Hawaii—79 percent of the meetings were in cities with over 1 million people. One-third of the interviews were held in New York City and Washington, D.C., alone. Half of the leaders I interviewed worked in business, a quarter in government, and a quarter in the nonprofit world (which includes higher education). I interviewed not only standing CEOs but also those who had recently retired or recently risen to their positions, allowing me to consider change over time. The average age of my subjects was 59, and they ranged from 27 to 91. Half are politically conservative, 41 percent liberal, and 9 percent do not identify either way. Among those who shared their religious identity with me, around 76 percent identify as Protestant, 9 percent as Catholic, 5 percent as Jewish, 3 percent as followers of another religion, and 8 percent as nonreligious.

People often ask me if I maintain relationships with the people I interviewed. In one way or another, I've stayed in touch with about half of them. Several of them have spoken at my college, and I have sought the advice of many others since assuming my current role. There is a bond that forms between two people when one of them shares her story of success and failure, of early life influences, and deeply personal motivations. And once you have established these relationships, there is a connection that can transcend rank or experience. Over and over again, I've found tight bonds between leaders who would seemingly have little connection.

In fact, without networks, I would have been unable to complete this study, as CEOs are not usually responsive to cold calls from social scientists conducting interviews for research. I had to rely upon my own connections to gain access at first. Then once I had a few interviews under my belt—President Jimmy Carter, Secretary James Baker, and the CEO of Walmart—more doors started opening. After interviews, I would also ask the leaders to recommend others who might be worth including in the study. I often even solicited their help in making the right connections. These recommendations from peers usually gave me the “in” I needed for scheduling my next interview.¹

I traveled all over the country to conduct the semistructured interviews (of 60 to 90 minutes), with approximately 10 weeks elapsing from the time the interview was granted until it was completed. During that time, my research team conducted background research on the informant. We typically conducted many hours' worth of background research for every hour-long interview. This allowed us to maximize each interview by avoiding questions that could be answered elsewhere. Interviews were digitally recorded and professionally transcribed, and informants had the option of reviewing the transcripts for accuracy (though only 8 percent chose this option).

Each interview was then combed through for qualitative analysis as well as coded for 122 variables that mapped the informant's demographic, social, professional, and network profiles.² Most of these data were drawn from the interview transcript, and additional data was drawn from electronic and print sources.

In this book, I do my best to evenhandedly portray top leaders, warts and all. I utilize narratives from the lives of individual leaders to explain general principles, but I acknowledge that this book presents

only part of the story for any single individual. I employ an analysis technique called critical empathy, developed by R. Marie Griffith, a historian of American religion at Washington University in St. Louis.³ The intention of critical empathy is to recognize and share the content and spirit of study participants' perspectives while also acknowledging a broader analytic framework that allows for additional interpretations. The point is neither to poke holes in participants' stories nor buy into every tall tale and justification. Rather, I seek to acknowledge the value of each leader's perspective while also evaluating his narrative account against the public record. After all, a benefit of studying senior leaders is that much has been written by and about them, providing background information for each interview. I also realize that collecting and analyzing interview data can introduce a number of biases, especially when these tasks are conducted by a team, but we followed standard conventions to minimize these potential problems.⁴ With all of these caveats, I think one of the greatest benefits of this study is its unique ability to shed light by revealing perspectives previously hidden beneath the surface. Talking directly *to* these leaders provided remarkable insight, and the size and scale of this study allows comparisons among them that previously could not have taken place in a systematic way.

PLATINUM LEADERS

Leader. Today the term is used lightly as both an ideal and a casual superlative. The title is applied liberally across fields and positions. Leadership is the subject of books and lectures, the dream of ambitious men and women, the goal of programs and elections, and both the savior and scapegoat of nations and companies. Much is made of leadership, but relatively little is known about the lives of those who sit atop the world's most powerful organizational pyramids. Who are they? How did they get there? And what do they do with their power?

It was in pursuit of a desire to know how power and leadership really work and can be used for pursuit of the common good that I undertook this research. As the interview transcripts piled up, I further began to identify a subset of leaders who held particular influence *and* skill at wielding it. These individuals are *platinum leaders*. In this book, I specify the three unique attributes of these leaders that distinguish them from their peers: (1) the scale of their organizational influence (they direct the

world's most significant institutions); (2) their penchant for maximizing opportunity and catalyzing change; and (3) their talent for garnering trust and goodwill, which opens for them doors of influence beyond the walls of their organizations.⁵ In the end, 128 informants (or 23 percent of the study population) are platinum leaders.

You may recall from chemistry class that platinum, the precious metal, is most commonly used as a catalyst in chemical reactions. The automobile industry uses platinum in the production of catalytic converters, and it has proven useful for many different applications. For example, it has a unique ability to assist with the conversion of crude oil into gasoline where it facilitates the joining together of certain molecules. Platinum also has been used for decades in chemotherapy treatments; it is especially effective in fighting aggressive cancers. Jewelers and watchmakers treasure platinum too, because—unlike gold—it neither tarnishes nor wears down.

So platinum is valued because of its rarity, its density, its multiple applications, and its durability. Platinum leaders are similarly special. They are catalytic in shaping the institutions they direct. They often have a transformative effect well before they hold real authority. And these leaders outlast their peers, using their networks, their opportunities, and even their challenges to advance their own visions for the common good. By disposition, platinum leaders are agents of change. And by position, they effect that change both within their organizations and *through* them to a larger world. In essence, platinum leaders outshine their peers and resist corrosion.

This book is for those who aspire to the top. Just as hopeful basketball players study the habits of great NBA stars, so also is it for those who want to be great leaders. We learn from the best. In my role as a college president, I want to apply the insights from my research to prepare our students more effectively and to sharpen the angle of their trajectory as they seek opportunities to make a difference in the world around us.

After spending thousands of hours analyzing the lives and institutions of these 550 leaders, I determined that many of our basic assumptions about power and influence are simply not true. What we think is important in preparing the next generation of world leaders matters very little, but some of the most significant forms of preparation receive scant attention.

At root, *leadership is the exercise of influence in the service of a shared cause*. There is no potential state of leadership; it exists only when action is taken. Power, on the other hand, is often latent. It can be activated by someone in authority, but it also can involve inaction—exerting influence by moving slowly on an issue or by preventing topics from being discussed. Social thinkers such as Michel Foucault and Steven Lukes have persuasively argued that power also involves the shaping of desires and beliefs. Securing the consent of others may be the least visible aspect of power, but it is most potent when it becomes taken for granted. This line of thinking emphasizes the *relational nature of power*. As Foucault writes, “Power has its principle not so much in a person as in a certain concerted distribution of bodies . . . in an arrangement whose internal mechanisms produce the relation in which individuals are caught up.”⁶

To best understand this relational nature of power, Chapter 1 explores the *matrix of power*, a nationwide—and ultimately global—crisscross of personal connections concentrated in major cities and at major institutions. We will see that great leaders in the matrix of power act personally, but they think institutionally. There is no dream team of one. Institutions, not individuals, wield the real, world-changing power. Practically every book about power focuses on the traits of individual leaders, but I insist that the most important trait of a leader is her ability to take the helm of a greater vessel that can cast a shadow far broader than her own. Success comes to those who wisely navigate their organizations to direct power to the right places. This is not to say that individuals are helpless slaves to an established system. Most certainly, people can—and do—change their institutions from the inside out.

LEARNING FROM STORIES AS WELL AS STATISTICS

In our data-driven age, we know more about people in power than ever before. It takes only moments to find the salary, biography, scandalous history, or political donations of prominent figures. But data points like these have little value beyond break room chatter. Much more intriguing and important are the aspects of these leaders revealed in this book: the tension between their roles as organizational heads and their identities as regular people with their own quirks, personal habits, and unique

histories; the programs and activities that *really* propelled them forward; how they prepare for and survive public failures that would send most people spiraling into despair. They may be positioned to exert great influence over society, but the substance of their influence depends heavily on core personal characteristics. Looking at their lives allows us to understand both their place in the world and how we, ourselves, can make a similarly meaningful difference.

Consider the career of Donna Shalala. The grandchild of Lebanese immigrants, she served in the Peace Corps before moving into a successful career in academia and, finally, national government. Her biographical details can be learned on Wikipedia. But you cannot understand Shalala's impact without understanding the greater context of how she herself views her life. How did she achieve her positions? Approach them? Manage them? Most importantly, what has she learned along the way, and what can that teach those of us with similar vision and ambition?

Shalala, like most young leaders, had an undistinguished childhood. Counter to what many people think, it doesn't really matter what future leaders do before they're 20. Shalala was a mediocre student as an undergraduate (again, typical). After serving as a Peace Corps volunteer, Shalala went into higher education because, as she candidly admits, she could not find a job as a journalist. Shalala followed no obvious path, but, like other leaders profiled in Chapter 2, she knew the areas where she was strongest and built careers around those strengths. She saw no opportunity in journalism, so she built a career as an academic based on her cultural and international experience.

All leaders start out with at least two things: potential and opportunity. Leaders can't control the hands that are dealt them anymore than you or I can. But they inevitably and often ingeniously make the most out of what they're given. They use this skill—the *ability to maximize opportunity*—to leverage their education, connections, and experiences toward success. For young people like Shalala, it starts with maximizing one key relationship (a mentor, a boss, a teacher) or skill; young people able to capitalize on these connections thereafter begin their ascent.

Professional life socializes us into becoming experts of particular domains, but Chapter 3 shows how platinum leaders cultivate what might be called the “generalist mind-set” early in their careers. Wide networks and broad knowledge pay off more than deep specialization

when climbing the ladder to the corner office. Executives at engineering firms, for instance, must not only lead with technical fluency; they set strategy, manage budgets, and communicate with internal and external constituents. The aspiring leader who keeps the most options open relationally (staying in touch with many different kinds of people) is most likely to develop the wide network required to move up at a faster pace. This requires a *liberal arts approach to life*. Would-be leaders must be dabblers of sorts, conversant in other kinds of business, knowledgeable about current affairs, and able to connect across divides. I found that this approach to life seems to come naturally only to some, but all platinum leaders figure out a way to develop it. You can discern it in others through simple things—their ability to converse at dinner parties with different kinds of people or the range of topics represented in the books they have stacked on their bedside reading tables.

Taking advantage of opportunities and capitalizing on connections lay the groundwork for success, but future leaders need a final push to enter the pipeline to power. I call this push their *catalyst*. Young people need catalysts rich with opportunity to see firsthand the broad, generalist perspectives required of senior leaders, even before they are ready to take on such roles themselves. Catalysts also distinguish young leaders from their peers, establish for them a strong foundational network, and give them the confidence to take the risks necessary for platinum leadership.

Donna Shalala's network of friends was essential to her ascent. Because of her connections, she ended up landing a position as an assistant secretary in the Department of Housing and Urban Development under President Carter. Connections also helped her get her next position as president of Hunter College (part of the City University of New York). Shalala next became the president of the University of Wisconsin–Madison and so the first woman to lead a Big Ten school. In her seventh year at UW–Madison, she was approached by the Clinton transition team to serve as secretary of Health and Human Services (HHS). Shalala had not been looking to return to politics, but she told me, “You can't turn down a cabinet position.” Indeed, ambition is the spur for upward mobility. Shalala was secretary of HHS for a record eight years.

Unlike many leaders who feign humility, Shalala is not shy when it comes to touting her accomplishments. She told me, “Every place I've been, I've made better.” She continued, “You will not go to an

institution where I was where they won't talk about the golden years of my presidency." She is particularly proud of her work at the University of Miami, where she currently serves as president.

Chapter 4 describes how leaders face and tackle the challenges of their jobs—specifically managing productivity, people, and the cultural environments of their institutions. Surprisingly, the stereotypical executive type isn't necessarily the best leader. More than just delegating and vision casting, leading well requires relational intelligence. Leading others is significantly easier when followers enjoy being around the leader, and interpersonally gifted people are at a significant advantage in power. The challenge is that those in power rarely have time to develop relationships with those beyond their inner circles. Once someone secures a powerful position within an institution, he has access to tremendous resources and opportunities. But getting things done requires connections—both up and down the ladder.

We look at the leadership DNA of successful leaders, which includes not just individual traits but also managerial approaches. For example, when moving to a new role, Donna Shalala does not bring her staff with her, preferring to start anew. She considers herself a "chameleon," able to adapt to any structure and situation. Some might see this as a weakness. To her, adaptability is what allows her to thrive in different contexts and roles. And Shalala's efforts to transform "Suntan U" into an academic contender have been successful—by 2009, the University of Miami had made it onto *U.S. News & World Report's* top 50 universities list. Under her leadership, the university has grown significantly, but many in the UM community are concerned that it is unsustainable.

Of course, the portrait that Shalala (and any of these leaders) paints of herself is not complete. She has had critics at every stage of her leadership. Indeed, the limelight can cast a long shadow. In Chapter 5, we take an in-depth look into how platinum leaders manage to survive the crucible of both personal and public crisis. In 2010, Nevin Shapiro, a prominent University of Miami football booster, was convicted of orchestrating a \$930-million Ponzi scheme. Shapiro implicated UM in his downfall, accusing the university of countless NCAA violations under Shalala's watch. Pundits expected heavy penalties from the NCAA as more and more dirt was uncovered, but they did not count on Shalala's political savvy. She was swift to institute internal sanctions and both accepted responsibility for *some* of Shapiro's claims and criticized the

NCAA for a poor investigation. When judgment was handed down in fall 2013, it was relatively light, thanks in part to Shalala's shrewd management of the investigation.

We all read about scandals like these in the papers, but most of a leader's greatest work never sees the light of day. Platinum leaders spend a significant amount of time keeping bad things from becoming public or working on opportunities that never materialize. Most of their work takes place behind closed doors, and because outsiders don't know the full story, those in power get most of the blame and, actually, little of the credit. We tend to think of crises as testing grounds for leaders, as contexts in which they develop their moral fiber and leadership talent. In reality, crises do not mold character; they simply reveal it. Constituents will not put up with incongruity between a leader's speech, personal choices, and professional actions. In this way, much of leading an institution is like the work of a priest. It is a complete and consuming role.

I have learned I may not be wearing a suit every minute of the day, but there is never a moment when I am not president of Gordon. Like many people, I work long hours, but being Gordon's president requires my involvement in evening and weekend activities that go far beyond a 60-hour workweek. Even when I am on vacation, I think about the college. Indeed, I've learned that I relax more if I can spend an hour every day on vacation keeping up with email; I wonder less about what's going on back at school and have less dread about returning to an overflowing inbox. This is the paradox of leading an institution: you cannot power off, because even when away, you're always on. This is exactly the phenomenon we examine in Chapter 6: How do these leaders keep it all in balance and perspective? (And what happens when they don't?) The people in power, if they succeed for any length of time, lead not through their roles or their authority. Instead, they lead with their lives.

Chapter 7 reveals how, when they are at their noblest pursuit, leaders can influence our country and the world for the common good. Sometimes this happens through large gifts to charitable causes, sometimes, through more personal involvement. For many leaders, the charge to influence the future of their world is *the* compelling motivation they feel.

From Jamie Dimon of JPMorgan Chase to John Seffrin at the American Cancer Society, hundreds of leaders talked to me about how gratifying it is to invest in younger colleagues as they begin their own professional ascents. I assumed they were saying this because it seemed

like a nice sentiment. But I always sensed something more meaningful under the surface. I'm now convinced that the most gratifying part of leading a major institution has little to do with achieving organizational goals or redirecting a company culture. Instead, the dividend of power comes from relatively small deeds, the most common example being investing in young people. At the end of my first year as president of Gordon, a friend asked me about the best part of my new job. Almost without thinking, I related the story of helping the Gordon student-body president apply for the Rhodes Scholarship. In the end, he was not selected, but the experience of working with him was incredibly special. It represented, at a micro level, the things that I love about higher education—helping a student reach a significant milestone, investing in something that can be life-changing for another person, and strengthening that which is good for even greater excellence.

ON TOP OF THE WORLD

Crisscrossing the country for this line of research took me to many interesting places, including the top of the world. On the 62nd floor of 30 Rockefeller Plaza, I clicked my recorder on and asked Vernon Jordan if he had ever expected to end up here. In the executive suite at Lazard (the international financing powerhouse with the connections and influence of Goldman Sachs but without the bad press), we enjoyed an unrestricted view of nearly all of Manhattan, from the Statue of Liberty to beyond Central Park. After a long and successful career in law and business, Jordan was a man with few regrets, accustomed to power and privilege. Yet how had he gotten here? What had he done to earn one of these coveted offices in the clouds? Looking back, Jordan said, "It was clear to me from the first grade that I was going to be a leader." And he is. But he is best known as a close friend of President Bill Clinton, a "D.C. power broker," "the Quicker Fixer-Upper," or the "the First Friend."

Of course Jordan was not born with this recognition. He earned it from people with power who liked him. He grew up in Atlanta during the era of segregation and began his career as a civil-rights lawyer in the 1960s. He served as the president of the National Urban League for nearly a decade, a position through which he established

a good reputation. He served on President Clinton's transition team in 1992–1993 and has been close to Clinton for decades. Jordan has also served on over a dozen corporate and nonprofit boards, including American Express, Xerox, Revlon, JCPenney, and Dow Jones.

Before I had even met Jordan, one knowledgeable source told me that virtually every Fortune 500 CEO could cite an instance when they had called on Jordan for counsel. Indeed, his name came up many times when I talked to CEOs. But Jordan himself was closemouthed when I asked him about any decisions he had made or counseled others on, saying, "What happens in the boardroom stays in the boardroom."

Jordan expressed pride that he had not applied for a job since he had been a Chicago bus driver in 1957. This kind of career movement would have been impossible without his many cross-industry connections. Senior leaders like Jordan use their superior networks for both their own advancement and the promotion of others. Even when it appears effortless, you can bet they have carefully cultivated their connections, laboring many hours to secure their privileged positions. Jordan said, "Giving is reciprocity. You give, and you ask. Every time you ask, you're committing yourself to give, because the person that you've asked is going to ask you. And if you don't understand that, you ought not to be in the business."

As influential as he is, Jordan is still just one node in our nationwide matrix of power. Together, the institutions and 550 high-level leaders in this study form a complicated and convoluted knot of relationships, associations, and connections.⁷ It is, however, this inscrutable knot that holds the nation—and so the world—together. Adding to the complexity is the fact that I myself am only a node, a synapse working to interpret the actions of power being captured, converted, and released by those in positions of influence.

WHY STUDY POWER FROM WITHIN THE HALLS OF FAITH?

My interest in all of this is deeply personal. I saw up close the burden and the blessing of leading institutions through my family. My mom served as head of school of Jackson Prep, a fantastic independent secondary school in my hometown of Jackson, Mississippi. My dad, a career golf pro at Colonial Country Club, became one of the leading authorities on

the rules of golf and eventually served as president of the Professional Golfers' Association of America. Living in their home, I experienced the thrill a leader experiences when his team overcomes a big challenge. I witnessed the toll that personnel decisions can take on the person at the top. And I overheard the conversations leaders have with themselves when trying to figure out the best way forward. So when I was a graduate student at Princeton, I was drawn to a research project that involved interviewing other people like my parents.

Some are surprised that I, as a Christian, am interested in power at all. Didn't Jesus eschew the trappings of power and overturn prevailing notions of greatness and influence?

The conviction that Christians should not pursue power is as old as the church itself, one that is still held dearly by many within the Christian family of faith. The Anabaptist tradition has advocated this belief for centuries, and many people I respect hold it. In my own life, I have certainly seen God work mightily through the witness of people far from power—a Burmese woman, a grandmother who never went to college, and a child with Down syndrome. God can and does work through the simple people of this world to shame the learned.

But I am not persuaded that the countercultural claims of Jesus require Christians to disdain power. I have spent years thinking about this and have come to a firm conviction that much good can come from people devoted to their faith sitting in positions of influence. Indeed, much good can come of the faithful leading major institutions, provided their motives are kept in check by a life of prayer and accountability. With these things in mind, I have spent the past 10 years investigating power and leadership, and now I want to pass along what I've learned to others who seek to promote the common good.

That awkward freshman at my next orientation workshop might be tomorrow's next game-changing CEO. And when she is, I hope that she remembers the phrase that I misunderstood at the beginning of my power-leadership journey. For good or ill, I *am* the job.

CHAPTER 1

Act Personally, But Think Institutionally

Develop Your Network Beyond Your Organization

I grew up in a neighborhood that was a sort of lower-middle class, [even a] working-class neighborhood in New York. And we were all the sons and daughters of hardworking people, but people whose network basically extended to family and neighborhood friends. It was not very expansive, nor was it very . . . “vertical.” And at the end of the day, from the point of view of making your way in this world, it wasn’t very helpful. You had good people like your grandmother, who would give you good advice on a personal level, and love and nurture. But they really couldn’t help you navigate the space above the lower-middle class, because they had no relationships there.

Richard Parsons was born into a poor neighborhood in Brooklyn and did not have any “connections.” But he went on to become the chairman of Citigroup, the twelfth-ranked company on the Fortune 500 list. This is the so-called American Dream, the ability to come from nothing and work your way to the top of the food chain. There are many ways to “make it,” but they all require networks, something Parsons was lacking at the beginning of his career. But all it took was one connection to change his life.

While Parsons attended Albany Law School, he interned with the New York state legislature and drew the attention of the governor’s

office. They extended him an offer, and Parsons began working for the man who would eventually shape his entire career: Governor Nelson Rockefeller. Parsons and Rockefeller hit it off; Parsons said they had “good chemistry”:

Falling into the orbit of Nelson gave me three things: One was a role model in terms of how someone of his stature and position navigated the world. Two was an introduction to his world and an introduction, therefore, to his network of people who, if they chose to, were in a position to be enormously helpful to you as you made your way up the vertical ladder. And then three was a sense of confidence in myself. At the end of the day, if you could play in that company, you got comfortable doing so.

Eventually, Parsons practiced law, and Rockefeller frequently referred clients to him. Parsons recalled that when *Forbes* magazine first published its list of the 400 richest Americans, 5 of the top 10 were his personal clients: “It was all because either they were people that I’d been introduced to by the governor, or who basically said, ‘Well, I’ve heard you’re a good lawyer. If you can represent the Rockefellers, you can certainly represent me.’” He later cashed in on these connections to establish his career in business. And for a while, this helped him enormously. But networks cannot do it all; Parsons later became chairman and CEO of Time Warner and oversaw perhaps the most disastrous business deal of all time when Time Warner merged with AOL. His story serves as a reminder that connections can only do so much; to have a lasting legacy, leaders must also have business savvy and a good deal of luck.

While Nelson Rockefeller—the scion of an oil family that used connections and wealth to conquer both business and politics—is the kind of person we usually think of as a powerful leader, leaders like Richard Parsons—an African American from a poor family who moved from law into big business—are certainly more common today than they once were in the highest ranks of the elite network.¹ The network of senior leaders is still exclusive, but it allows for fresh blood. The way to enter is through connections—like Parsons’ connection to Rockefeller and (as I describe in the introduction) Donna Shalala’s connections that got her into the White House.

If relational networks were essential in my gaining access to these prominent leaders, they are even more so for the people who live and operate in this realm. Those in society's upper reaches use their connections to secure influence and garner status. Many of the offices I went into were lined with photos of the leader playing golf with the president or shaking hands with a foreign head of state. Interview responses were littered with references to other elite leaders, sometimes because they were necessary to convey the story, and sometimes simply (I assume) so that I would be impressed.

While this name-dropping can become excessive, the truth is that an elite network is necessary for leaders to get anything done, and aspiring leaders must recognize this fact. A strong network serves to tighten the bonds of a leader's own ranks and selectively escorts others into the upper echelon. To gain access, rising stars seek out opportunities to interact with respected leaders. They find ways to build connections and use novel touches (like handwritten notes) to differentiate themselves from the pack. This understanding of the connections between relationship building and influence may seem Machiavellian at first blush, and some successful leaders do rely more upon the spur of ambition than the nudge of social graces to get things done. But in the real upper reaches of power, a leader must not be too pushy or self-promoting—the top tiers of society still resist the overbearing aspirants.

That said, leaders cannot be passive, either. If they overlook the value of a wide-ranging network of acquaintances, they will neither find the opportunities nor gain the relational resources to achieve significant goals and make names for themselves. Not only this, but certain individuals serve as entry points into highly selective networks, and these individuals must be, to an extent, pursued.

Nelson Rockefeller (not to mention family members John and David) is an example of a network superstar, a leader whose influence and reach extends across multiple sectors and generations of leaders. These superstars have a unique ability to draw people together—what I call “convening power,” in that they are able to use their wide networks to unite disparate people who would otherwise have no point of connection. Other network superstars who were mentioned repeatedly by leaders during the interviews include Jack Welch and Warren Buffett.

Ted Turner's office is a testament to his networking versatility. He has a wall filled with his 44 honorary doctorates, his office showcases

five Emmys and an Oscar, and a World Series trophy sits prominently on his coffee table. Indeed, many of the people profiled in this book can claim great accomplishments in multiple areas of society. With each accomplishment comes access to a wider, and so more powerful, network.

At the same time, one does not need to have connections to the White House or a network superstar in order to leverage connections effectively. Sometimes the most helpful contacts are internal to a particular organization. One nonprofit executive told me that when she would hire “smarty-pants McKinsey people,” as she put it, she would sit them down and tell them where the power really lies:

You're going to run into some older person who you think is slower and dumber, until we get into a really bad situation. And the only way to get out of that situation is that they're going to call somebody that they know and that they have a relationship with, and they're going to solve the problem. And then you're going to realize that all your smarty pants matters not at all, because you didn't learn how to build relationships. And at the end of the day, all organizations are webs of relationships; that's all they are.

Networks are even more important when leaders have to get things accomplished outside of their own firms or fields. One university president shared with me a conflict he had with a politician who was looking to cut state education funding. The president “was able to unleash enough firepower among major [political] players” in the state to avoid the budget cut. He credited his fire power to the loose set of acquaintances as well as loyal friends that he had established through a variety of formal and informal ties. Networks are powerful forces in the stratosphere of society—not only because of whom they include but also what they can do.

As the networks of people in the upper reaches overlap, they form a complex matrix of power involving individuals, institutions, and organizational fields that ultimately reaches across the country and around the globe. It is through this matrix that decisions of national and international consequence are made, elite newcomers are assimilated, and resources of all kinds—economic, political, social, and cultural—are

distributed. In essence, this matrix is how power operates in our society. So how do people get attached to these golden webs?

MENTOR RELATIONSHIPS

One of the main ways that newcomers become integrated into the matrix of power is through *mentoring chains*. These are lineages of relationships, rarely recognized formally, that link emerging or potential leaders with already established ones. For mentors, these networks give them the opportunity to gain leverage over the future by investing in their own legacies through the people who will ultimately interpret them. These chains also help build up leadership capabilities within their own organization. For young leaders, mentoring is one of the best ways to acclimate to a new network of social peers, gaining social capital as they rise. A banking executive told me, “When you have a mentor, you’re able to take that risk at a little younger age because [your mentor] is looking out for you. And so it allows you to be . . . more confident before your age.” In fact, mentoring was a markedly consistent factor in the early lives of the leaders I interviewed. Fifty-one percent of them mentioned a specific mentor or sponsor who had aided them in their climb to the top. Having a good mentor proved more significant in predicting career success than where one went to college or how wealthy one was as a child.

Emerging leaders learn as much as they can from their predecessors, but they also bring the values and innovations of their own backgrounds into their new social contexts. (This fresh blood keeps the matrix of power from stagnating.) So while the connections that gained Donna Shalala an appointment as a Cabinet secretary are obviously important, her other, nonelite connections (the people she served alongside in the Peace Corps, her family, her colleagues at Teachers College) have also been vital to her development. Kenneth Langone, an executive who serves on the boards of General Electric, Home Depot, Yum! Brands, and New York University, said:

There ain't no such thing as a self-made man. There just ain't. I don't care who it is. . . . At a given point in time throughout our lives, a part of the process of where we are, . . . if we look hard and objectively, we'll admit that we got a shove or a push or a pat on the back.

Langone related these thoughts to me in the context of a story from college. He had scraped through high school and found himself struggling in his freshman year of college. Just before Thanksgiving, his economics professor pulled him aside and said that while Langone's grammar and writing were horrible, he had real talent in economics. Langone shared that he was close to flunking all his classes, and the professor volunteered to speak with his other professors if Langone would commit to giving his schoolwork more effort. Langone took the deal: "I jumped into it with both feet and enthusiastically, really turned it around." Looking back, Langone credits the professor's intervention with his later success.

Networks do not only matter for the powerful. In the same way that great leaders use their connections in their rise to the top, people at all levels of society employ networks regularly to get things accomplished. They provide important linkages to one's fellow climbers down the ladder as well as up. Indeed, much to my surprise, the leaders I interviewed frequently rely on nonelite influences for inspiration, moral direction, and a sense of purpose. Their pastors, best friends from childhood, favorite uncles, and high-school coaches still impact the decisions of some leaders and are especially significant in their thinking when it comes to major life decisions (such as job moves and family transitions). Nearly all the leaders I interviewed were able to identify such a person outside of their immediate family. Elite networks then, are only the tip of the iceberg; under the surface, these leaders have many more mentors, connections, and relationships that impact their lives. Some people only do a good job at maximizing either upward or downward connections. A key characteristic that distinguishes average leaders from those who are truly remarkable is the ability to take advantage of both.

INSTITUTIONS

Networks of senior leaders are constituted in the same way as are networks of ordinary people. What differentiates the points in *these* networks, however, is their access to leading institutions. The people who populate elite networks are working for major government bodies, large corporations, and prestigious cultural institutions. A connection to these people means a connection to the people and resources they influence. Because of this, they provide newcomers access to those places where decisions of national and international consequence are made.

I refer to this process as “institutional tethering,” and it is how affiliations with certain institutions can serve as elite “on-ramps” whereby people from humbler backgrounds can rise in status and opportunity. This is why an invitation to dinner at the Four Seasons with a CEO can make a bigger difference in someone’s life than dinner with a friend from home. And within these elite networks, organizations are both the means by which leaders *gain* influence and power (such as being invited to serve on the board of a company or a nonprofit organization) and the vehicle through which they *exercise* this influence and power (such as using one’s board membership to influence policy).

Today there is a high level of distrust in society’s institutions. They are seen as containers of insurmountable bureaucracy, yet in truth, they are fundamental to society’s well-being. As one university president put it, “There is no civilization without institutions. I think that society can’t organize itself to do the most human things, the most important things, over a long-term basis . . . without institutions.”

The conceit of the Internet age is that now anyone with a wireless connection has the capability to influence millions—through a tweet, viral video, or Tumblr feed. But this conceit is as shallow as the media forms themselves. Social media lends itself to sound bites—140 characters and three-minute videos. Though widespread, these ephemeral forms of communication are not nearly as weighty as major institutions such as Harvard University, Procter & Gamble, the *Wall Street Journal*, and the Supreme Court. Events such as the Arab Spring of 2011 demonstrate that social media *can* precipitate revolutions, but they cannot maintain and organize that revolutionary impulse for long-term change. For that, society relies on institutions. Leaders are attracted to organizations; that is how they have a real impact on society. The COO of a billion-dollar nonprofit told me, “I really am attracted to scale, which is the reason I’m not interested in being the CEO of a much smaller organization, because I actually feel like scale matters, and that’s where the impact is real.”

One future telecom executive had decided early on to focus his desire to help people into a career as a doctor. But this young man changed his mind one summer during college:

What led to my decision to go into business was I became very enamored with this idea of leverage. A doctor’s contribution to society is limited to the 8 or 10 hours a day that they personally

work. And I thought, if you're working toward the right set of goals, your contribution is multiplied by the number of people you have working with you to accomplish that set of goals. And that literally was the reason I went into business.

He was drawn to business because he saw that he could have the most positive effect on society by leading a large organization. The same is true of many in government and nonprofit leadership. These are leaders “attracted to scale,” and institutions provide their kind of leverage. Another executive told me that his favorite thing about being a CEO was “building a legacy of a company that had already been around 85 years” and having a voice in national and international politics. This penchant for larger-scale influence is typical among the platinum leaders I encountered in this study. They want their lives and their leadership to count, and even if they are not CEOs, they prefer the access that comes from being tied to a major institution through a senior role.

Even the most seemingly unmovable institutions can be altered by the right leadership, as Marty Evans knows well. In 1991, Captain Marsha J. Evans had spent over 20 years in the Navy. She said, “I always thought I was on borrowed time . . . because women in the Navy in my generation were told fairly frequently that we were not wanted. We were not combat officers. . . . We were only support officers.” As Evans’s career progressed, more jobs opened up to women, but the Navy was behind the times concerning gender equality. This became abundantly clear when multiple charges of sexual assault were made against members of the U.S. Navy at the annual Tailhook Association symposium. The event was made worse by the fact that many attending flag officers seemed to have been aware of the assaults and did nothing. When the Navy conducted its own investigation, the episode was deemed simply a case of misbehavior by low-ranking enlisted men. The occurrence and its subsequent brushing under the table revealed to the public a startling sexism woven into the very fabric of the U.S. Navy. The inspector general of the Department of Defense would go on to hold his own investigation, which shed more light on the occurrence and resulted in the resignation and career demise of many admirals.

Evans was then tapped to chair a task force to change the culture and climate of the Navy and Marine Corps to one that would more greatly value and respect women. Or, as Evans put it, she was to “get

the Navy off the front page of the papers.” This was not just another assignment for Evans; it was personal. The ideal of gender equity was a norm in business and other sectors, and she was ready to see that same change in the military: “Gloria Steinem and her sisters forgot that we were there toiling in the vineyard with no support,” Evans told me over coffee one afternoon. But she was a platinum leader, and platinum leaders are positioned well. Because of her senior role in the Navy, Evans had the opportunity to change an institution that activists from the women’s movement could never reach. At this point in time, the Navy was coming around to the idea that “It’s just not fair that people should have to be subjected to harassment or sexism, just like it’s not appropriate or fair that we should denigrate blacks or Hispanics,” said Evans, but there was still considerable resistance to change on the subject of women.

Evans knew that in order to make a change, she had to develop an argument based on more than the principle of social equality. At that time, the Navy had a cap on the percentage of women recruited, which meant that they turned away qualified women and often took lesser qualified men. There were also laws that prevented women in the Navy and Marine Corps from serving in combat units. This was the point that became Evans’s logical fulcrum. If the mission of the Navy is “to conduct prompt and sustained combat operations at sea” as its primary function states, then it had a moral imperative to use the people who can do the job best, without regard for race, ethnicity, or gender. When Evans presented this argument to the Navy brass, they agreed. As she tells it,

They were ready for the argument, and it resonated. That became the foundation for how to change the culture and climate to value and respect women. We have to change the law so that women serve on the same terms. We have to hold them accountable just like we hold men accountable. And then we have to fix these problems that prevent the whole team from working effectively. Because if you don’t do that, then you might not accomplish the mission.

Evans’s task force led the Navy to go to Congress and change the Title X code that prevented women from serving on combat ships,

and subsequently women began commanding these vessels. Her work opened up Navy leadership to a new generation of women. Evans went on to become the second woman appointed admiral and the first to command a naval base. After her career in the Navy, Evans led the Girl Scouts of the USA and then the American Red Cross. She subsequently was the chief executive at the Ladies Professional Golf Association and currently serves on multiple corporate boards. Evans said, “Once a year or twice a year I go to the Naval Academy and speak with midshipmen. And today when you go out there and talk to women midshipmen, they just don’t have any idea that they can’t do this or that. It’s really pretty exciting.” Progress like this within the U.S. Navy could not have been made from outside the hierarchy.

Evans could have just gotten ticked off and started tweeting about it, but how would that have helped her future female cohorts? Lasting social change does not occur through people but through institutions. The most effective leaders, like Evans, realize that institutional momentum is far more powerful than individual, charismatic personalities. They work to make small changes to alter the course of an institution. Like a Navy aircraft carrier, these institutions move slowly and resist redirection. But in the right hands, once turned, they can change history.

CONNECTIONS

One of the most contentious and yet recurrent ways senior leaders exercise power in society is through overlapping board memberships, what scholars call “interlocking directorates”² or simply “interlocks.” The term calls to mind the image of tightly fitting gears, where the slightest turn of one influences all the others. The tendency of boards of for-profit firms, policy groups, nonprofit organizations, and even universities is to share members. A CEO wants to fill a board with knowledgeable and trustworthy individuals, so she chooses people she knows and who are proven industry leaders; inevitably, there is overlap.

These interlocks can have important effects. On the industry level, some fear that competing organizations use interlocks to collude to hike prices. On the societal level, some think that members of the elite class use interlocking directorates to consolidate their control over the most powerful companies. It is not clear how intentional directors are in securing these advantages through multiple directorates. But the

possibility for cohesion, or even collusion, certainly increases in this case. Interlocks can also keep out new faces, new perspectives. They can be pernicious and institutionalized forms of subtle discrimination.

Even though board affiliations mean relatively little to most directors, there is a group—an inner circle of directors who sit on multiple boards—for whom these networks are hubs of power, allowing them to exercise enormous influence, even in comparison to other platinum leaders. Consider the following irony.

There are hundreds of academic studies of interlocks from the past four decades. What has been little studied is what these interlocks mean to the board members themselves. For those in my study, contact with other boards allowed them to share information, consult each other for advice, act in concert to pressure for political change, find employees for high-level placements, raise money for charitable causes, and achieve countless other goals. Some have argued that the closeness of these networks allows for class cohesion and collective action among senior leaders, concentrating even more power in the hands of these already powerful people.³ Others, however, say that while there is interaction through these interlocks, not much really gets done. I did not find evidence of much collusion or political unity emerging from these interlocking directors. I did find that interlocks limited the number of voices in the conversations at the highest levels of corporate and nonprofit life. They also keep some people from underrepresented groups from joining the global elite. For instance, black women—such as Ursula Burns (CEO of Xerox), Ruth Simmons (former president of Brown University), and Shirley Ann Jackson (president of Rensselaer Polytechnic Institute)—are among the most interlocked directors, serving on multiple boards. This at first appears empowering, but consider this irony: More boards are able to boast of the inclusion of females and underrepresented minorities, while because of interlocks, fewer women and minorities are received into the matrix as a whole.

COHESION AND TENSION

When institutional leaders are tethered to powerful organizations and connected to each other through networks, the potential for action and change is immeasurable. In the late 1960s, Thomas Frist cofounded Hospital Corporation of America (HCA), a revolutionary company that

privatized health care in a for-profit environment. At its peak, HCA owned 347 hospitals and employed 175,000 people.

Frist had been mentored earlier in his leadership by a retired CEO who had instructed him to seek out board memberships at prominent universities and arts organizations to give him “the experience and the contacts to be better prepared rather than just be an entrepreneur.” Frist was strategic, therefore, wanting to be involved not only with prestigious organizations, but also with organizations where he could have an impact in his hometown of Nashville: “You don’t pick something that appears successful. How are you going to make your mark? . . . If you are going to be on the board, you don’t want to just be a board member, you want to do something over and above what the primary role is.” One of the boards Frist joined was United Way of Middle Tennessee. The organization was struggling, but Frist eagerly took on the challenge:

First thing is to turn around the United Way, in Nashville, for the good of Nashville, reestablishing its rightful way to be a major part of this community, the underpinning of it. Two is, if you can . . . do something that has some stickiness or lasting value to Middle Tennessee. I [didn’t] know what it would be, but I set a goal to come up with it. And third is, if you are going to put all this time and effort into it, do something that is back-to-back walk-off home runs at whatever it is. That maybe has a ripple effect . . . for the whole nation.

Not only was he aiming to help the local branch of United Way, Frist wanted a national impact. He came up with the idea of what became known as the Tocqueville Society, a leadership-giving program (named for volunteerism advocate Alexis de Tocqueville) whose members annually contribute at least \$10,000 to the United Way. In addition to Nashville, Frist was able to convince four other United Way chapters to launch local Tocqueville Societies. That program eventually spread across the country and now is globally recognized as a major philanthropic success story. Today the society raises over \$600 million a year through the program, and since its inception, it has raised, by Frist’s estimation, over \$7 billion. Frist’s seemingly impossible goal of a ripple effect across the country became reality. Because of the successful

launch of his effort, Frist was appointed chair of the national United Way board of trustees.

Frist came into the chairmanship of the board just after a scandal involving the CEO of United Way and misappropriation of the organization's funds.⁴ Frist found himself in the tricky position of filling a CEO position. Through an executive search firm, Frist was able to hire a young woman named Elaine Chao. Chao would leave United Way four years later to become the secretary of labor, and she later served on the board of HCA.

Chao is just one of many powerful connections Frist mentioned in his interview with me. He described a business challenge that he resolved not through number crunching, but through network tapping: "Pick up the phone, call Jack Welch [CEO of General Electric]. Said, 'Jack, here's the situation: I think this would be a good investment for you.' And all of a sudden, there is a \$600 million gap that is filled overnight." In addition to these business connections, Thomas Frist's brother, Bill Frist, is a former U.S. Senate Majority Leader. And Thomas referred to George W. Bush as "a good friend." This old boys' network is precisely the kind of thing that rightly causes outsiders to worry about elite cohesion and control. There is space for newcomers like Chao, but despite all good intentions, the matrix of power remains overwhelmingly white and male.

At one United Way meeting, Frist witnessed a conversation between John Opel (then CEO of IBM, on whose board Frist also served) and another board member, Mary Gates. Gates was telling Opel how worried she was about her son, Bill, who had left Harvard to start a "little software company" in New Mexico. Frist became good friends with Mary Gates, and they watched Microsoft's rise together. "It's fascinating, those relationships," Frist said:

Bill Gates would give me—after he started becoming a rock star over the next 10 years—he would give me two days a year to go over to Philadelphia, Houston, wherever, and he would help draw in the people who end up setting up and institutionalizing those Tocqueville [societies].

Bill Gates did this for Frist out of loyalty to his mother, which illustrates that elite networks and interlocking directorates not only benefit people in power but also *can* advance the common good. Vast

amounts of influence are wrapped up in this matrix; it is the intentions and passions of leaders that determine how this power is used.

Fractures

I've painted a picture thus far of platinum leaders, each existing as the powerful center point of a complex network of connections. These networks overlap, interweave, and, as described earlier, often interlock—to form a broad national matrix of elite power that can be incredibly efficient in its efforts. This is not to suggest, however, that the entire cohort of society's leaders is on the same page. Far from it. Sometimes networks are not enough to bring together disparate agendas. Jim Owens knows this better than most.

Owens spent his entire career with Caterpillar, the world's leading manufacturer of construction and mining equipment, diesel and natural-gas engines, industrial gas turbines, and diesel-electric locomotives. But his strong ties to Caterpillar have not isolated him from the rest of the business community; his ties to Peter Peterson (former secretary of commerce and former CEO of Lehman Brothers) and other executives have given him a place at many tables. Owens serves on the boards of Alcoa and IBM as well as being a member of the Business Roundtable, the Business Council, and the Council on Foreign Relations. Having many of these loose affiliations, or what we might call "weak ties," can be, in fact, more useful than a few "strong ties," because they allow for a more diffuse network. In the words of sociologist Mark Granovetter, "Those to whom we are weakly tied are more likely to move in circles different from our own and will thus have access to information different from that we receive."⁵

However, loose ties bring with them the potential for fractures in the matrix of power—points at which communication and goal-achievement can break down. In 2009, Owens was on the President's Economic Recovery Advisory Board (PERAB). Since Caterpillar is based in Peoria, Illinois, he had met Senator—now President—Obama, and had liked him personally. Still, Owens was surprised when he was asked to join PERAB, because he had significant political differences with Obama, especially regarding trade and labor policy.

Owens had a PERAB meeting in Washington just a week before a Business Council conference that he was set to chair. Owens invited the president to attend an off-the-record session with the Business Council

at the conference. Owens told him, “It’s a great opportunity for you to roll up your sleeves and shake hands with the top hundred business figures in the country. . . . It would be a really good give-and-take opportunity for you early in your administration.” The president agreed and also asked Owens if he could visit a Caterpillar plant in Peoria that same week. Owens expressed that this was not an ideal time for the president to visit Peoria, because factories there were going to be closed soon due to lack of demand, and significant layoffs were expected. But the president insisted. He was trying to get his Economic Stimulus Bill passed, and he wanted to give a speech in a manufacturing plant in America’s heartland.

So Owens flew with the president on Air Force One to Peoria. He took the opportunity to make sure the president knew the employment situation at Caterpillar:

Mr. President . . . a lot of industry is in free fall, and it’s going to get a lot worse. Don’t hang your political hat on having unemployment improve, because it isn’t going to happen in the near-term.” I showed him all the tables, he’s looking at it, and then I said, “I know you said in Virginia that if we can get the stimulus bill passed, Caterpillar won’t have to lay off people. You have to understand: the two plants you are going to go to—all of our plants in Illinois—65 percent of everything they build is for international markets. So if the stimulus bill passes, it will have almost no impact on my ability not to lay off people. These plants are in free fall. There are going to be more layoffs before we stabilize and can begin hiring again. You just need to be aware of that.

The president conveyed that he understood, but later Owens was shocked when, contrary to the briefing Owens had provided, President Obama said in his speech:

When they finally pass our [stimulus] plan, I believe it will be a major step forward on our path to economic recovery. And I’m not the only one who thinks so. Yesterday Jim, the head of Caterpillar, said that if Congress passes our plan, this company will be able to rehire some of the folks who were just laid off.

Owens told me, “I about fell out of my fricking chair. . . . I point-blank told him that was wrong on the airplane. I *just* told him.” On that same day, Owens was in a press conference and was asked directly

whether what the president had said was true. “I had to be honest with our community,” Owens said. “I tried to endorse a fiscal stimulus in general . . . and at the same time trying to be polite and saying that we were going to have to have layoffs.” Owens is still not sure why the president directly contradicted what he had told him. His guess is that the president got caught up in reading from the teleprompter.

The incident was a top news story, because, to some, Owens had called the president a liar. Trying to repair the damage, Obama invited the press to his “off-the-record” meeting with the Business Council. Unfortunately this prevented honest dialog there, further blocking the communication lines. Fractures like these, exacerbated by media attention, can disrupt the collective action of platinum leaders. The politics of networks mean that disagreements, misunderstandings, and disparate agendas can complicate even seemingly simple partnerships.

ACT PERSONALLY, BUT THINK INSTITUTIONALLY

The United States has always been the nation of the individual. Go West, young man. Pull yourself up by your bootstraps. Anyone can live the American dream. But in truth, this nation depends even more on strong institutions. We need the Navy, health-care systems, and companies like Caterpillar to provide infrastructure. A business executive cannot get things done on a major scale without a corporation where roles are differentiated and complex activities coordinated to bring goods to market. A scholar lacks funding and legitimacy without her university. A politician calling for change has little influence outside of a governing body. Even in the indiscriminate Internet age, one man can gain the attention of some, but a media institution can demand the attention of everyone. In this country, it’s the powerful few who grace our magazine covers. But in reality, it’s their institutions that should be the centerfold.

Individuals are not helpless slaves to soulless corporations. Most certainly, people can—and do—impact their own institutions. Personal relationships and principles can change the course even of institutional behemoths. Institutions like the U.S. Navy—with over 200 years of traditions and mores—might seem impossible to change, yet individuals like Marty Evans who are tethered to them can leverage their influence to move mountains. They do this by acting personally but thinking

institutionally. While collusions (such as being brother to a senator) and tensions (such as disagreeing with the president's economic policy while serving on his economic council) are unavoidable within the matrix of power, success comes to those who wisely navigate their networks to direct power to the right places.

Both strong and weak ties connect these individuals and provide them with entrée to power across disparate sectors. That's how Richard Parsons' career started in the office of Governor Nelson Rockefeller and climaxed at the helm of the largest media company in history.

BASED ON THE LARGEST LEADERSHIP STUDY OF ITS KIND, INCLUDING CANDID INTERVIEWS WITH PRESIDENTS OF THE UNITED STATES AND THE HEADS OF HARVARD, GE, JP MORGAN CHASE, AT&T, AND HUNDREDS OF POWERFUL INSTITUTIONS

D. MICHAEL LINDSAY, Ph.D.
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