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GO WITH THE FLOW



“You got to be careful if you don’t know where you’re going, because you might not get there.”

— **Yogi Berra**

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DON'T BELIEVE IN ANYTHING

Contrary to what you might read – or like to believe – the great business people usually don't believe in anything. They are corporate atheists. Their faith is the dollar or the ego. If you want proof, read the autobiographies of successful businessmen and women. They are extended ego trips usually dominated by avarice and self-justification – or both. Rupert Murdoch is no exception. He is a highly driven and hugely successful businessman. His creed is business. Outside business there appears little else. He has a yacht and houses around the world, but he does not fritter money away on art or fast cars or wine cellars. Apart from business, he appears an empty vessel – to the outside world at least. “For all the fuss that he has aroused in four decades of wheeling and dealing, Murdoch remains an inscrutable figure – an apostle of global communications who is a master of not telling the world what he really thinks,” noted a *BusinessWeek* article.³

There appears no moral imperative to his business life. No unerring belief. No dominating philosophy.

Murdoch has talked of having a moral compass to all his activities. However, if there is morality it is difficult to find. His father's family was religious, but Rupert Murdoch is presumably comfortable with the topless models in his newspapers

and the intrusions into people's privacy. There appears no moral imperative to his business life. No unerring belief. No dominating philosophy. This is partly because his interests and activities are so immense and diverse, but what drives Murdoch has always been difficult to pinpoint. It shifts with the times.

Look, for example, at Murdoch's political affiliations. From reading newspaper and magazine profiles, you would quickly conclude that Rupert Murdoch is rabidly right wing. That's the media image.

It is not without foundation. At times Murdoch has appeared to be incredibly right wing. In November 1996, he gave \$1 million to the Californian Republican Party. He was one of UK Prime Minister Margaret Thatcher's staunchest supporters. Prior to her electoral triumph in 1979 and in the years that followed, Mrs Thatcher received steadfast support from Murdoch. She was reputedly fond of popping into the editorial offices of the Murdoch-owned *Sun* newspaper to receive wisdom and whisky. Murdoch's speeches could always be relied upon to talk about the power and righteousness of market forces. They sang very loudly from the same song book and they sang even louder after Murdoch's battles with the unions at Wapping.

The mistake is to believe that Murdoch would allow any political beliefs to affect business decisions. He has shifted with the times. In the 1980s he was in-tune with the political ambitions and agenda of the right. He seemed to be on their side. But, to him, backing Thatcher or Tony Blair in the UK, Gough Whitlam or Malcolm Fraser in Australia, does not appear to be a matter of conscience or belief. He is the ultimate pragmatist who rec-

ognizes that it is better to back winners than losers. “His political alliances have nothing to do with ideology” noted one newspaper.

When it comes to picking political parties, Rupert Murdoch is brilliantly – almost outrageously – pragmatic. Politicians have short memories and are always willing to listen to someone with such influence and deep pockets. This is just as well. Superficial scrutiny of Murdoch’s political affiliations reveals a steady stream of impossible u-turns – well, u-turns if you were actually a believer in the first place.

In 1972 he supported the Australian Labour Party’s Gough Whitlam as Prime Minister. In 1975 Murdoch supported the Conservative Malcolm Fraser and engaged in a newspaper campaign against Whitlam described by one witness as “the most extraordinarily ruthless and one sided political coverage I think any of us can remember.”²

Murdoch goes with the flow in the hope that he can make it work for him. Early in 1998, there was yet another flurry of media coverage of Murdoch. Its central theme was that the British Prime Minister, Tony Blair, was too close to Murdoch and that he was directly supporting Murdoch’s business aspirations. It was suggested that Blair had sought to persuade the Italian Prime Minister to help a Murdoch deal in Italy. (It was one Murdoch deal – with Silvio Berlusconi’s television company, Mediaset – which did not happen.)

What was amazing about this entire scenario was that there was little or no mention of the fact that Murdoch had been a stalwart supporter of Margaret Thatcher. Yet, less than 20 years

after throwing his weight behind Mrs Thatcher, Murdoch is apparently so friendly with a Labour Party Prime Minister that it is a matter of concern.

To complicate matters a little further, during his youth, Murdoch was generally regarded as being left-leaning when it came to

politics. At Oxford, a bust of Lenin adorned Murdoch's mantelpiece.

Murdoch on

Gorbachev:

“The man's still a
communist.”

Murdoch reportedly annoyed his father by referring to Lenin as “the great teacher.” This had been long

forgotten when, three decades later,

Murdoch was strongly skeptical of Mikhail

Gorbachev's overtures to the West in the 1980s. He was not happy with the *Sunday Times*' serialization of Gorbachev's book (published by another of his companies). “The man's still a communist,” he complained to then editor, Andrew Neil.³

Murdoch knows the value of the printed word. One of Murdoch's techniques is to commission glowing books about or by politicians. (Robert Maxwell pursued a similar policy to ingratiate himself with East European Communist leaders.) Murdoch companies have signed major book contracts for politicians including Mikhail Gorbachev, Margaret Thatcher, Deng Xiaoping's daughter (Deng himself was too old and feeble to write a book - though not apparently to run a country) and Newt Gingrich for a whopping \$4.5 million. It would be difficult to come up with a more bizarre list of political bedfellows. These contracts are not simply about book publishing. Deng had a very interesting life and ran the biggest country in the world, but his was not the story publishers were falling over themselves to sign. The book of the life of Deng was not worth the reported \$1 million advance. It was a loss leader. *The Co-*

Columbia Journalism Review called it “a fawning – and historically flawed and commercially non-viable – portrait.”² The question must always be, a loss leader for what?

It is not surprising that the link between the politicians is that, at the time Rupert Murdoch took an interest in their careers, they were on the verge of power or already in power. Murdoch has a habit of backing winners. Losers do not figure on his radar. In the 1977 mayoral campaign in New York his *New York Post* endorsed Ed Koch rather than Mario Cuomo. Explaining this selection, Murdoch reputedly said: “It’s very simple. There are two and a half million Jews in New York and one million Italians.”³ You can’t get any more pragmatic than that.

Murdoch tends to get his bets in early. Before the Labour Party won their stunning 1997 UK election victory, Murdoch had already established himself as their ally. Tony Blair was invited to address a gathering of News International executives. Then Murdoch’s *Sun* newspaper publicly came out for Blair early in the election campaign. This dealt a body blow to the Conservative Party – as Murdoch knew it would. News Corp’s 1997 Annual Report made it clear that it fully realized the import of *The Sun’s* decision: “In an election year, the paper’s most notable success was in the political arena; its judgement in backing new Labour leader Tony Blair was shared by the electorate which gave him a significant majority.” Since then *The Sun* has occasionally flexed its muscles with a voice of dissent just to ensure the government knows who really pulls the strings.

None of this means that Rupert Murdoch is a card carrying member of the Labour Party or, indeed, of the Conservative Party. If there are any cards, he is holding them tightly to his chest. Like anyone in business, Murdoch has sought to influ-

ence events in his favor. Murdoch's machinations are a little more ostentatious than some. But they are ostentatious because of who he is rather than what he is doing.

Strip away the political power games and the big name politicians, and Murdoch is simply a fantastic networker. For an apparently isolated, highly driven individual, he spends a great deal of time making sure that he is well connected. His connections embrace people you would not normally expect them to embrace. Evangelist Pat Robertson, for example, called for a boycott of advertisers on Fox's sitcom "Married ... with Children." The ultra right wing Robertson did not approve of the content. Murdoch clearly did not bear a grudge and has done business with Robertson since. Robertson's current view of the offending sitcom would be interesting.

Elsewhere, Murdoch is continually exercising his networking antennae. In fall 1997, Murdoch joined the board of directors of the influential, right wing think tank, the Cato Institute. On the board, Murdoch rubs shoulders with FedEx CEO and founder Fred West, among others. Murdoch is making connections continually and placing bets on where power is heading and where the deals can be made. His hunches have generally proved reliable.

GO WITH THE FLOW

- ◆ Move with the times – if your finger is on yesterday's pulse, you are dead. Murdoch sniffs out where the power is moving and boards the bandwagon. He does so not with a loud yahoo and proclamation of conversion, but quietly.
- ◆ Ideas develop and evolve – so, too, must yours. The right wing agenda of the 1980s was readily embraced by Murdoch but his beliefs have evolved.
- ◆ Do not over-commit to one cause – today's *cause celebre* is tomorrow's has-been. There is a difficult balance to be struck. Murdoch embraces and supports causes, but manages not to be inextricably linked to them in a way that might later prove damaging.
- ◆ Constantly update and develop your network of contacts. If your network is out-of-date (or out of power), you are out-of-date and out-of-favor. Networking is a daily commitment, not a monthly social. Success requires that executives must become more efficient users of their networks. Networking is the cornerstone of good career management. KPMG Career Consulting encourages managers to make a basic list of their network. Managers are expected to come up with over 100 names.
- ◆ Get close to the corridors of power. For better or worse, politicians change things. Their decisions affect businesses. If it is possible to become involved in the decision-making process do so.
- ◆ But don't become a politician. Leave politics to the politicians but ensure that they leave your business to you.
- ◆ Put your faith in the next deal rather than some big idea or philosophy. Overbearing philosophies are more likely to be straitjackets than routes to bigger profits.

NOTES

- 1 Landler, Mark, "Rupert the inscrutable," *BusinessWeek*, August 2, 1998.
- 2 MacCullum, Mungo, "Who's afraid of Rupert Murdoch?", PBS Video.
- 3 Neil, Andrew, "Rupert the fear," *The Guardian*, March 2, 1998.
- 4 Baker, Russ, "Murdoch's mean machine," *Columbia Journalism Review*, May/June 1998.
- 5 Shawcross, William, *Murdoch*. Chatto & Windus, London, 1992.