

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.

