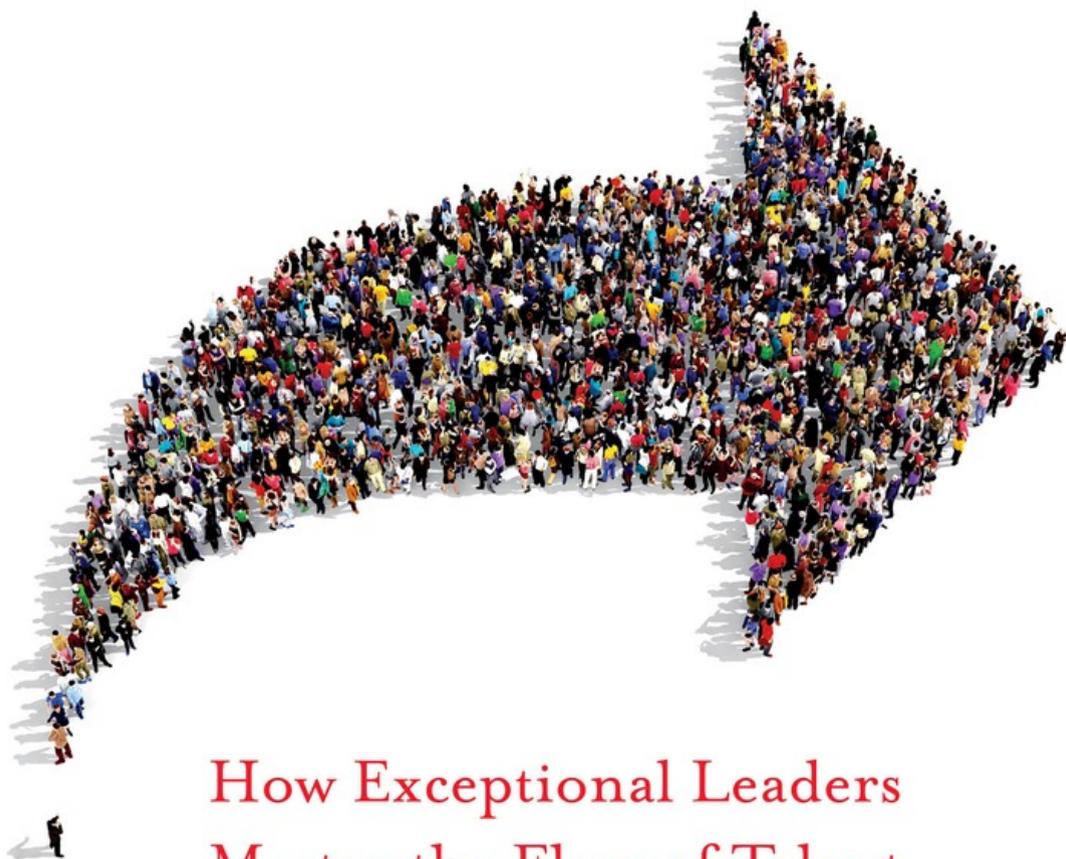


“*Superbosses* shows the incredible impact that great managers can have, both on their employees and on entire industries. Finkelstein has written a true leadership guide for the Networked Age.”

—Reid Hoffman, cofounder and chairman, LinkedIn; coauthor of *The Alliance*

SUPERBOSSSES



How Exceptional Leaders
Master the Flow of Talent

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author of *WHY SMART EXECUTIVES FAIL*

INTRODUCTION

Some years ago, a family of New Yorkers came in for dinner at Alice Waters's legendary Chez Panisse restaurant in Berkeley, California. According to longtime cook Seen Lippert, the family—Mom, Dad, a little boy, and a little girl—claimed not to have been aware of the restaurant's practice, then unheard of in the United States, of changing its menu daily to feature the freshest locally sourced and organic ingredients. The family agreed to stay for the meal, giving the restaurant a list of items they didn't like and didn't want to be served. One of the items on their list was peas. As it happened, the restaurant had gotten its hands on "these beautiful, sweet, fresh peas" and the staff had spent the afternoon shucking them by hand. Waters, who loved superior ingredients and always evangelized on their behalf, insisted that a dish of peas be presented for the family to try. The staff reminded Waters of the family's wishes, but she was unmoved. "I don't care. I just want them to try it. I just want them to try *one*."

The peas were brought out, and the family loved them. "I'm telling you," Lippert related in an interview, "that little boy, he smiled and looked, like, 'WOW. I've never tasted a pea before. I've never tasted *anything* like this before.'" Soon, the family had eaten the whole bowl. "They were so excited and so happy at the end of that dinner."¹

It was a small victory for Waters, one of countless that she's had. Many Americans now expect to see organic produce at supermarkets and enjoy ordering dishes prepared with fresh ingredients at local "farm-to-table" restaurants. But when Waters opened Chez Panisse in 1971, the nation's culinary scene was very different. Americans didn't know

much about fresh peas; their diets consisted largely of a limited array of mass-produced, frozen, and processed foods—hard, unripe tomatoes shipped clear across the country, “mystery meat” raised on industrial farms, shelf-ready baked goods whose ingredient list seemed straight out of a chemistry lab. In France, Waters had discovered the joys of simple cooking and fresh fruits, vegetables, and meats readily available at local farm markets. At Chez Panisse, she pioneered a new American cuisine that incorporated these elements and benefitted from close personal relationships with local producers. As celebrated chef Thomas Keller told me in an interview, it wasn’t just a restaurant but a “phenomenon” and “something that cannot possibly be duplicated anywhere else.”² *Gourmet* magazine named Chez Panisse the best restaurant in America in 2001, one of an endless number of such honors for Waters and her restaurant.

Through this success and other high-profile projects, such as her Edible Schoolyard and her efforts to improve food quality at Yale University, Waters has emerged as a leading advocate for the organic, local, and “slow food” movements in the United States. Industry insiders will tell you that Waters is also known for something else: spawning the country’s best culinary talent. Over the years, her restaurant has served as an informal school, incubator, and launching pad for a generation of aspiring chefs. Dozens of employees passed through Chez Panisse before opening establishments of their own, gaining fame as some of the country’s most creative culinary figures. These former employees include such stars as Judy Rodgers, the late chef at San Francisco’s Zuni Café and winner of two James Beard Awards (known as the “Oscar” of food) for best chef; Jeremiah Tower, another James Beard Award winner, who came out of retirement to take over New York’s famed Tavern on the Green restaurant in 2014; Joyce Goldstein, yet another James Beard Award winner; award-winning cookbook author and cooking teacher Joanne Weir; and award-winning pastry chef David Lebovitz, to name a few. “I mean, how many of my chef colleagues came through her kitch-

ens or worked for her, I can't count them," renowned chef Eberhard Muller told me. "I don't even know all of the people who came out of her circle of chefs or people who worked with her or interacted with her."³

When I first learned about Alice Waters, I was fascinated that a single person could foster such a disproportionate share of top talent. Some years back I had written a book (*Why Smart Executives Fail*) exploring how overconfidence, complacency, inaction, and lack of curiosity prevented otherwise intelligent leaders from adapting to changing business conditions. Companies were wilting under the weight of unimaginative, close-minded strategies and cultures; they lacked the talent required to shake things up and evolve. How interesting, I thought, that a lone creative genius who apparently possessed no special training in management had somehow nurtured precisely the kind of curious, energetic, open-minded people companies need to adapt to change and compete at a world-class level. How curious as well that in our world of Big Data, close, personal relationships played such an outsized role in channeling top talent into an industry.

I investigated further and found that sous-chefs often move on after a period of time to start their own restaurants. But I wondered if other industries worked this way, with genealogical "trees" of talent germinating from one or a few legendary innovators. I started exploring a number of industries—including professional football, advertising, consumer foods, real estate, hedge funds, comedy, and fashion—and was surprised to find that the same basic pattern held true. If you looked at the top fifty people in these industries, you would find that perhaps fifteen or twenty had once worked for or had been mentored by one or a few talent spawners—or "superbosses," as I came to call them. Likewise, these very same superbosses were responsible for a remarkable share of innovation in their industries.

Football was a great example of why working for a superboss paid off. During the 1980s and 1990s, five coaches dominated the NFL: Bill

Walsh, Joe Gibbs, Bill Parcells, Jimmy Johnson, and Marv Levy. But the one coach of these five who spawned the largest “tree” of talent was Bill Walsh. Between 1979 and 2015, Walsh or coaches in his lineage appeared in thirty-two Super Bowls, winning seventeen of them. Johnson and his protégés appeared in only six Super Bowls; Levy, Gibbs, and Parcells and their protégés did better, appearing in twenty-three, twenty-one, and twenty-four Super Bowls, respectively. Of the ten head-coaching changes in the NFL in 2005, six were filled with members of Walsh’s tree. As of 2008, the year after Walsh’s death, coaches trained by Walsh led twenty-six of the league’s thirty-two teams.

Walsh’s success and that of his protégés derived from an important innovation of his, the “West Coast offense.” This strategy allowed teams with nontraditional players to win games through better execution. Teams following the West Coast offense focused on making quicker, more precise passing plays. It wasn’t about being bigger or badder but using what you had in a more disciplined fashion. Walsh also innovated in ways less obvious to football fans. Whereas many coaches left to others the minutiae of leading an organization, Walsh broke down the minute-to-minute progression of team practices, defined responsibilities for coaches and players, and set rules for how to handle business matters such as negotiating contracts and dealing with the media. He also dispensed with an authoritarian style of leadership and empowered individuals by teaching them to think independently. These innovations amounted to a comprehensive new approach to coaching, one adopted and refined by a generation of Walsh’s successors.

The more I looked at people like Walsh, the more I wanted to understand what made them tick. Why have innovators such as Ralph Lauren and Calvin Klein enabled so many heavy hitters in the fashion and lifestyle businesses to make it to the top of their fields, while other luminaries such as Giorgio Armani, Martha Stewart, or former Gucci chief executive Patrizio di Marco have not? How did Julian Robertson spawn a

generation of acolytes in hedge funds, unlike other rich and famous investors such as Eddie Lampert and Steven Cohen? What techniques did the superbosses mobilize? What were their secrets?

I consulted the business literature, but to no avail. The pattern of a superboss's giving rise to a "tree" of talent just didn't appear in conventional business management. Human-resources consultants weren't talking about it, executives weren't devising talent management strategies around it, and my colleagues and I weren't teaching it at business schools. Yet superbosses were behaving in ways that energized promising individuals, inspired their very best performance, and launched them into high-powered careers. They knew something that the rest of us didn't—and they used that knowledge to achieve extraordinary results.

In 2005, I embarked on a full-blown research project, scouring business, sports, fashion, and the arts to find potential superbosses and map out their genealogical trees. In the end, I spent ten years conducting more than two hundred interviews; sifting through thousands of articles, books, monographs, and oral histories; and writing three dozen case studies in the most extensive and rigorous research project of its kind. I compiled, dissected, and analyzed stories about the lives and careers of eighteen primary superbosses: Lorne Michaels, Ralph Lauren, Jay Chiat, Larry Ellison, Bill Walsh, Jorma Panula, Bob Noyce, Bill Sanders, Miles Davis, Michael Milken, Michael Miles, Alice Waters, Norman Brinker, Roger Corman, Julian Robertson, Gene Roberts, George Lucas, and Tommy Frist. I also collected materials on a few dozen likely superboss figures such as Hillary Clinton, Stan Lee, Oprah Winfrey, and David Swensen. I wound up finding superbosses in fields as diverse as casual dining (Brinker), hospitals (Frist), comic books (Lee), politics (Clinton), nonprofit endowment investment (Swensen), filmmaking (Corman), hedge funds (Robertson), newspapers (Roberts), and special effects (Lucas), among others.

Looking for recurring themes and patterns, I discovered that super-

bosses differ considerably in their interpersonal styles; but the ways in which they identify, motivate, coach, and leverage others are remarkably consistent, highly unconventional, and unmistakably powerful. Superbosses aren't like most bosses; they follow a playbook all their own. They are unusually intense and passionate—eating, sleeping, and breathing their businesses and inspiring others to do the same. They look fearlessly in unusual places for talent and interview candidates in colorful ways. They create impossibly high work standards that push protégés to their limits. They engage in an almost inexplicable form of mentoring and coaching, one that occurs spontaneously with (apparently) no clear rules. They lavish responsibility on inexperienced protégés, taking risks that seem foolish to outsiders. When the time is right, superbosses often *encourage* star talent to leave, after which these acolytes usually become part of the superboss's strategic network in the industry.

As my research progressed, the differences between superbosses and traditional managers became increasingly obvious. The worst bosses out there tend to demotivate employees, slow their growth, and erode performance by engaging in any number of behaviors that are far from “best practice”: gossiping, backstabbing, inappropriately claiming credit for others' success, and so on. Superbosses are clearly miles ahead of these bosses; there is no comparison. Another, somewhat more successful breed of boss is what I call Bossy Bosses: outsize, Donald Trump-style personalities who crack the whip and push employees to their limits. They lord it over their reports, standing as remote, godlike figures, people to be admired but never, ever equaled. Superbosses easily surpass these Bossy Bosses. Superbosses can be fierce or gentle, belligerent or self-deprecating, but whatever their style, they do a much better job inspiring and teaching because they get in the trenches with protégés, leading by example and giving them the personalized attention they require to move up quickly. Bossy Bosses may achieve great personal success for a time, but eventually they lose it all as their house of cards

collapses. Superbosses enjoy more lasting success and they also spawn a generation of protégés who become movers and shakers in their own right.

Now, what about all those good bosses, those managers whom we typically recognize as competent, well meaning, and effective? It turns out that even these bosses don't match up to superbosses, for two reasons: superbosses embrace certain practices that good bosses don't, and they do even more of the productive things that good bosses do. For instance, good bosses give employees opportunities to move up, even using "career ladders" to define opportunities. Superbosses also create opportunities for employees to move up, but they personalize those opportunities rather than organize them in a standard or lockstep way. Good bosses measure engagement formally, using standard metrics; superbosses don't need to rely on the standard metrics, because they're living the workplace experience *with* their employees. Likewise, good bosses are very big on best practices. They want to know what works and they want to *do* what works. Superbosses have little interest in best practices. For them, such practices amount to codification of the past that implicitly reduces openness to new ways of doing things. Would hedge-fund titan Julian Robertson have funded so many apparently inexperienced Tiger Cubs, as his successful protégés are called, if he followed a textbook approach to selecting fund managers?

Much of the difference between good bosses and superbosses comes down to mentality. Many of the best bosses today tend to think of themselves as professional managers. They do the basics well and strive to get better, as most professionals do. What these bosses sometimes lose is the intuition, the innate curiosity, and the rough-and-tumble entrepreneurial energy that characterize superbosses. It's not that professional managers don't exist among the ranks of superbosses; they do, and in fact this book will feature several. Yet superbosses don't limit their sense of self to that of a professional manager, no matter how professional they might in fact

be. Superbosses always add something more to the equation. And on this account they exercise a uniquely powerful and beneficial effect on their employees.

As the secrets of superbosses became visible, I realized I had stumbled upon a veritable holy grail for business managers and professionals. Despite human-resources specialists' best efforts, surveys show that most workers remain unengaged and unhappy at work. Studies by McKinsey and others reveal that organizations don't "get" how to develop strong, self-motivated leaders—even though most executives regard talent as absolutely vital to their organization's survival.⁴ Superbosses yield a fresh set of answers, practices that anyone can borrow to nurture others and create an inexhaustible pipeline of rising stars. These answers seemed especially relevant for the challenge of inspiring, developing, and engaging millennial employees. If even *some* of these practices are widely disseminated, careers could become more meaningful—and more lucrative. Professionals could do more good, get more satisfaction out of their work, and make their organizations nimbler and more resilient. Workplaces could be transformed from dull, dreary places to powerhouses of innovation.

But the stakes are greater than that. Ultimately, *more companies may survive* if superbosses' practices become widespread. As a kid growing up in Montreal, I used to visit our neighborhood bakery every week. It was the center of the community—a warm, lively place redolent with the smell of fresh baked bread. Years later, I returned to my old neighborhood and discovered, to my dismay, that the bakery had folded. It left me thinking: Why do perfectly good companies have to die? They don't. Companies can avoid or overcome almost any business challenge with the right talent. It's when organizations don't regenerate their talent—and with it their supply of new ideas, approaches, and solutions—that they flounder. The wisdom of superbosses isn't merely *useful* for the rest of us in business—it's life or death. The primary path to winning is via great talent fully immersed in creating value.

As a professor at Dartmouth's Tuck School of Business and director of the Center for Leadership there, I've had the privilege of consulting to dozens of the world's largest companies, from Boeing and General Electric to JPMorgan Chase and Deutsche Bank. I've written nineteen books on leadership, including several bestsellers, and more than eighty articles. The biggest discovery I've made over the course of studying organizations is also the simplest: it really is about the people. Executives often prioritize strategy, assuming that if they get that right, everything else will fall into place. They think they can ignore their people or, at any rate, treat them as secondary. Bad idea. People are an essential part of any strategy, and regenerating the talent pool is the single most important thing any leader can do to survive and prosper. Superbosses understand this, and for this reason they're able to achieve unparalleled influence and business success in their respective fields.

Superbosses explores the characteristic behaviors of the world's most effective bosses, upending conventional best practices and presenting a new, comprehensive paradigm for developing talent. This book is the first to offer a systematic, empirically based study of what *really* motivates, inspires, and enables others to achieve their full potential. It teaches professionals how to be better bosses so that they can unleash unprecedented creativity, engagement, and accomplishment in their teams, generating and regenerating the world's best talent. And it shows employees in any field how to identify superbosses in their industry so that they can get hired and advance their careers.

The first chapter of *Superbosses* defines superbosses and provides a more complete account of my research journey. The following seven chapters present "the superboss playbook"—the techniques, mind-sets, philosophies, and secrets that the world's best bosses use and others don't. Chapter 9 concludes the book, addressing how managers and leaders can incorporate the larger superboss approach into their own careers, management practice, and organizations. Throughout, readers will ob-

serve that the clear majority, although not all, of the superstar bosses discussed, are white men. This isn't by choice; rather, I have simply presented my research findings, which reflected white men's traditional dominance of top leadership roles. I expect (and hope) that if I were to look into superbosses a decade or more in the future, I would find a much more balanced gender and racial representation.

Many books have been written about talent, applying everything from common sense to psychology to Big Data, but nobody has studied those few individuals who, with their seemingly strange, idiosyncratic practices, grow human capital better than anyone else. We desperately need new approaches to nurturing people so that they're primed for success and are in turn driving the success of managers and organizations. Superbosses, exceptional and colorful as they are, offer wisdom that all of us can apply to build meaningful careers for others. And when we help others make their way, the benefits we reap are equally great. What could be more fulfilling than knowing that we've helped others achieve their dreams? What could be more satisfying than having legions of protégés proclaim to the world that we *mattered*?

Larry Fink, CEO and founder of BlackRock, one of the world's biggest and most influential financial institutions, was once asked what he would remember most about his career. His answer: "The legacy of the people who will run the firm after I'm gone."⁵ As you apply the lessons of *Superbosses* and change how you behave, I think you'll agree: the only thing better than working for one of the world's most effective bosses is *being* one yourself.

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