

How EMC's CEO quashed the 'pocket veto'

By Bryn Zeckhauser

Leadership Fourth quarter 2008 47 new animal park in Florida. This park featured lots of live animals, and it quickly became the subject of a raging controversy that pitted the company against animal rights activists. "Today" was broadcasting live from the new animal park on opening day. It was strictly a promotional exercise. It wasn't a hard-hitting investigative report. But when it came time for Eisner's live interview, his performance was very strange indeed. He came to the interview with a defensive, even hostile, attitude. He made it abundantly clear just how annoyed he was that anyone would possibly question his company's good intentions. It was obvious that he was wasn't well prepared to deal with the inescapable fact that some animals had indeed died as the park was being prepared for opening day. The interviewer in the segment was Katie Couric, not someone known for tough interrogations, and none of her questions came close to being hostile. If Eisner had played along as the producers expected he would, the interview would have ended up as just another well-orchestrated opening day promotion. But for some reason Eisner decided to make a joke about the dead animals. He went out of his way to remind a visibly surprised Couric that "every animal in this park will die eventually, and so will all of us." True enough, but under the circumstances not at all an amusing line. The joke fell flat. It is impossible to know for sure what possessed such a smart guy to do such a dumb thing on national television, but I do have a theory. Knowing that the accidental deaths of some of the animals in the park was in the news and that the animal rights activists were already using the story in an effort to embarrass Disney, Eisner and his communications team correctly anticipated that he would get asked about it, even though the overall interview was intended to be light and promotional. During a communications strategy session someone probably made a joke about how foolish and unrealistic the animal rights activists were acting. That may have led Eisner to try out the line about dead animals on his team. Because he was the CEO, everyone probably laughed. That led Eisner to conclude, incorrectly as it turned out, that his joke about dead animals would work well with a national television audience as it had with a bunch of Disney executives who were being paid a lot of money to say yes as soon as the boss was finished talking. That turned out to be a very bad mistake. David Bartlett is senior vice president of Levick Strategic Communications (www.levick.com). How EMC's CEO quashed the 'pocket veto' From How the Wise Decide: The Lessons of 21 Extraordinary Leaders by Aaron Sandoski and Bryn Zeckhauser. Copyright 2008 by the authors. Published by Crown Business, a division of Random House

Inc. (www.randomhouse.com/crown). Even in a culture of candor, people can still stymie implementation simply by putting their hands in their pockets, quietly refusing to execute a decision. Wise leaders prize employees who persuasively argue their opinions before a decision is made, yet who can abandon internal politics and come together as a team to implement the final choice. An essential task in achieving this is to eliminate the “pocket veto.” The term pocket veto comes from politics, where a pocket veto is the indirect rejection of a bill by the president of the United States. The U.S. Constitution gives the president 10 days (excluding Sundays) to review and sign a piece of legislation once Congress has passed it. If the president chooses not to sign the bill into law within those 10 days, and Congress adjourns during that time, the bill automatically dies. The pocket veto can be an equally powerful tool in business. A member of your team can hear your final decision and then quietly undermine it through inaction. Mike Ruetters ran into that problem when he was CEO of EMC. “For a while we had a problem with pocket vetoes,” he recalls. “I would make a decision and announce it and a few of the participants would walk out saying to themselves, ‘I don’t care what Mike thinks, I’m not doing that.’ ” But Ruetters found a solution. After he announced a decision, he would go around the room asking each person individually if they intended to pocket veto his decision. “We would essentially ratify the decision by going around the room and asking, ‘Are you comfortable with this? Okay.’ In many cases, because you know from past experience that some of these people are pocket vetoers, you might ask them directly, ‘I’m not going to see a pocket veto on this, am I, from you?’ Then they finally have to say, ‘Yes, I’ll go along with it.’ And once they do that, it becomes pretty much impossible for them to go and do it after they committed not to do it.” Mike Ruetters knew who the pocket vetoers were in his organization and found a way to co-opt them into supporting his decision even if they didn’t like it. He knew the power of Leadership 48 directors & boards a spoken commitment — “Yes, I’ll go along with it” — effectively quashed the pocket veto. Bryn Zeckhauser is a senior fellow at Harvard University’s Mossavar-Rahmani Center for Business and Government. Aaron Sandoski is managing director of Norwich Ventures, a venture capital firm. GE’s secret weapon From Talent Is Overrated: What Really Separates World-Class Performers from Everybody Else by Geoff Colvin. Copyright 2008 by the author. Published by Portfolio, a member of the Penguin Group (www.penguin.com). Building people through job assignments seems obvious in theory, but in practice it’s tough. Organizations tend to assign people based on what they’re already good at, not what they need to work on. The merciless competitive pressure on every company makes it difficult to pull accomplished employees out of jobs they do extremely well and put them into positions where they may struggle. That’s a tension every organization must deal with in order to become more successful. No company assembles careers on

the principles of great performance better than GE. Its breadth of businesses lets it offer a wider range of experiences than almost any other company. It uses the advantage for all it's worth to create some of the world's best-rounded and most sought after executives. One of GE's secret developmental weapons, an example of the useful assignments it can hand out, is the job of running GE Transportation, the business that makes locomotives in Erie, Pa. Consider all the ways in which it can stretch a manager: Buying locomotives is a big decision for the business's customers, so the person running the shop — recently, John Dineen, a 21-year GE employee — gets experience dealing directly with CEOs of customer companies. The business is unionized, so he learns about labor negotiations. The product is complex, as is the supply chain — more learning that's broadly applicable. Erie is sufficiently remote and unglamorous that the business leader can develop without national media scrutiny. And if, heaven forbid, the leader is a washout, GE is big enough to handle the trouble without much trauma to the bottom line. Geoff Colvin is Fortune magazine's senior editor at large and regular lead moderator for the Fortune Global Forum. A moment that changed a career

From Total Leadership: Be a Better Leader, Have a Richer Life by Stewart D. Friedman. Copyright 2008 by the author. Published by Harvard Business Press (www.harvardbusiness.org/press). By the mid-1980s, my professional life was humming. I had finished my graduate work in organizational psychology, begun research on leadership development, and landed my dream job at the Wharton School. But my wife, Hallie, and I had been trying unsuccessfully to have a child for some time. Then, finally, at 5:30 a.m. on a beautiful autumn morning, our first child, Gabriel, arrived. In a warmly lit room in Pennsylvania Hospital I stood transfixed, holding this practically perfect being for the first time. Wrapped in a yellow blanket that covered him entirely except for his calm face, Gabriel looked at me and around the room, taking it all in. I wondered, what must I do now to make our world a safe and nurturing one for him? I could not get this thought out of my head. A week later, I arrived back in my Wharton MBA class on organizational behavior and set aside the topic for which we'd all prepared that day, on motivation and reward systems. Instead, I told the story of what had just happened to me. I tried to extract the meaning my story might have for these talented students and incipient business leaders. "What responsibility do you have," I asked, "for creating work environments that help cultivate the next generation? What will you do, as a business professional, to weave the strands of work, family, community, and self into the fabric of your own life?" I didn't know it then, but that moment changed my career. By giving voice to my feelings about what was important in my own life, and connecting them to the interests of others, I began a new journey. I refocused my research to reflect the importance of bringing the whole person to work. ■ Stewart D. Friedman is the founding director of the Wharton School's Leadership Program

and its Work/Life Integration Project (www.total-leadership.org). He is the former head of Ford Motor Co.'s Leadership Development Center.