



## The Social Capitalist: Jeffrey Pfeffer

You won't find the nitty-gritty realities of career advancement in most business self-help books and you won't find it in the autobiographical leadership tomes of America's most revered CEOs. You won't find out what they *really* did to get to the top or how they *really* operated once they got there because so much of those realities have to do with power.

Getting and using power can be an ugly sport that just doesn't jibe with the legacies CEOs want to leave. For academics and gurus, maybe it's political correctness or an earnest desire of how things *ought* to be, but they too produce books heavy on feel-good notions like following your inner compass and the importance of humility. These lessons are important, but fall short on prescriptions for the work world as it really is.

To put it bluntly: the world is not just, your workplace is not fair, and how smart you are, how well you do your job, or how many people think you're swell has far less to do with your success than almost anyone is willing to tell you.

Stanford Professor Jeffrey Pfeffer is one of the willing, and he shared those often unspoken power rules on an eye-opening session of the Social Capitalist. An outspoken truth-teller and academic rebel willing to question the orthodoxy, Professor Pfeffer proves again with his book, *Power: Why Some People Have It and Others Don't*, why he's one of our very top thinkers in management theory.

This is an edited transcript from a live Social Capitalist event. The Social Capitalist is sponsored programming of myGreenlight, the only comprehensive online learning platform for critical relationship development skills. The interactive interview series is dedicated to delivering in depth discussion on relationship science with the best and brightest thought leaders in business and academia.

**Tahl Raz:** In *Power: Why Some People Have It and Others Don't*, Dr. Jeffrey Pfeffer's position is clear: The world is not just. Your workplace is not fair, and how smart you are, how well you do your job, or how many people think you're swell has far less to do with your success than almost anyone is willing to tell you. Professor Pfeffer, welcome.

**Jeffrey Pfeffer:** Thank you, it's a pleasure to be with you.

**Tahl Raz:** So, let's get right into it. What is power? Why is it so important, and why do so few of your colleagues tell the truth about it?

**Jeffrey Pfeffer:** Well, power's simply the ability to get things done in many aspects of life. There's disagreement about what to do and how to do it, and so power is simply the ability to get your way. That would be an alternative title for the book, *Getting One's Way Inside of Organizations*. It's important for lots of reasons. One is that if you run an accomplished profound, organizational change, you need to actually have influence to be able to get other people to do what you need them to do. Power's a part of leadership.

Secondly, power can be monetized. When Bill and Hillary Clinton left the White House, they had debts. Six years later, they had earned \$107 million. Power doesn't have to be monetized. I mean, Mahatma Gandhi and Martin Luther King didn't, but it can be.

And thirdly, according to a research by the British physician and epidemiologist Michael Marmot, power to the extent it's manifested as control over your work and your work environment actually produces longer life. Anyone who's ever had stress from not being able to control the conditions of their work would understand that, I think, pretty easily.

And why my colleagues don't tell the truth is that there's no incentive to do it. If you were to do the Google search under the phrase, "you can't handle the truth," of course the first thing that comes up is the famous scene between Tom Cruise and Jack Nicholson in *A Few Good Men*, in which Jack Nicholson says to Tom Cruise, he doesn't think people want the truth, they can't handle the truth. And I think that's right.

I actually believe that people need to know the truth if you're going to be successful in organizations and in your organizational life. You actually need to understand how the world works, not how people would like it to work. That's important also, of course. But you need to understand how the world *actually* works, what rules of the game are, what we know about social psychology and the social psychology of influenced processes. And then you can decide how you're going to use that knowledge. But I think it's important for people to tell people the truth.

**Tahl Raz:** So speaking of the truth and the rules of the game, many of the book's strategies revolve around a psychological term called *self-enhancement*. People like to feel good about themselves and do things to ensure that result. So is this just a fancy way of telling us we should all be ass-kissers, or is there a craft and a set of techniques to this and what are they?

**Jeffrey Pfeffer:** Well, flattery, I think is highly under-utilized, to tell you the truth. I have a colleague, Deb Gruenfeld, who says, and I think she's right, that even though we live in a hierarchical world, many of us are uncomfortable with hierarchy. And I think many of us in particular are uncomfortable with having other people, particularly other people who we may feel are unqualified or who have gotten their positions in an unfair manner or, you know, who knows how they've gotten their jobs, but they have power over us and we don't like it. And so we say, why does this person have the right to tell me what to do? And then we act and behave in a counter-dependent fashion, and that doesn't get us very far at all.

Everybody has a boss, and to the extent that your boss likes you, thinks well of you, and wants to make you successful, you're probably going to do way better than if your boss doesn't like you and would rather never see you again, in which case you're likely going to be fired.

When your colleague and co-author Keith Ferrazzi came to my class some years ago, he's made a statement that I think is completely correct. He said, "You are not responsible for your career. Your blinding ambition is not going to necessarily make you successful. It is *other people* who are responsible for your career." The people higher up in the organization whose fate – your fate, they control. And so your job is to make sure that they want to make you successful and have an interest in your success and well being. The best way to do that is to make those people feel better about themselves. And so flattery, yes, is one technique. Not disagreeing with them openly or in a confrontational way is another thing. It's basically asking about any behavior that you're going to exhibit, *At the end of exhibiting this behavior, will the other people feel better or worse about themselves and about my effect on their self kind of esteem?* And so, a lot of this is about being energetic, being enthusiastic, being positive, because all of those things are part of having people feel better about themselves.

**Tahl Raz:** All of that jives with what we teach at the academy, more or less. But there's several areas where some of your teachings don't jive. Generosity is a foundational concept in our program and, you know, for many stretching back to Dale Carnegie, the more you give the network, the more it returns to you.

But you seem to have a different take, advising people not to over-emphasize generosity or kindness and instead recommending that you should signal through your actions that you're going to do

whatever it takes to succeed. You say that is a more powerful way to enlist others in your cause. Did I get that right?

**Jeffrey Pfeffer:** Well, I think you got it mostly right. What I tell people all the time is that with no salt, you die, and with too much salt, you die also. There's a happy medium for all of this. Obviously, some generosity's good. Too much generosity probably isn't.

The principle that you've touched on that I would certainly take to bank, is that people want to be associated with winners and success. And to the extent that you signal to others that you are likely to be successful, that you have confidence that you know what you're doing, that you're on your way to the top, people will want to join you. They will want to join you simply to bask in your reflective glory and to be associated with your success.

So there are many ways to get people on your side, but certainly one way to get people on your side is to indicate that you're on a path to the top. I mean, you see this with stars. I mean, when I was in Barcelona a few months ago, if I walked home to my hotel, I could walk home in perfect privacy. If I were Mick Jagger, I wouldn't get 20 feet before I would be surrounded by millions of people, and that's because people want to be associated with stardom, with fame, with power and with success.

So yes, that's absolutely right, you want people see you as being a powerful and successful person, running a powerful and successful organization. They will want to be associated with you and to be associated with your program.

You can see this in sports. I mean, Bobby Knight, the ex-basketball coach from Indiana was fired from Indiana for throwing a chair at a player. I'm not advocating throwing chairs at players or using his coaching techniques, but basketball players would join his team understanding that he was not like the world's nicest, sweetest, most generous person. But he did, by the way, graduate a very high percentage of the people in the basketball program. He ran a successful program. And people want to be associated with that success.

Steve Jobs does not exhibit many of the characteristics that my colleagues would write about as being those of a good boss. But people want to be associated with Apple Computer because of its success. And they want to be associated with Steve Jobs and be close to him because he's a genius – even though at times, he can be obviously very difficult to be around.

**Tahl Raz:** So that actually ties perfectly into my next question because all of these people you mentioned are, of course, very powerful and also, of course, notoriously not warm, fuzzy people. Specifically, in your book you told a great story about Jamie Dimon. Before he was a banking demigod as CEO of JP Morgan Chase, he was fired from Citibank because he couldn't get along with the daughter of the then-CEO Sandy Weill. On the one hand, the lesson seems to be that there comes a point in one's career where you can afford not to get along with people. But on the other hand, throughout the book, you consistently downplay likeability as a factor in success, at one point, actually saying that if you have to choose between being liked or being feared, pick feared.

So are you recommending that we act as bullies to everyone but those who can control our fate? What is the nuance there?

**Jeffrey Pfeffer:** You've touched on a very, very difficult and interesting issue. There's a lot of research nicely summarized by Amy Cuddy, who wrote a one-page *Harvard Business Review* article entitled "Just Because I'm Nice Don't Assume I'm Dumb." There is this tendency to assume that competency and niceness are, in fact, independent of each other. You can be smart and nice or dumb and mean. All four selves are possible. But empirically, people tend to see niceness and competence, or niceness and smartness, or niceness and brilliance, as being negatively related. Theresa Amabile, who's now on the Harvard Business School faculty, wrote an article many years ago entitled "Brilliant But Cruel," in which she found that people who gave negative book reviews were seen as not as nice, not as kind, not as warm, but also seen as smarter.

The best advice I have here comes from my dear friend, the great social psychologist Robert Cialdini, who first of all put me on to this quote from Golda Meir, the now deceased Israeli Prime Minister. She said, "Don't be so modest, you're not that good." So Bob Cialdini's advice is first, demonstrate competence, intelligence, power and success. And then once you are powerful, successful, and seen as being brilliant and everything else, then when you demonstrate your niceness, you will not erode this idea of your competence and smartness. And secondly, people will be really grateful because they often associate power with bullying behavior, anger, and all these other displays. And so, they'll really like you and admire you and really respect you.

So first, demonstrate competence – and *then* you can be nice. But if you demonstrate niceness first, you may never get a chance to demonstrate your competence and your intelligence.

**Tahl Raz:** So the advice is cold, mean, and unlikeable for the first part of your career, until you can afford to be nice.

**Jeffrey Pfeffer:** Correct.

**Tahl Raz:** Well, but –

**Jeffrey Pfeffer:** Except what you've said in the question that you asked, which was exactly right – not upwards. Upwards, obviously, you need to ingratiate yourself with the people who have power over you.

**Tahl Raz:** But some of the research that you site doesn't seem to mesh with a lot of the emerging research of last few decades around emotional and social intelligence. The research there seems to show that those who score high on those competencies, interpersonal and otherwise, are those who also have very large effective network. And it's clear that those who are powerful also have large effective networks. How do these two groupings of research fit together?

**Jeffrey Pfeffer:** I think they fit together perfectly. One of the skills that I talked about in the book to develop on your path to power is *empathic understanding*. You need to be able to read other people. And so, obviously, emotional intelligence is consistent with your ability to being able to read other people. But your ability to read other people and to read situations, to diagnose who has power and who doesn't, to diagnose what people are looking for out of situations so you know how to negotiate with them and how to transact with them in ways that will be beneficial, does *not* necessarily mean you're always going to put their interest ahead of yours.

So understanding other people and putting their interest above yours or even being generous with them are not necessarily the same thing. And yes, emotional intelligence, being able to read other people, being able to size up situations and circumstances, is absolutely essential as a source of power.

**Tahl Raz:** I have to say, to on the one hand have this empathic ability at reading and understanding people, and at the same time, to have that power skill set in being unlikeable and cold.... There's almost something sociopathic to it.

**Jeffrey Pfeffer:** Well, I try never to use labels like *sociopath*. Michael Maccoby wrote a book called *The Productive Narcissist*, and many people will tell you that there are a number of high-level CEOs who are not necessarily completely normal. And Keith Ferrazzi has said that those people who are successful, and I think he's completely right about this, also have some level of insecurity or something that is driving them –some itch that they're trying to scratch or something that they're trying to prove to the world. And I think that's right. The line that he used in my class, which I love, is that he almost feels sorry for people who come from happy, loving homes and are completely normal and they go on to be yoga instructors. But most of the people who accomplish great things are driven because they are not completely....I would not use the word *sociopath*. I mean, sociopath is a pretty strong word. But people who succeed in life are willing to pay the price, and therefore, they're driven and so they are probably not necessarily the most normal, "well-adjusted" people in the world.

I mean, look at CEOs. I know no CEO of a major company, I know nobody who's successful, including Keith, who lives what I would call balanced, calm, relaxed, or mellow. These are people who work hard. They work very hard. Success requires hard work. So one of the questions you might ask is, if I'm going to put in all these hours, if I'm going to spend this time traveling, if I'm going to spend time on holidays away from loved-ones, if I'm going to do what it takes in order to be successful in my career, what is driving me to make those trade-offs? And it does require a passion and a drive to make the trade-offs needed to be powerful and successful.

**Tahl Raz:** I want to tell the listener that your mentions of Keith are not simply because of where you're doing this interview, but because he figures prominently in the book since the correlation between power and the skill of networking, they're very highly correlated. And you have some interesting, unique perspectives on networking that I'd like you to touch upon. One of them is the importance of becoming central in network and taking on what you call a *brokerage role*. Can you explain that?

**Jeffrey Pfeffer:** Brokers, even the literal term, bring people together. I mean, if you think about it, what is a venture capitalist? A venture capitalist links people with technology with people with money. And the people with money probably know other people with money. They don't know people with technology and vice versa. So the broker fills this kind of structural hole and brings the two groups together.

That's one of the things that effective networkers do. They find people who could benefit from being in contact with each other and put them in contact. And thereby, their sales profit from bringing those groups together. By the way, in order to do that, you have to do something that I think Keith really exemplifies and great networkers do, which is that you have to meet a diverse and broad set of people from a variety of industries and from a variety of walks of life.

There's a joke I like to make with the MBAs at Stanford when I teach my class. I will come in on Monday, because we teach Monday mornings, and I will say, "How did you spend the weekend?" And they will laugh and say, "Well, you know, I spent the weekend with, of course, my close friends," or maybe their family. To which I will say, "If you spend all your time with your current close friends, how are you ever going to make any new friends?"

We have a natural tendency as human beings to spend time with people we are comfortable with, and these are people we already know. And so one of the things that I admire about Keith and I admire about all effective networkers, is that they are willing to reach out to people that they don't know, and from a variety of diverse industries and contexts and backgrounds and professions, as a way of meeting these folks. Once you know a diverse set of people, your odds of being able to find people who could benefit from knowing each other goes up.

**Tahl Raz:**

Another point that you make about these people who achieve centrality is that they're big self-promoters. You write that perception is reality, and to attain that perception, you can't be afraid to stand out and break some rules. Now, on the one hand, I'm incredibly intrigued by that because it promises at a very specific, concrete tactic. On the other hand, it's the kind of vague advice that kills me, because it could be interpreted as, "Oh, I just need to be more interesting and send dirty YouTube videos around the company."

So how *exactly* do you stand out? And which rule do you end up breaking?

**Jeffrey Pfeffer:**

That's a question that can't be answered "in general" because it obviously, unfortunately, depends upon the specific situation. But what I tell people is you need to figure out a way to differentiate yourself. When Keith took his first job at Deloitte & Touche, one of the first things he did before he took the job was to make sure that he could have dinner once a year with Pat Locanto, who at the time

ran consulting there. So, here you are. You're entering a consulting firm as part of a cohort. There are lots of other people who are entering that consulting firm. What do you want to do? You want to do something that stands out but that also provides value. And so, Keith, early on in his career, figured out that he didn't want to add value by doing all the groundwork of consulting and running spreadsheets. What he could really do to add value was to get Deloitte better known, to do a bunch of things that would help with marketing.

You want to be doing things that are both valuable and scarce. If you do things that are scarce like sending dirty videos around the company, not many other people are going to do that, but it's also not very valuable. If you do something that's valuable but everybody else can do it, then again, you don't get much leverage. The leverage comes from doing things that are both valuable *and* scarce.

I gave lots of examples of this in the book. For example, people who took on these "small, mundane tasks" that nobody else wanted to do, but that brought them into contact with lots of senior people in the firm; tasks such as running recruiting activities for analysts in a money-management firm, or organizing seminars to bring in outside speakers. In one Internet marketing firm where there was a lot of different silos, a woman said, "I'm going to bring in interesting speakers and get people together that way."

So it's oftentimes relatively small tasks that add value so that the people learn things, or get into contact with other people. But also tasks that other folks either don't take the initiatives to do or won't expand the energy to do.

**Tahl Raz:**

You make the point that it's not just about, as you were talking about, what you do, or the specific currencies that you have, but it's the style with which you leverage it. I'm incredibly interested in that. You write that it all depends on your ability to speak and act and portray this image of power. I noticed that in your class on power at Stanford, you make this case by showing video snippets of two CEOs appearing before Congress – the Goldman Sachs CEO Lloyd Blankfein and the former British Petroleum CEO Tony Hayward. Can you tell us about that example of the lesson you're trying to teach there?

**Jeffrey Pfeffer:**

What I would tell people to do is to go get the C-Span video of Tony Hayward. As soon as he starts to testify, watch him with no sound on. He's looking down. He's not using his arms. He's not moving.

He looks like, literally, he's a prisoner in his own body. He looks uncomfortable. People will tell you that his eyes look very sad. Then you do the same thing with Lloyd Blankfein. Lloyd looks like he's very comfortable in the situation. He's smiling when he gets to ask the question, he looks oftentimes puzzled like, how can you be asking me that? Don't you understand how security markets work?

Or you could go back and look at Oliver North and his testimony in the Iran Contra hearings in the late 1980's. He does pretty much the same thing. He leans forward. He leans into it.

Research shows that you begin to form impressions relatively quickly and that the impressions are formed first on how people look. Secondly, based upon how they sound. And thirdly, by the content of what they say. Economists have done research for years that show that taller people, in general, earn more money. The effect isn't huge, but it's statistically significant and reasonably reliable. People have found over the years that physically attractive people earn more money. Again, you know, not necessarily in enormous effect but quite reliable and statistically significant.

We respond to how people look and we certainly respond to how people carry themselves. So if you fold your arms in on yourself and shrink down, some research – actually, recent research has shown that it actually affects your blood chemistry, that your level of cortisone goes up and your level of testosterone goes down compared to if you take a high-power post, where you take up literally more space and you stand up more.

And it's interesting, if you just watch people in everyday interactions. When people get nervous, they fold their arms in front of their chests and they kind of, you know, almost cave in on themselves. And therefore, they're signaling in a lot of different ways that they are not in command or in control of the situation.

**Tahl Raz:**

You've pointed out that those with power *interrupt* in their interactions and those with less power *get interrupted*. But what I thought about this, getting into issue of women in power, it reminded me why I tend to enjoy working with women more than men. It also explains, you say, why despite all the gains of women in the last two decades, they remain only 15 percent of equity partners in law firms and under-represented in the executive suite. The data goes on. So are you saying that if women want to achieve power at the same rate as men, they need to get tougher and start acting more jerky like Lloyd Blankfein?

**Jeffrey Pfeffer:** I would not use the word *jerky*, but you do need to act as if you're going to command respect. There was an interview when Carly Fiorina, the former HP CEO, was running for Senate. It was in the San Jose Mercury News. I'm not going to be able to quote this perfectly but it will be pretty close. She was asked how she adopted her style and how the style evolved over time. And Fiorina said, "Look, I began in the telecommunications industry, and I went into sales and marketing. I would go to these meetings and people would basically abuse me." And she said finally she went to some meeting where somebody referred to her as, like, "the talking bimbo," and she said, "I've had it." That was it. After that, she made it clear, in a variety of different ways, that she was going to be taken seriously and was going to be treated with respect or else she was going to, you know, let you know about it.

And so yes, so when I look at women who are tough, women like Mary Cranston who was the managing partner of this enormous firm Pillsbury, Madison and Sutro, then it became Pillsbury and Winthrop, and then it merged again. She serves on corporate boards. I was on a conference with her on women and law at the University of Texas law school a couple of months ago. Mary said, "You ought to read Pfeffer's book and you ought to do what he does and stop being worried about what everybody else thinks about you."

Malcolm Gladwell made a very, very important point. He wrote an article a couple of years ago in the *New Yorker* entitled, "How David Beats Goliath." It goes to the issue of *rules*, which has been implicit in a lot of your questions. And he said, look, the rules are made by the people who are being favored by the rules. So if you got lots of power, by all means follow the rules. But to the extent that you don't have power, you don't want to follow the rules. And he goes on to cite not only women's basketball teams but also wars where underdog oftentimes are able to beat a stronger force. The way you beat a stronger force is by, basically, doing something different, by getting outside of the conventional wisdom.

So, you know, George Washington fought the British. The deal was you march out in formation. He said, "If we march out in formation we're going to get slaughtered. I guess we better hide behind rocks and shoot at them," which turned out to be much more effective. And you think about even the analogy in Gladwell's title, David beating Goliath. You know, here's Goliath, enormous, enormous human being, very strong, fully armed, big armaments, big sword. And David says, "If I put on all his armament, I'm not going to be able to move, let alone win the battle. I'm going to have to do

something else. I'm good at using a slingshot, so I'll use a slingshot. I won't have to get close to Goliath.”

We oftentimes adopt a certain set of conventional wisdom. Understand that that conventional wisdom only works for the people in power. And if you're out of power, you need to do something different. I think minorities have discovered that over the years, and women as well. They need to worry a little bit less about what everybody else is thinking about them.

**Tahl Raz:**

We're now at the point when we turn to questions from the audience, but I have one last question myself. A topic came up in reading your book is the behavioral disinhibition that usually applies to people who've already achieved power and begin to act as if there are no rules, as you were just talking about. You know, someone like Anthony Weiner sending naked photos and Tweeting them around the world, and Clinton with his interns and so on.

But, in a way, it seems to me that this whole book is devoted to a kind of behavioral disinhibition, *strategic disinhibition*. Is that a fair characterization, that you're advocating to readers to stand out, to break rules, to take risk, to be aggressive, to act angry, to essentially flout everything that the Human Resources Department is about?

**Jeffrey Pfeffer:**

What I'm advocating goes back to something we've already talked about and which is a really, really important point. It is all about doing everything in moderation. So I look at folks. I think the average human being, not everybody, but the average human being, is too concerned about what other people think. They are too worried about standing out. They're too worried about asking for favors because they're worried about what other people would think about them and they're worried about being too bold.

In a world in which most people are not bold enough, I'm pushing them to be bolder and to stand out a little bit more and to take more risk. In a world in which most people are too risk-averse with respect to their careers, and particularly, early in their careers, having them take more risk, to learn more and to do things a little bit different, I think will push them in the right direction.

Can you go too far? Absolutely, absolutely. And so this is all about finding and tapping medium.

**Tahl Raz:**

So I have some questions coming in. The first one is from Amul Mago, who asks, “What's your recommendation for when you reach

out to new contacts and don't get back a warm response. How does power play out here?"

**Jeffrey Pfeffer:** One of the reasons why people don't ask for help, one of the reasons why people don't reach out period, is because of their own self-enhancement issues. "If somebody doesn't respond positively, if I asked for something and I don't get it, if I try to make a contact, the people don't respond, I will be rejected; and oh, my goodness, I'll feel terribly," and whatever. Any good salesperson will tell you that the only way you're going to be a successful salesperson is to get over the idea of, "oh, my goodness, rejection." Any good entrepreneur will tell you if you haven't failed at least once, you haven't probably pushed things enough or tried enough.

So you need to get over this fear of rejection. If you reach out to someone and you don't get a warm response, you don't get a response at all, you can try it again. If you still don't get a response, reach out to other people. I mean, we live in a world of 6 billion people. Most of us, many people in our organizations and in the industries in which we're working, try to find people where you can build positive relationships. And don't take it personally if some people don't respond so well.

**Tahl Raz:** A particularly powerful woman among the listeners just said, "If you need a warm response, get a dog," which leads us nicely to the next question. This is from Colleen Newvine: "Is there a more stereotypically feminine version of power yet? Yes, be strong; but can you be strong in a softer way, or, since men are still generally running corporate culture, do women need to play by men's definition of power?"

**Jeffrey Pfeffer:** I wrote some HBR blog about women in power and I got all this stuff that said I was like a throwback to the 15<sup>th</sup> century, Machiavellian, all this other stuff.

There's all this talk about the "new models of leadership." I have a dear friend who teaches at Stanford, David Bradford, who has written some wonderful books about post-heroic leadership. And to tell you the truth, I wish the world were like that, but I don't see it. I need to be really clear in case I haven't been. Most of what I'm describing, I don't necessarily approve of. I don't necessarily *like* this. I don't necessarily like the fact that here's George Steinbrenner, who fired Billy Martin five times, and he's basically, you know, not the world's nicest person. But because he made the New York Yankees so successful, people were willing to make all kinds of excuses for him. You take \$10 million and turn it into \$1.6

billion and you win all these championships, and people are willing to put up with a lot in order to be associated with that level of success. Would it be nice if George were nicer? Yes.

So I do believe there's obviously a softer version of power, sometimes associated with women but with some men also. It would be nice if that's the style of power worked. But what I see, and you can argue that this comes from evolutionary biology or evolutionary psychology or something that was genetically programmed into us, is that people, basically, respond first of all to two cues. Similarity is one. It's a fundamental basis that attracts people. People are more willing to do favors for people with whom they share even incidental similarities, including birthdates. There's research that show people are more likely to marry others who have the same initials as they do and all kinds of other stuff like that. So number one, friend or foe.

Number two, who's going to win? We tend to positively respond, almost subconsciously, almost chemically, to those who win and to success. And I wish that weren't true, but it is. And so my advice is that until that changes or until we build a culture or an organizational culture where that changes, you need to, going back to Cialdini's advise, first demonstrate competence. And competence has a lot of components to it. One component is obviously technical competence. Another component of competence is strength and confidence, the extent that you demonstrate competence. Then you're going to be successful, and then you can be nice. But first, you have to get people to acknowledge your competence and strength.

**Tahl Raz:**

Let me get personal for one moment. By every metric of your own industry, you are a terrific success, even I would say in the sense that you've actually gone against convention, spoken up against orthodoxy, said what you mean, often provocatively – *and* achieved tenure. That's not normally the case.

At the same time, in a Q&A between you and your friend, Garry Hamel, he asked you, and I'm paraphrasing, "You know you wrote this book. I see your success. But I know that you're not in any way like this." Can you reconcile that for me, and explain why have you chosen one way over the other?

**Jeffrey Pfeffer:**

Wow. Well, you know, I have a very unusual job. First of all, I was successful very early, which probably was a big problem. But in any event, academia is a little different. I mean, once you have tenure in academia, you can write an article (as I did) called, "The End of

Business Schools? Less Success Than Meets the Eye.” And even if the dean wants to fire you, he can’t. And then when the article wins a prize, and everybody figures out that business education is screwed up, the same dean who wanted to fire you will then stand up and take credit for having you on the faculty and for writing an article that pushed people to rethink business education.

So I am probably a walking testament for the reasons for having tenure, because otherwise, people would do things that they would then come to later regret. So everybody has to live their life as they choose to live it. You only get one life and as Gary would say, “This is not a dress rehearsal. It’s the main event.” And so I have made choices, and one of the choices is to be a reasonably generous person. I certainly oftentimes will associate with people who have had career setbacks and who have had all their friends desert them, and they find that I haven’t because I actually want to be helpful.

But on the other hand, if you said to me, and thank you very much for all those complimentary words, “Could I have been more powerful had I done things differently?” I think the answer to that is clearly yes. If I had my career to do over again, I’m not sure exactly what the trade-offs I would make, but there’s no question that I could plot a course for myself that would have brought me much more power than I have, your complimentary words notwithstanding.

But everyone has to carve a life for themselves and make the trade-offs. And just as there are trade-off between the hours you’re going to work and your career, there are trade-offs between how you want to behave and how you want to feel about yourself and the life that you want to carve for yourself. So life isn’t just about acquiring power; but if you do want or acquire power, unfortunately, there’s some rules that I think you still probably have to follow.

**Tahl Raz:** That’s a very good answer. Cody Carroll says that there’s lots of talks and research that you hear about in business journals all the time about a shift in the evolution of business and leadership to something more open, more distributed, more collaborative. No more command and control, the open-source revolution has won and collaboration is the new currency. And his question is how does power, formal or not, specifically respect the leadership evolved in this context? If that context is in fact true.

**Jeffrey Pfeffer:** I have friends who have graduated from Stanford, and they’ve gone to work for these wonderful, collaborative, lovely organizations

where they're told there's no politics. One of them is called Facebook. Don't believe what you're told. Everybody's going to say, "Oh, we're collaborative, there's no politics here." Good god, go read the *New Yorker* profile on Sheryl Sandberg that just appeared. Facebook is a political place. There's a hierarchy: You're either on Mark Zuckerberg's good side or you're out. Apple, give me a break. Apple, of course, is not open source in the first place. Google, I've lots of friends who work at Google. They will tell you all about the politics of Google.

So yes, I do not see much difference in these new economy companies. I've heard the same stories. I would like to believe that they're true. I would like to believe that the new generation is less competitive. Whatever, but it's still the case that there's only one CEO. There's only one head of each department. There's only one school superintendent in a school district. We still live in a hierarchical world.

Two colleagues of mine have just recently done a review chapter for the Handbook of Social Psychology on organizations and organizational theory. And they chose two defining concepts. One, that we've already alluded to, is this issue of similarity and how organizations in a thousand different ways reproduce themselves, or to use Rosabeth Moss Kanter's wise words, engage in "homosocial reproduction."

The second concept they talked about is hierarchy. There's a lot of research that shows that people actually prefer hierarchy. If you offer people the opportunity to work in task groups and say to them, "choose your arrangements," hierarchy emerges. Hierarchy emerges even in informal groupings. Hierarchy emerges even in the collaborative culture of the Stanford Graduate School of Business. So I think you'd still need to understand the rules of power even in the new economy and even in these new economy companies. As a matter of fact, given what I've seen, you need to understand it *particularly* in the new economy companies.

**Tahl Raz:** We only have the time for one last question. A listener asks, "How does leadership style affect presentation style? And which is preferred given that you are driving goals? I know that the nice guy doesn't always win." And with that, please talk about how to develop and demonstrate presence.

**Jeffrey Pfeffer:** There are a bunch of things that you can do, including read chapter 7 of my book, because I don't want to make the answer too long. We have an elective at Stanford that my colleague Deborah H.

Gruenfeld teaches called Acting with Power. I've said for years that you ought to learn how to conduct and carry yourself and how to speak and act. These are all skills that are learned. One of the big mistakes that I think people make is they say, "Oh my god, I'm 20 or 30 or 40 or however old I am and I'm fixed." You know, "Whatever I am is what I am." And just as people learn to ski and learn to speak French and learn to play a musical instrument and learn to roller skate or ice skate or whatever, these are all skills that you should and can continually evolve and develop over time, and it requires practice and good coaching.

So what I would say to people is join Toastmasters, put yourself in situations where you have to make presentations, put yourself in situations where you're uncomfortable and learn how to deal with that. And also get coaching. I mean, I'm a big fan of executive coaching, as well as acting coaching and presentation coaching. There's a whole set of professionals who are very good at this, very much like how you and your company provide coaching at some level on how to be a more effective builder of social networks and social relationships. These are all things that can be learned and these are all skills that can be developed and mastered, regardless of how old you are. This is not a personality issue. This is an issue of skill and skill mastery.

**Tahl Raz:**

As I told you, Jeffrey, over email, ever since I was a cub reporter at *Inc.* magazine, I have followed your work and appreciated it for its honesty and intelligence. And to engage in a little self-enhancement, I have to say that the interview lived up to its billing. Really, on behalf of all of the participants and listeners, thank you very much for taking the time to tell us about the book.

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*For more information about Jeffrey, visit [www.jeffreypfeffer.com](http://www.jeffreypfeffer.com).*