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Breakfast with Fiorina

by Sue Dorward

In November, 2006, I had breakfast with Carly Fiorina, former CEO of Hewlett-Packard. Okay, she sat at the table next to mine, and there were about 300 other people at the breakfast, but I was looking forward to hearing Fiorina speak.

Fiorina recently published her memoir, Tough Choices (published by the Penguin Group, ISBN 1-59184-133-X). This talk, co-hosted by Friends' Health Connection and New Jersey Association of Women Business Owners, was a stop on her book tour. Fiorina spoke on a range of topics from her book, every word of which she assured us she wrote herself. She then answered numerous questions from the audience. I took detailed notes, and while I am not quoting Fiorina exactly, much of the wording in the remainder of the article is hers and not mine.

She began by addressing her dismissal from HP in February 2005, which she describes in the prologue of her book so that readers do not have to skip to the end. According to Fiorina, the Board fired her abruptly with no discussion, explanation, or transition. They did not even meet with her to break the news. In the book, Fiorina states that the Board "did not have the courage to face me. ...after a lifetime of fears I was not afraid. I had done what I thought was right. I had given everything I had to something I believed in. I had made mistakes, but I had made a difference. I was at peace with my choices and their consequences. My soul was still my own."

This statement is the epitome of both her book and her talk. She talked about leadership, the difficulty of change, overcoming fear, and making tough choices without selling your soul. She wove personal and sometimes amusing anecdotes throughout her talk, to illustrate her points as she shared her insights. She brought a human face to her significant challenges and achievements, leaving the audience both respectful of her as an individual and believing that we are capable of more than we previously thought.

LEADERSHIP VS. MANAGEMENT

She noted that leadership is not management, though management is certainly important and we need good managers. Managers can lead, and leaders can manage, but many do not. Management is achieving acceptable results within

known constraints. Leadership requires both realism and optimism. Leadership is changing the order of things, seeing and seizing possibilities to change for the better. Leadership is a choice to make a positive difference. A leader never stops learning or taking risks. Some people choose not to lead because they are afraid. Some are afraid of change.

PASSION, POTENTIAL, FEAR AND COURAGE

When Fiorina graduated from Stanford with dual majors in medieval history and philosophy, she was effectively unemployable. (In her book, she talks about the importance of logic in decision-making, and it seems that her interest and skill in this area came from studying philosophy.) In an attempt to please her parents, she went to law school. She dropped out after one semester, in part because she hated the focus on precedence rather than creating something new. Fiorina had learned that pleasing someone else was not a worthy goal. She knew that without passion, she would not do a good job.

Ironically, Fiorina's first real job was as a secretary at a commercial property brokerage firm located just one block from HP headquarters. There she worked hard and learned a lot, including what it feels like to work at the bottom and that the bottom can make a difference. Six months after she started, two men at the company recognized her potential and offered to let her learn to write deals. They were leaders, seeing possibilities in her that she did not see in herself. This was the first time she thought of a career in business.

She advised the audience, "Whatever job you have, do the best job you can. Don't focus on the next job you want. Learn everything you can from everyone you can. And when opportunities knocks, don't be afraid to open the door. It will be scary and new. You will be outside your comfort zone, and you will make mistakes."

Fiorina earned her MBA and then went to work for AT&T. During a sales training exercise, she was supposed to call an executive's (pretend) secretary to try to get through to the executive. She was terrified. She postponed the exercise eight times because she was afraid to fail.

Today, the media describes her as "fearless," because she has taken bold action. "But this is not accurate. Courage is acting in spite of fear."

CHANGE

Change is like heaven: everyone wants to get there but nobody wants to die. Change sounds good in theory but nobody actually wants to change themselves. People resist change because the natural momentum of any organization is to

preserve the status quo. People who have power and influence want to keep it. It is human nature. Resistance to change is substantial. A leader needs to name it and muster sufficient motivation for others to overcome it.

At AT&T Network Systems (which became Lucent), people were discontent but were not prepared to do anything different. Fortunately, one of the organization's executives, Tom Carter, demonstrated leadership by speaking up about not being willing to accept the status quo, and others followed him.

When Fiorina went to HP, she did not bring anyone else with her. She wanted them to change; she did not want to bring change.

FAME AND FEMINITY

For six years, Fiorina was #1 on *Fortune* magazine's list of the most powerful women in business. She told *Fortune* that this list was a bad idea. Business is not like tennis, with male and female ladders. To Fiorina, the list implies that women are not good enough to compete with men in business.

Fiorina related anecdotes about being a businesswoman back in the 1980s. She once shared a client with a male coworker. The client wanted to have a business meeting at a strip club, so the coworker thought Fiorina should not go. She went anyway. Her coworker was humiliated more than she was. They later became close colleagues.

After a lawsuit against AT&T, the company needed to hire more women. Fiorina was introduced to her first management reports as the "token bimbo."

Fiorina offered the following advice for female executives:

- Everyone is afraid. If you are not trying, not risking doing new things, then you are not progressing in life. Identify, name, and overcome your fear. Find people to help you.
- The more opportunities you have, the more opportunities you will have to sell your soul. Make time to reflect and ask yourself, "Can I live with what I choose?"

LEADERSHIP REQUIRES DIVERSITY, COLLABORATION, AND CHARACTER

Fiorina sees the diversity of the senior management team as a prime indicator of a business's health. Different people have different experiences, which leads to a higher quality decision-making process.

Fiorina pointed to the 2001 HP-Compaq merger decision as an example. While many people questioned whether the deal made sense, Fiorina was confident in the HP Board's lengthy and thorough decision-making process. (I have to note that the Board was not racially diverse, but was reasonably diverse along other lines such as gender and experience.) The HP Board's analysis had predicted that the merger announcement would cause the stock to drop 20%, and it dropped 23%.

In Fiorina's view, the best leaders surround themselves with people who are different from themselves. If they do not, then they are putting their own comfort level ahead of creativity and new thinking. A fundamental source of discrimination is discomfort. People hire and like people like themselves. Affirmative action is a lever to force people to look for others who are different from them. Business competition today is all about the talent, so it makes sense to include as many people as possible in the talent pool.

Leadership is about the capability of those you surround yourself with. Leadership is about collaboration, not working alone. People who collaborate effectively achieve more.

Leadership is about character: values, ethics, and knowing where your internal compass tells you to go. If a leader does not have values, the internal corrosive effects are devastating. A leader never sells his soul. "Don't ever sell your soul. Nobody will ever pay you back," Fiorina had advised a co-worker.

NEGOTIATION

An audience member asked Fiorina for advice on conducting successful negotiations. Fiorina outlined four principles for negotiating:

- Find common ground with the other party. (She then gave a humorous example, from a trip to Korea to negotiate with a Korean team that had never worked with a woman before. Following the Korean tradition, in the evening they all went to a *kisaeng* party where each executive had a female companion to cook Korean barbecue dinner and ensure that the executive did not drink too much despite numerous rounds of toasts. Fiorina took it all in stride. At the next day's meetings, the dynamics were significantly better, because she had found common ground with the Korean team by respecting their traditions.)
- Listen hard to understand the other party's issues and objectives.
- Be clear about what you want and need. Ask for it, and then stop talking. Do not immediately start backtracking.
- View negotiation as collaboration, not conflict.

AVOIDING BURNOUT

Fiorina was asked how she avoided burnout. She replied that one of the toughest decisions she made every day at HP was how to spend her time. People will ask for more and more until you say no. They are not being mean; it is just human nature. Someone will always be unhappy. You need to preserve your own health and life, and you need time to refuel. The choice is yours.

REACTION TO BOARD SCANDAL

An audience member asked Fiorina what she thought about the 2006 HP scandal, in which spying on Board members and reporters (to find leaks) led three Directors, including the Chairwoman, to resign from the Board. Fiorina answered that the scandal would not have happened if she had still been the CEO. She said that the three Directors behind her ouster her were at the center of the spying scandal and were no longer on the Board. She felt that the scandal was symptomatic of the Board dynamics that she had been trying to change. In her opinion, their rivalries had overwhelmed their judgment and values.

FIORINA'S FUTURE

When asked about her plans, Fiorina said that the greatest gift she got from being fired is the freedom to pursue her own agenda, not the company's agenda. She is moving forward, not going back, and she would never go back to HP. She is interested in getting involved in public service, or she might become a CEO again for the right company, one that she could be passionate about. For now, she is at peace. She concluded, "Life is about making your choices and accepting the consequences. Life is an adventure. People who don't see that grow old before their time."

Sue Dorward is a tech management coach who coaches high-potential employees. She is based in New Jersey and can be reached at sue@sudocoaching.com. For more information, visit sudocoaching.com.