

**Dean's Executive Leadership Series - 2009-2010**

**Transcript of Presentation with Caroline Nahas, Managing Director at Korn/Ferry International – Part 1**

**About DELS:** The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen or subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

#### Start ####

**Dean Linda Livingstone:** It is my pleasure to welcome you to the first of our Dean's Executive Leadership Series events this year. And we are pleased to be in a new venue. We do a lot of these in Malibu. We decided to move a little bit closer this direction and thrilled to have all of you with us. I especially tonight want to thank Farmers Insurance Group, who has been our generous sponsor of this event for, I think, four years now. So Faye McClure, stand up. Faye's an alum of Pepperdine and she works with Farmers. [applause] Certainly wouldn't be possible to do this without wonderful support like that and like Farmers provides for us.

I want to make a few other introductions of individuals that are here that I would like for you to know, and then I'm going to give you just a brief update on some things going on in the business school. And then we will move on to the main event of the evening, and I will introduce Caroline Nahas. I also would like to introduce a member of our Board of Visitors, a couple of them: Phil Simone is with us, and Cedric Watkins. So you guys might stand so they can see you. [applause] Several staff members, I'd like you to know, in case there's anything about Pepperdine we can help you with. So Mike Sims, who's our Executive Officer for Corporate and External Relations, and it is his staff and Mike that really make this happen, so Mike is at the back of the room. [applause] Two of my associate deans are here with us tonight, John Mooney, who is responsible for our Fully Employed Programs, [applause] and then Ron Ford, who is our Associate Dean for Executive Programs. [applause] I think also, probably somewhere close to Ron there, we have Tony Aronson, who is with our Presidential Key Executive Program, and he's new to our staff, so you need to know him. [applause]

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And then I want to conclude with several folks that are in the audience that are among our alumni leadership for both the business school and for the university. We have Cesar Rojas and Tammy Wong, who help provide leadership in our Orange County GAN Chapter. [applause] And Cesar, Cesar also helps support the university through our Alumni Leadership Council, as does Nancy Padberg, who recently joined that group, so Nancy's with us as well. Thank you. [applause]

While this is the first of our series this year, you will note that you have a brochure that on the back of it outlines the rest of the series. And it's a really exciting lineup of individuals. We follow this event very quickly with November 4<sup>th</sup>, when we will have Brian Moynihan, who's the President of Consumer and Small Business Banking for Bank of America. So given all that's going on in the banking industry, that should be a fascinating event, and Brian is actually one of people whose name has sort of floated around as a possible successor as CEO there. So we'll see how that all plays out between now and November 4<sup>th</sup>.

But I do want to mention a couple of other things to you. We've been really thrilled with some of the public recognition the school has gotten in recent weeks. Just a few weeks ago, our 15-month MBA program, which is housed on the Malibu campus, was identified as a hidden gem by the *Wall Street Journal*. They looked at accelerated MBA programs. They talked about 20 programs from around the world. Only seven in the United States were included in their article, and one of them was our 15-month program, so we're really thrilled about that. And then just this week, *Financial Times* published their rankings of executive MBA programs, and we were ranked 72<sup>nd</sup> globally, which was a couple of positions above where we were ranked two years ago when they did the survey. There are about 570 accredited business schools around the world. And in the United States, we were among the top 27 programs in the United States, which also put us in the top five in California, so really excited about our EMBA program. [applause]

We also recognize what a challenging time this is for many among our community, whether they're alumni or friends, and Caroline will probably talk some about that challenge from a job perspective tonight. But two things I want to mention to you. One-- both really quite new. We rolled out, beginning this fall, a program called MBP Plus. It allows graduates of any of our MBA programs to come back and take courses in the various emphases that we have at a significantly reduced tuition rate. And so if you would like to refresh your skills, develop skills in new areas, and you're an alumnus of one of our programs, you can come back and take advantage of that program. And so we're really excited about that opportunity for lifelong learning.

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And then the other very new program that we have rolled out this fall is called MBAs in Transition, MINT, and we are doing this in partnership with Upwardly Mobile, Incorporated. And it allows you to participate in a self-directed, online, interactive job search program. And so you can find information about that through our website. We have a couple of our Career Services Staff here, Kristen Rokus and Karen Weiss, who would be happy. Stand up so they can see where you are. If you have interest in that or would like to talk to them about career opportunities, they would be glad to help you out.

And then the last thing, from an alumni perspective, we also have a program that we've been doing for the last year that is an Alumni Referral Scholarship Program. So if you're an alumnus and you know of someone that you think would be a good candidate for any one of our programs in the business school, we will-- if they apply to our program, are recommended by you and are admitted, will get a \$2,500 scholarship as an alumni referral. So keep that in mind. Encourage people through that, and we hope to give away a lot of money through that program.

And then the last thing that I want to mention is a new program. Well, it's really a revised program. We have spent a lot of time over the last year revising our Entrepreneurship Program under the leadership of Dr. Larry Cox, who joined us a year ago. And we have a newly revised curriculum that has already proven to be extremely popular among our students, oversubscribed this fall in the first semester that we rolled out that new program. We are partnering that with an Entrepreneur in Residence, John Shearer, who is an expert in technology transfer, helping identify technologies that are out there that need to be commercialized and help solve business problems that our students have identified. And so that's a tremendous way to help us grow and develop that program. And then we are in the very early stages of developing and planning for a Venture Fund that would actually help fund early stage ventures for our alumni and for our students. So lots of new things and interesting things going on in the school that we hope will continue to help provide support for you, not only while you're a student but then as you become an alumnus of our program.

So we are excited to have you here to be able to update you on some wonderful things going on in this school, but particularly to introduce you to Caroline Nahas and let you learn from her tonight and be involved in a dialog with her. Caroline is the Managing Director for the Southern California Region at Korn/Ferry. She is an alumnus of UCLA, and we'll go ahead and let you come tonight and be a part of that, in spite of the fact you're a UCLA alum. But she has really an amazing track record in the search area. She actually started at Bank of America and then spent most of her career at Korn/Ferry. She was the first female partner in the history of Korn/Ferry. She is also currently serving as the chair of the United Way for Los Angeles, and it's a wonderful organization that she works hard to support. She was the first female chair of that organization, as well. She participates in the International Women's Forum, which is

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a global network of preeminent women of achievement. She serves on two boards of directors, one, DineEquity, and if you came to our series last year, you know we had Julia Stewart, who is the CEO of DineEquity, as one of our speakers last year. So she's been on that board for a number of years, and is also a member of the Board of directors of Whittier, Incorporated. We did a podcast earlier this evening, so you will have the opportunity shortly to download that on iTunes and listen to that conversation. And we will also be videotaping this evening's presentation. You will be able to access that on YouTube shortly. So if you miss anything or want to share it with your friends, you'll have that opportunity. But I know, based on that discussion, you're going to enjoy very much what Caroline has to say tonight. So she's going to come up and share with you. Then we will transition over here and engage with you in a conversation after she finishes her remarks. So Caroline, please join us up here. [applause]

**Caroline Nahas:** Thank you, Linda. We've turned up to make it as cold as possible in here so that you'll continue to listen to me and stay awake. I want to thank all of you for inviting me and, in particular, Farmers. I had a chance to meet some of the great representatives of Farmers, and I shared with them and I will share with all of you. I have the opportunity to meet and speak and come to a lot of events, and this has to be one of the most well organized events I have ever participated in. So my thanks to Linda and my thanks to Mike for-- and Laura, your new assistant-- for just organizing a great event. And I'm thrilled to be here.

Tonight, I'm going to make just some observations based on-- let me just expand a little bit on what Linda spoke to you about in terms of my background. So I do manage Southern California for Korn/Ferry. And we're founded here, so it's the flagship office, so it's a relatively large office. We have about 15 partners, and those partners work in just about every industry you can possibly think of. We have a staff now of about-- we had a lot more about a year and a half ago, but we have a staff now of about 60 to 65 individuals. And then in addition, I have my practice, which is primarily board directors, and also some CEO work, and it's across all industries, and then as Linda mentioned, active in the community and sit on two boards. And actually, Dawn Robinson is here from Whittier, so it's really fun to have her here as well, and you can report back to the board and tell them how well I do this evening. So that's kind of the context.

So I get a chance to manage people, so I can't help but make some observations in terms of some of my management experience and then to make some observations of having the opportunity to see just about every kind of CEO imaginable in terms of every industry and working with board directors to be able to share some of at least my own impressions and learnings of who are the best and who don't- who are not as good and why. So what differentiates the best from the ordinary. So let me make a couple of observations and then I hope, even though this is a fairly large group, that you will all feel comfortable

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interacting with us and asking us questions, because I will not leave here and feeling fulfilled at all and feeling like I have shared enough with you if you don't have some of your questions answered and we don't have a really kind of healthy interaction.

So first, in terms of leadership and what we look for, I'm going to use a term and I'm just going to call it leadership credibility. When we're out recruiting for leaders, we have to assess first, on some degree of track record, what has the individual done in the past? And how does that relate to what's needed in that particular company at that particular point in time? So it's one thing to say this person occupied a role, this person was president of this. But what's really obviously critical is what did that individual do during their time and their tenure, and what difference did they make? Was it reenergizing a brand? Was it a turnaround situation? Was it a mature business where you had to look at new business opportunities? Was there poor morale? All sorts of those criteria that go into what I call leadership credibility.

The second is trust. We just did a survey actually at Korn/Ferry about executives. And one-- I think the second criteria that people noted in terms of what differentiates a great leader, it's trust. So how do you kind of earn trust? Well, one is kind of a series of either interactions or actions that you take that, over time, earn the trust of your employees, of your clients, of anybody with whom you come in contact. And probably the greatest compliment a leader can have is someone saying, "I trust you. I know you will make the right decision." And I'll give you some examples of just one I had just yesterday.

And I was thinking about being with you tonight, and we had to make a decision in the office that was a rather difficult decision. And I decided to-- and this is something, by the way, in terms of always thinking-- I always think about not just the decision you make and the immediate impact it has on someone, but the kind of ripple effect. How do other people feel about this decision? And do they feel that they're going to be impacted in a negative way, or they were not considered? So I called this one individual and I said, "I wanted to make you aware of this decision we've made. And I know that you're going to feel this impacts you. Here's why we had to make the decision, and here's why I think it will be good for you in the long term." And that employee said to me-- now, keep in mind, this has not been a fun year for anybody in the workplace. We've downsized even at Korn/Ferry by 30 percent.

This individual-- it was with a group of about 11 people and now is a group of 5; that's the younger consultants-- and she said to me, "Caroline, I really appreciate your calling. You didn't have to call but I trust you. And I know that you would make a decision that's the right decision, so anything you decide to do is fine with me." If any of you have managed people, especially in the last year, to have people, not unconditionally, but just sort of say, "You have my vote of confidence and I trust you," means the world.

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Because for those of us who have had to kind of navigate through this last year of uncertainty, of taking people out of jobs, of changing their lives, that is what all managers and leaders hope to achieve, to get is that trust. The second trust is kind of different, but it's generally based on a- I hate to use the word catastrophic event, but it's usually a crisis where someone you might not know or who hasn't had a chance to have a series of events to earn the trust but has to step forward and earn trust in a fairly quick period of time. I mean, I think of 9/11, you know, which, if you recall, I mean, you know the level of disorientation, the level of uncertainty, the level of fear that that created, and individuals having to kind of step up and fill a void at that particular point in time. They were given an opportunity to take action but also earn trust in a much faster way.

So the third area-- I'm just going to give you a couple of key leadership characteristics that I've observed and also kind of came out of our survey. So one is strategic vision, which is basically to see ahead and position a company for the future. The interesting thing is, that has to be balanced by the second one, which is operational excellence. Those don't always come in the same person, because you have some individuals, and I'm sure you've worked with some, that are absolutely brilliant. They can take in a tremendous amount of information. They can come up with these great ideas. But if you notice, those are never actualized into tangible results. So it would be great if we get in our leaders both. In some people, incredibly, the ones who are most unique and who are most compelling, are both. What you hope for, however, is if they don't have both, that whatever they do have, they complement themselves with another person next to them as a partner, a CFO, a COO, whatever that position is, to help them go forward, and they go forward in terms of a team.

Third area is organizational savvy. And what I mean by that is when the new leader comes in, or a leader comes in and the company is not doing well, if it's a turnaround or a negative situation, or even quite frankly, a mature company that doesn't need major resetting, how do you organize the company, the people, the departments to align with that strategic vision that I talked about? And you'd actually be amazed. There are an awful lot of people that don't know what to do with their organization to support their strategy. That's where, of course, the consultants come in and do very well. Let me help you.

Next is the energy and drive. Everybody talks about-- you know, I always laugh when we're going to a client and I say, "Well, what would be some key characteristics that you would look for in the profile of your new executive?" And the person says, "I'm looking for someone with energy." I will share with you, I've never had anybody that said, "I'm looking for someone with low energy or a lack of energy." I mean, I always laugh when everybody's coming up with these set of criteria, and I always think of the opposite. You know, energy, low energy; vision, absolutely no vision; you know, operational excellence, no operational savvy whatsoever. But they always say energy and drive but it is something that is important.

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But it also goes with something else that's one of my favorite, and it's capacity. So you can have all the energy and drive in the world, but capacity says, "I can handle a lot of information and a lot of complex situations coming at me at the same time, sort through those, distill them, and then focus on the things that are most important." And if you can't do that very well, what happens is you're completely kind of ricocheting around, trying to solve these various things but not getting focused.

Courage is another one and, of course, in the last year, I would say courage, you can kind of see that more in your leaders. Again, the opportunity to exhibit courage, and it is at a time where you're making these very tough decisions, these decisions that impact human lives. And in our firm, for example, is we don't manufacture widgets. So I can't-- we can't close down a plant, sell off inventory. We don't have that. So there's really only two things that we can do, aside from taking-- you know, not taking trips or having meetings. And those things are kind of automatic. You go into a contingency plan right away. But there's two things. That's real estate and it's people, and those are the only two major factors we have. So you start looking at real estate and you figure out, is there any way we can sublease? But you can imagine, there wasn't a lot of opportunity to sublease in the last year, so it had to be people.

So making those decisions, thoughtful, working through the process with other people in your organization so you're not making that kind of alone and unilaterally, although ultimately, the leader has to make the decision. Making those decisions takes courage and then living through those decisions, you know, not dwelling on them and standing behind the decisions. Also, your ability once those decisions are made and people are leaving your organization to convene everyone, and having the confidence and the courage to share with them, not in specifics about one individual, but how you came to those decisions and that they weren't easy decisions, but that we all need to now look forward and keep them, balancing—even though it's reality and it's a harsh reality—balancing that harsh reality with, we have to move forward and we have to reset. So our CEO calls it, you deal with reality. You position and then you accelerate through the turn. I guess that's a guy term, accelerate through the turn. Is that how- is that what it's called? Oh, I'm looking at the wrong-- don't you drive?

**Man:** Accelerate through the turn.

**Caroline Nahas:** Thank you. Thank you. And then-- and then another one, interpersonal skills. Interpersonal skills and a belief in yourself, that when you are working with people, that you have the inner conviction and the interpersonal skills to persuade people that it's the right decision or this move is good for them. And I learned that. I'm very good, and I'll share with you later, if we have an opportunity, where-- how do you learn? And I've always learned experientially rather than through books. I observe

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people and I observed the best, and then I've observed the worst. And over time, you extract the best, hopefully, and it becomes who you are. And then of course, you meld your own personal style into that.

But one of the things I learned is if you have conviction, that people will be influenced by you and moved by you. So you can't bring them in if you want to talk to them about a lateral move that you believe is best for the company and best for them, and you do it, you know, "Fay, I think this move would be very good for you. I really do." As opposed to, "Fay, this is a great move for you. Here's some examples of people who have taken these kind of moves, and here's why they make sense. And here's what I think in the future is going to be great for you." I have conviction. I am looking at you in your eyes and, hopefully, I've created, remember, the trust that says, "Gee, it isn't what I would have thought about. But let me go home and think about it." And hopefully, because you've been interpersonally persuasive, that that person decides to make that move.

Leadership direction. Somebody can have all these boxes checked, but people look for direction and leadership direction. So if the person has all these boxes checked but isn't making very good decisions over time, they'll lose the support of the individuals within the company. And then, lastly, I'll just make a couple of my favorite personal observations. So I'm a big believer in passion. I have-- I absolutely love what I do. I have done this now for-- I hate to say this-- like, 33 years. They're going to-- I think I'm-- you know, I didn't like this description. But someone said, "You know, I think you're the oldest tenured, or the longest tenured person at Korn/Ferry." And I said, "Oh. Who is that? They're out."

But passion. You know, do you love what you're doing in everything you do, to be able to throw yourself into it? And over time, my work and my personal life have become kind of intertwined. That doesn't mean that I don't have a great personal life too, but people with whom I have met, events that I've been able to attend, just all of this has just become, like, a very exciting kind of life's journey for me, and I feel very fortunate that way.

Fear. The reason I say fear is, if you don't fear sometimes or have apprehension about what you might do, then it means you're not growing. So I will tell you that I'm not fearful not to get in front of all of you. But I will tell you that one of my first experiences as a public speaker, I was scared to death. I took my-- I read-- I was like this, reading everything, not feeling comfortable. But I forced myself to do it, because I said, "I know part of my work is going to be public speaking." So I kept doing it and each time I would do it I would get stronger and stronger. So it's kind of funny. Is somebody-- if one of the young people comes in and says, "Oh, I'm a little nervous about meeting this client or doing this," and I'll-- they don't probably like this, I go, "Good." I said it's good because it means you're growing. So think about it

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from the standpoint of stretching yourself. And anything you have an opportunity to do, if somebody says, "Would you like to take on this project?" unless you're- you know, you're not qualified to take on that project, but if you have the skills to do it, then step in. Because I guarantee you, each time you step into something you get stronger and stronger. You get more valuable and you get more out of your job, and you get more out of life in general.

Inclusion. Inclusion to me means if I include my partners in my thinking, I'm thinking out loud about this. I'm thinking this is the way we could go, and here's why. But I really want to share this with you because I'm in a bit of a conundrum right now. I'd like it if we could do this, but that's not reality. So help me through this. We may come to the decision that I thought about when I walked into the room. But I give them the benefit of thinking that they're of value and secondly, if I'm open enough, sometimes they come up with something, a solution that I haven't thought of. But making people feel of value is really important.

To manage people, I think you have to have emotional reserve. And emotional reserve means that when people come in to you and their problem, in your mind may not be that big, but in their mind, it is. So you have to give them the respect to at least listen to them and then say, "You know, I hear what you're saying. Let me kind of offer up a couple of ideas," or, "Have you thought about this?" and trying to open up their minds a little bit. But what I've noticed sometimes is that people with no emotional reserve, for whatever reason-- maybe they've got so much on their plate at work and then so much at home, they just don't have enough to give and kind of open up like that, but you need to have enough emotional reserve to at least give them the respect of listening to the issue that they have, even though you may be saying, "You're kidding! That really couldn't be that important." But to them, it is.

And then lastly, I would say, for myself and some of the best leaders that I've seen, is accomplish-- that they thrive on and get a great deal of fulfillment from seeing accomplishment through others. Because if you think about it, if people around you-- if you're the leader and they're accomplishing, who does it reflect on? It reflects on the leader. Some people just-- whatever it is, they don't get that, and they feel a need kind of to talk about themselves all the time, or there's a certain degree of arrogance. And at least in my observation, what's worked for me and also what I've observed with some of the best leaders, is they really enjoy recognizing others and saying, "That was so and so. That was so and so," even though, by the way, they may have contributed, because in the end it all comes to the leading individual or the leader anyway.

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So those are some of my observations, personal from my experience of observing others. I am just delighted to be here. I would love to hear what any of you have to say, either in fact your own experiences or any questions that you may have. And I just appreciate your having me here tonight. Thank you. [applause]

####End####

