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**HBR CASE STUDY**

## Can Nice Guys Finish First?

*by Jeffrey Pfeffer*



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Adam Baker had been bothered all day by the blunt message his boss and mentor, Merwyn Straus, had delivered to him on the phone that morning: Adam was not the right guy to lead their company's latest venture.

"That door isn't open to you" was how Merwyn had put it. It was one of those comments that sting a bit at first but inflict much more pain as time passes. So now, in considerable distress, Adam was driving from downtown Washington to the suburban Maryland headquarters of Straus Event Specialists (SES), where he served, for all intents and purposes, as COO. He wanted Merwyn, his CEO, to explain in person why this door that Adam cared so much about was closed.


At age 32, Adam considered himself to be at the beginning of his career, still emerging from the cocoon of his impressive education. When friends described him, they invariably mentioned that he had graduated at the top of his prestigious North Carolina MBA program and then became the youngest person ever to serve on the business school's board of trustees. To hear them talk, you'd think he was the number one golden boy at a school that

produced a lot of golden boys and girls. But he wasn't a golden boy—not really. And he knew that was part of his appeal.

Adam Baker was, like his name, barely noticeable. He was dark-haired, soft-spoken, and on the short side, with a thick neck. He looked like a third-stringer on a high school football team—which he had been. Yet everyone knew him and everyone loved him.

He'd achieved this status by being not the loudest or funniest guy in the room but the most approachable, someone who could instantly put you at ease. At parties—he attended and threw a lot of them—people flocked to him. This was especially true on formal occasions, which the true golden boys hated almost as much as they hated being sober. They would follow him around the wide verandas and brick patios as though he provided shelter. All the while he would chatter—not saying anything very scintillating but always being truthful and down-to-earth.

He knew that he fascinated people—that strangers said behind his back, "That little guy was picked for the school's board? That little guy was the CEO of a company in his twenties?" When they got to know

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him, they saw that he was the complete package: smart, loyal, present.

“Present” was an important concept for him. He would show up, do the work, solve problems, fulfill expectations—just as he’d done growing up in a small house outside Charlotte, with his three younger siblings, their quiet, imperturbable mother, and their unfathomable father, whose presence created as much tension as his sudden absences.

It was therefore natural for Adam to respond to Merwyn’s painful remark by jumping into his car and racing to the main offices of SES, one of the world’s biggest event-planning businesses. He wanted to talk to his boss in person.

He found Merwyn in the design department, asking typically probing questions about a model of a convention-floor setup. His warm smile when Adam arrived seemed to indicate that nothing had changed between them. Had Adam misheard the comment about “that door”?

Once inside the CEO suite, Merwyn asked Adam where he’d been that morning when they’d talked. Adam said he’d been downtown, looking at one of the boutique properties that would be part of the hotel chain SES was investing in—the new venture Adam hoped to run. The company was to be a 33% owner with two other investors.

Merwyn nodded. He was thin and spry, with wiry white hair. “I know you really care about this venture,” he said.

“Very much so,” Adam said. “That’s why I’m here.”

The new business was to be built around an existing string of five urban hotels in Washington, Baltimore, and Philadelphia. Adam had been the first to notice that the chain was up for sale—at a fairly reasonable price, given its potential value. Although SES had never been in the hotel business, he’d persuaded Merwyn that the acquisition would be a good fit and then rounded up the other investors, one of whom was a fellow B-school trustee.

From the beginning, Adam had hinted that he would like to lead the new chain. Then he had begun actively lobbying

for the position. He knew, because he made it his business to know, that the partners were split on his candidacy. His fellow board member favored it; the other, although he apparently respected Adam’s competence, was inclined to oppose him because of his youth. Merwyn was the swing vote.

“I love hotels,” Adam said. “I’m ready to lead. I can do this.”

“It’s not about loving hotels,” Merwyn said. “It’s not about love or passion or dedication, all of which you have in spades. The hotel business is tricky, and it’s not your area of expertise.”

“You know how quickly I learn,” Adam said.

Merwyn paused. “True,” he said. “There’s nothing I give you to do that you don’t master in 24 hours. But the hotel business isn’t just tricky. It’s brutal.”

“And I’m not brutal?”

“Thankfully, no. You’re not. That’s why the door is closed. I’m sorry.”

### Just Let It Go

“You know why he said that, don’t you?”

Adam’s friend Kaleeb asked. They were standing at the railing of Kaleeb’s second-floor deck in Georgetown. The sun was down and the evening was chilly, but Adam felt he needed to be outside. His sweater was keeping him warm, as was the mixture of Jim Beam and Coke that he was drinking. Kaleeb’s wife, Sarah, was inside—on the phone, as always. Right after the wedding, she’d taken a job with a real estate powerhouse. Kaleeb had followed a very different career route, becoming a fundraiser for the Newseum.

“My age,” Adam said.

“And—”

“And Tallyrymple,” Adam said with a sigh. “That’s going to haunt me forever.”

“Everybody has failures.”

After business school Adam had followed the herd into investment banking but immediately became bored by it. He knew he should look for a job in a field he could relate to, but he couldn’t figure out what that might be. Kaleeb—or was it

Sarah?—had pointed out how much Adam enjoyed delighting his friends by staging imaginative parties. The idea clicked, and Adam started to focus on a career in event planning. The sector intrigued him in part because it didn’t attract the best and the brightest. Amazingly, his first recruitment interview resulted in a CEO job. At age 27 he was running Tallyrymple, a Raleigh-based outfit that staged high-end parties for a long list of wealthy clients. But it was a horrible experience. Within a year the company was facing bankruptcy.

**“Merwyn is central to your network now,” Kaleeb said. “Don’t ruin that relationship.”**

“I wasn’t prepared for that kind of competition,” Adam said. Tallyrymple had become embroiled in a turf war with an aggressive company that didn’t distinguish between ethical and unethical behavior: It used cash payments and threats of exclusion to secure deals with food-service providers and talent agencies. Adam went into overdrive to expand his network of potential referrers and clients, but time and again he found that he’d been beaten to the punch. Merwyn Straus had eventually bought Tallyrymple at a bargain price and absorbed it, hiring a chastened Adam in the process.

“Merwyn saved you,” Kaleeb said.

“That’s why he’s so protective. He doesn’t want to see anything like that happen to you again.”

“Overly protective, maybe.”

“I think you should let it go,” Kaleeb said. “You’ve got your whole career ahead of you. You love working for Merwyn, and he thinks you walk on water. You’ve got a great gig at SES. Merwyn is central to your network now—don’t ruin that relationship. Remember what we always used to talk about back in B-school? Keep growing the network, keep growing the network, keep growing the network.”

Inside, Sarah slammed down the phone and cursed, but by the time she'd come out to the deck, she was all smiles. "I do love a good fight," she said, referring to whatever work-related drama she had been dealing with. "Now, what were y'all talking about?"

### Call in Your Marker

"Merwyn said what?" Sarah asked when Adam told her the story. "That is the most condescending, infantilizing thing I ever heard." She managed to say this with a lilt in her voice and a sparkle in her eye.

Adam was at a loss for words. How could he begin to explain the depth of his respect and admiration for Merwyn, who was teaching him everything there was to know about the event-planning business—and who constantly sang Adam's praises and promoted his career?

Adam looked at Kaleeb, who signaled with a nod that he understood completely: Sarah just didn't get it about mentors and protégés.

"I remember when you introduced me to him," Sarah said, "and he told me all about how you're like a son to him, blah blah blah."

"Sarah, please," Kaleeb said. "Talk about something else. I'm getting Adam another drink."

"There's nothing wrong with being treated like a son," Adam said.

"No, of course not—as long as he recognizes when you're all grown up." She put a hand on his arm. "Adam, we love you. We want the best for you. But you have to be more aggressive. Be clear about who you are. About what you want. Merwyn may be condescending, but he's a good guy. That's why you like him. He's fair and square. He's a fair dealer. He may be the fairest man in the land!" That radiant smile again. "You can use his fairness to your advantage."

Adam gently separated himself from her. "I don't want to take advantage of him. I don't want to take advantage of anyone."

"Listen to me," she said. "Who discovered that sorry old chain of roach hotels and saw what it was really worth—you or him? Who did all the due diligence about

the health violations and the labor issues and the back taxes—you or him?"

"OK, OK."

"Who first said that SES should buy the chain? Who wouldn't take no for an answer when Merwyn hemmed and hawed? Who went out and found partners to share the risk? Who did the deal, nailed it down, made it work? You!"

"So what?" Adam asked impatiently.

"He owes you—that's what." There was a flash of anger in her eyes. "In my world, when you owe, you pay. And my world is no different from Merwyn's. He knows he owes you."

"I'm not going to pressure him," Adam said.

"Why not? He's expecting it. Believe me. Adam, you can't keep letting the game come to you."

"He doesn't think I'm ready to be the CEO," Adam said. "I'm too young. I've got this past—"

"You make it sound like you served time, for crapes' sake. You did nothing wrong. You got manhandled by trailer trash. A gentleman rises above such things."

Kaleeb had returned; he handed Adam a fresh drink and rolled his eyes at his wife. She threw her arms up in mock capitulation. "OK, yes, Merwyn will be annoyed if you call in your marker. If that's all that matters to you, don't ask him. But keep this in mind: If he's such an impeccably upright guy, a true straight shooter, and you do ask him—if you really make the case that you built this deal yourself, so he owes you big time—he'll say yes."

She took the drink from Adam, sipped it, and put it back into his hand. "Just think on that," she said.

### Don't Say It

The following day seemed strangely hushed to Adam, as though someone had turned down the master volume. Everything looked staged—the window washers on the scaffolding in front of the bank, the man sitting stiffly on the park bench. It was the same way at headquarters. No one seemed to be really doing any work—

everybody appeared to be pantomiming. Adam exchanged a quick glance with Merwyn's assistant and was wordlessly shown into the CEO suite.

Now everything was real again. The volume came back up. Merwyn looked at Adam warily. "You've got something you want to say?"

"I just wanted to review that deal with you—the hotel deal. How it came about."

Merwyn closed his eyes. "I know where you're going with this," he said. "I'm not surprised." He continued slowly and deliberately. "I'm fully aware that if it weren't for you, the new venture wouldn't exist. And I think we're going to make a lot of money on those hotels. So in a sense I'm indebted to you—perhaps more deeply indebted than cash could ever compensate you for. You might even say that out of gratitude I should grant you any wish you have—such as making you CEO of the new company."

Merwyn looked squarely at Adam. "Yes, I will grant you any wish. But let me just say what I know for a fact: You are a perfect number two—brilliant, farsighted, empathetic. But that doesn't mean the CEO job is a good fit for you. The more I see you in action and think about your history, the more I'm convinced that door shouldn't be open to you."

He added, "So that's why I have one wish. Do you want to know what it is?"

Adam nodded, feeling numb.

"My wish right now is that you will not ask me to grant you the wish you're thinking of."

There was a long silence as they stared at each other. Merwyn was the first to speak. "So?" he asked, arching an eyebrow.

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Should Adam ask Merwyn to make him CEO of the new venture?