

Interview

Lessons in Leadership

An Interview with Marilyn Carlson Nelson,
Chairman, Carlson



Marilyn Carlson Nelson

EDITORS' NOTE Named by *Forbes* magazine as one of the world's most powerful businesswomen, Marilyn Nelson is a member of the World Economic Forum's International Business Council, and serves on the boards of ExxonMobil, the Mayo Clinic, the Foreign Policy Association, and the World Bank's Global Private Sector Leaders Forum. She is currently Chair of the United States Travel and Tourism Advisory Board. A graduate in international economics from Smith College (Massachusetts), she completed further studies at the Sorbonne and at Geneva's Institut des Hautes Etudes Economiques et Politiques.

COMPANY BRIEF Founded in 1938 and headquartered on the western outskirts of Minneapolis, Carlson (www.carlson.com) – one of America's largest privately-held enterprises – is the parent corporation of a global group of integrated firms that specialize in travel, hotels, restaurants, and marketing services. Carlson brands include Carlson Wagonlit Travel, Regent International Hotels, Radisson Hotels & Resorts, Park Plaza Hotels & Resorts, Country Inns & Suites By Carlson, Park Inn hotels, T.G.I. Friday's and Pick Up Stix restaurants, and Carlson Marketing. Marilyn Carlson Nelson and Barbara Carlson Gage – the daughters of the late founder, Curtis Carlson – jointly own the company, whose brands employ nearly 160,000 people in more than 150 countries worldwide.

You recently published a book, *How We Lead Matters: Reflections on a Life of Leadership*. What was your motivation for writing it?

I began by recording stories for my children and grandchildren, after my grandson asked if I'd been alive during segregation. The question took me aback, since inclusiveness and multi-cultural issues have always been a passion for me and have been a hallmark of my leadership. While others at work and in the community knew these were important to me, I obviously wasn't sharing them with some of those closest to me. These experiences were formative for me, and I'd like my grandchildren to know about them as they decide their leadership paths. So I put together some short essays from stories I had used in various speeches to amplify my message or illustrate a point. I shared the draft with other executives at the company, and they asked if I would make copies for them. Then it was suggested that we put them in some of our hotels, as they are short and easy to read at night. At that point, I sent the essays to a friend, Bob Dilenschneider [Founder and Chairman of The Dilenschneider Group] who, unbeknownst to me, sent them to McGraw-Hill, which felt they should be shared more broadly. Suddenly, we had a book.

The message, to some extent, is about living in the moment. It is about searching every aspect of our lives for moments of truth, when we make decisions that define us as trustworthy, transparent, inclusive, and honest, or not.

When I grew up, there seemed to be a clearer definition between our personal lives and our professional lives. Now, thanks to the Internet and doing business in Asia and Europe, we have to deal with our personal and professional lives almost concurrently. Between conference calls that fall outside work hours and days away from home for business travel and the "always connected" nature of e-communication, there's a simultaneity about life that can be quite challenging. So we have to learn how to integrate and acknowledge all aspects of our lives. In a sense, my book reflects this patchwork of life pursuits. In a recent interview, Jerry Levin [former CEO of Time Warner] said that when his son died, he was so focused on what was happening at Time Warner, he didn't really process the death. He said that he felt he was losing his soul. I thought that was profound. He suggested that maybe we all need to get in touch with our

more feminine sides. I agree – whether it's right and left brain or feminine-masculine, we are happiest and most productive over the long run when we synthesize all of this. So my book is about holistic leadership and how we learn from each other. It would be such a gift if leaders with talent, focus, and energy could allow themselves that fullness of life. We'd be more creative in the end, and we'd certainly be more resilient.

Why is that so challenging for leaders to do?

Focus for leaders is important, and the need to be responsible 24/7 is demanding. It is easy, as CEO, to let that responsibility crowd out all else. I have asked myself if the early specialization that's going on in our education system is also a contributing factor. Today, there is less of a focus on liberal arts, which provides a broad foundation for decision making. I admit that deep professional knowledge is more important than ever, but once specialists become leaders, peripheral vision is required. I call this "integrative thinking," which I define as the ability to understand and process inputs from a range of points of view and synthesize the information for better decision making. I am so passionate about this that I've been working with the University of Minnesota, Carlson School of Management, and the Humphrey Institute of Public Affairs to develop a Center for Integrative Leadership, where people training to be leaders in the corporate world and in the public sector collaborate on case studies. The vision is to identify emerging leaders who will benefit from learning the language and thought processes of other disciplines. This cross-sector analysis will help them build the networks and collaborations that are necessary for 21st-century leaders to succeed.

As CEO at Carlson, I also focused on our proprietary leadership development programs, looking at developmental needs and providing special integrative training, to increase the pool of leadership talent. I'm pleased to say that this resulted in a more inclusive meritocracy. The company has 40 percent female executives and has been recognized as a great place to work and a great place for working mothers.

In your book, you write a lot about diversity in the workforce. Before conditions improved, you went through some very challenging times in your own career. How did you avoid becoming enmeshed in the fight going on at the time?

As you know, in my first job I was a security analyst, but I was instructed to identify myself as M. C. Nelson to disguise my gender. My daughters can't imagine that I didn't become angry and rebel, but I was thrilled to be a security analyst. I wanted to be stimulated, to study these various industries, and to take my economics degree and apply it to understanding and predicting the success of various companies. I enjoyed understanding business models and the drivers of success. So I would love to say that I fought for the cause, but instead I was fighting for the opportunity to continue to learn and to contribute as a professional. We didn't have a lot of women role models at that time. There were women role models who had painted or written under pseudonyms in order to break into a field or express themselves. So I felt like a pioneer, and it stimulated me to work harder, in a way. Some of my female friends and colleagues felt a lot of indignation and anger, and I appreciated that. I just felt that the best way I could contribute would be to demonstrate proficiency; that would be my way of fighting for change.

Did you know very early on that you would join the family business?

I did not, although I knew I wanted to. My daughter Diana found letters I had written in 1961 to my boyfriend, Glen, later my husband, who was at Harvard. She read them, then came to me and said, "Mom, you didn't really reconcile your dreams. You didn't reconcile the fact that you wanted to be an international diplomat. You wanted to be a mother of four children. You wanted to be a community leader. You wanted to run the company. You wanted it all." So I guess I had seen that as one possible option, and by the mid-'80s, my brother-in-law was on the CEO track. He was later made President, but I felt that my role someday would be to replace my dad as Chairman. I was chairing a lot of boards, and I envisioned representing my side of the family by focusing on corporate governance. My sister and I would co-own the voting stock. So my role would be Chairman if my sister's husband was CEO.

At one point, my dad and my brother-in-law came to a disagreement, and my brother-in-law departed. He wanted to be an entrepreneur. He identified with my dad as an entrepreneur, and he didn't want to work for his wife and his sister-in-law. I had been leading larger and larger nonprofit organizations. I played a major role in convincing the NFL to come to Minnesota for the Super Bowl, and I then chaired the Super Bowl. I also chaired a big event for the National Endowment for the Arts and the National Endowment for the Humanities. I'd been enjoying leadership on an international scale in everything from academics to business and the arts, and I was encouraged to consider running for office. That was the point when my Dad said, "If you're willing to make those kinds of sacrifices, then you can make a bigger difference with less compromise by leading our company."

Even though Carlson has a global presence, you've managed to create a culture with a family feel. How have you been able to do that, and why is it important to you?

Capturing both the hearts and the minds of your employees is the key to success, particularly

in a service industry. If you haven't captured the hearts of your employees, they won't capture the hearts of the consumers. If you're in the restaurant or hotel business, you need to attract the kinds of people who extend themselves. In a sense, these are extensions of the home. We eat outside the home, but it's still a break in our day and a time when we want to either relax or have an interchange with someone. It's the same thing when we're traveling. Even if we're traveling on business and returning to the hotel, this is a time to renew, so we in the hospitality industry need to employ people who have a service heart.

It has been extremely important for me to meet our employees face-to-face. I spend hours flying around the world, shaking hands, and greeting every single person in a call center or every single person in a hotel. I make a point of sharing our credo: "Whatever you do, do it with integrity. Wherever you go, go as a leader. Whomever you serve, serve with caring. Whenever you dream, dream with your all, and never, ever give up."

We translate that into all languages. Recently, I traveled to Shanghai and spoke to 500 people who were being trained to open our Regent Hotel there. I made my presentation and announced I would like to teach them the credo. They then stood up, and together they proudly recited it in Mandarin – they had already learned it. They had used the credo to talk about our service model, and there were tactics and training around each aspect of the credo. I hope that we can maintain that, because we are an increasingly large company, and we now have a nonfamily CEO.

Each leader has to find an authentic style. As a mother, I have a nurturing and caring side to me, so it was particularly authentic for me to think of the company as a large global family. I believe that our philosophy of having a "service heart" will continue to distinguish Carlson.

As you have outlined, Carlson is a company built around human interaction. Is it challenging to balance technology with that all-important human touch?

Ideally, technology should be used to support productivity and enable customer service. Carlson has surpassed our biggest single corporate travel competitor, American Express. Both American Express and Carlson have continued to grow using the Internet, but our growth has been particularly strong, because we have balanced the technical with a very high level of service. In the hotel business, in many cases, being able to call people by name is prompted electronically. We'd love to think that our people just remember all their customers around the world, but that's just not possible. There are various brands that have the kind of connectivity that can let hotel employees know who's coming and what their guests' preferences are. So even though it's a global network, it feels familiar, and guests feel less stress, because their arrival is anticipated. Furthermore, our employees feel rewarded, because our guests show their appreciation by commenting positively.

We hear so much about corporate social responsibility these days. What's your approach, as a leader?

Corporate social responsibility and corporate citizenship are key to the longevity of the

organization. Each of the different groups of employees we identify today wants to feel part of a solution. Unfortunately, some of the egregious things that have gone on in various businesses, motivated more by greed than by a contributing attitude, have discouraged some young people from choosing business as a career. So demonstrating that kind of responsibility is essential if we're going to recruit service-oriented leaders into our business. After all, young people could decide to lead an NGO. That's fine, but NGOs are actually funded by business. So we need those people to help us lead responsible businesses, not only so we continue to earn the right to have a free-market system, but also because those businesses, in the end, are funding the social services that are helping us to bridge the gap between the rich and the poor. It's a challenge though, because historically, a company would take real responsibility where its headquarters was located, which was where most of its employees lived. That is certainly true for us here in Minneapolis. But now, with major operations all over the world, global companies are reevaluating where and how they make their contributions, and so are we.

One of the areas of focus for us at Carlson is human trafficking, which is accelerating. Right now, there are two million children being trafficked for the sex trade. Most of these children are taken across national borders and get involved in sex tourism. We decided we would work on the root causes of this problem through the World Childhood Foundation. In many cases, the main cause is poverty, causing a family to sell its children. Homeless children also become victims.

A few years ago at the United Nations, I signed an industry Code of Conduct called ECPAT, which stands for End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes. We have committed to training our employees about the issue, rewriting all of our contracts to indicate we don't do business with anyone who traffics in human beings or promotes trafficking, and we are raising awareness with our travelers that there are laws relating to this. It's not only immoral but illegal around the world, and they should not be misled by anybody who tries to convince them otherwise.

As you've focused more on the Chairman's role, is it difficult to step back and watch other people make decisions?

I find it challenging. If I were a paid executive in a public company, I could walk away, and that might be more freeing. Because I'm Chairman and one of the family owners, I can't walk away. But by stepping back, I have allowed our new CEO to spend his first 100 days taking a thorough look at the businesses given the state of the economy. He has taken some very strong performance-oriented steps to drive performance and to protect and grow margins. I am respectful of his direction and style. He has taken over at a very challenging time, so I am giving him every bit of support that I can. We meet once a week and discuss various issues, but he is accepting the responsibility. When I wake up at night, worrying about something, I make a note to tell Hubert [Carlson CEO, Hubert Joly] about it and turn over and go back to sleep. That's a very nice thing to be able to do. ●