Leadership Insights

“Trust Makes the Difference”
Kenneth P. Ruscio, President of Washington and Lee University

“I don’t study leadership to make myself a better leader. I do it because it’s my passion,” says Ken Ruscio, President of Washington and Lee University, distinguished scholar, and author of The Leadership Dilemma in Modern Democracy (Edward Elgar Publishing). Ruscio’s passion spurs him to view leadership from angles many CEOs will find enlightening. Below are excerpts from an interview that compares the leadership contexts of U.S. Presidents, corporate CEOs and University presidents. The interview was conducted on the Washington & Lee campus by Jim Mathews, a W&L alumnus and President of Healthy Companies International.

JM. What can corporate CEOs learn from great American presidents?

KR. Any lessons CEOs might learn from U.S. Presidents will be indirect because the context in which U.S. Presidents lead is so different. Effective leadership is all about context. That is a central premise of my book.

JM. Would you summarize that premise?

KR. I study leadership in modern liberal democracies, a form of government expressly designed to restrain leadership authority. The U.S. Constitution provides such restraints. Presidents are raised to power by the electorate and are subject to elaborate checks and balances. You could say that leaders are the problem democratic governance is designed to solve. Yet it is impossible to imagine effective democracies without effective leaders. We expect U.S. Presidents, for example, to “manage” enormous challenges ... foreign affairs, education, wars, the economy... all within a framework that aims to hold executive powers in check. That is the dilemma.

JM. How is the dilemma resolved?

KR. Trust. Democratic leaders must demonstrate they can be trusted to wield power for the greater good. If they are seen as working against the public interest – or if they overstep the limits of power the system allows them – our democratic framework provides clear mechanisms by which other players – the electorate or Congress – can frustrate their efforts and even remove leaders from power. For that very reason, I suppose, Benjamin Barber said that strong leadership and democracy are antithetical. By “strong” Barber likely meant forcefully commanding. But strong leadership in a democracy is very different from strong leadership in an autocracy. I see a strong democratic leader as one who demonstrates the many subtle strengths required to earn and sustain trust – such as honesty.
competence, and fair mindedness. That is what it takes to effectively lead in a complex democratic context that disperses real power among many players.

**JM.** A CEO isn’t really an autocrat. In public corporations they are answerable to shareholders represented by a board of directors.

**KR.** True, but the contexts are still different, so there are differences in what is needed to be a successful leader. I don’t study public corporations, per se, but my impression is that most CEOs deal with fewer checks and balances than does a U.S. President. It seems to me that CEOs often have a lot of latitude to magnify their personal power, as long as that can be justified in business terms. Leaders in modern democracies must play by different rules. Jack Welch apparently understood that. When he retired from GE, some speculated he would seek public office. But Welch wasn’t interested in leading in a democratic context. He said something like, “In politics, you can’t remove values you don’t like.” He was right.

**JM.** Since Sarbanes-Oxley, there are many more formal checks on a CEO’s discretionary power. Perhaps the two contexts are becoming more alike?

**KR.** Perhaps. It’s certainly true that U.S. Presidents today have far more discretionary power than the framers of the Constitution envisioned. So yes, I believe the contexts have drawn closer together. CEOs have lost some discretionary powers while U.S. Presidents have gained some. But clearly, we are still talking apples and oranges. As I said, any lessons we draw when comparing U.S. Presidents to corporate CEOs will be indirect.

**JM.** Do you see any clear similarities between CEOs and U.S. Presidents?

**KR.** Corporate CEOs and U.S. Presidents are both expected to get things done. They must wield power to good effect to be deemed successful.

**JM.** Could CEOs gain anything from investing more effort in earning trust?

**KR.** That seems likely. CEOs typically start out with substantial command and control authority and, as I’ve noted, are encumbered by fewer checks and balances than a U.S. President. So for the CEO, earning and sustaining trust is probably less of an explicit prerequisite for wielding power. However, CEOs who earn and sustain people’s trust should be able to wield powers that range well beyond their formal command and control authority, because people will extend themselves more for a leader they trust than they will for a leader they merely fear – especially in a large corporation, where people can feel anonymous.

**JM.** Yet people are the main instrument through which CEOs must fulfill their mandate to get things done.

**KR.** Precisely. Jack Welch was obviously a commanding executive. He was very much in charge. Yet my understanding is that the people he led did tend to trust him. He worked relentlessly to create a meritocracy. People understood where he was coming from and could decide for themselves whether to buy into his vision. Those who did knew where to focus their energies to advance their careers and better their lives. There is an element of the democratic ideal of the “common good” in that, don’t you agree?

**JM.** I do. Every great CEO I know has a vision – one that people throughout the company want to bring to fruition. What’s good for the company is good for its people, customers and shareholders. Sharing such a vision is a big part of how great CEOs cultivate an atmosphere of trust and achieve their business goals.

**KR.** If you put what we’ve been saying together, you can safely infer that trust is a big difference maker for leaders in most contexts. A U.S. President or a corporate CEO starts with powers that come with the title, but what those executives do while in power can either greatly expand or seriously diminish their real authority. In both contexts, trust makes the difference.
**JM.** How does what you just said apply to those leading in educational institutions?

**KR.** Trust is certainly vital to my role as a University president. Successful leaders in higher education, as in a modern democracy, maintain a real wariness of power, or at least of being overly forceful leaders. You get nowhere telling people what to do, no matter how passionately you believe in what you’re saying. Instead, like a successful democratic leader, you must invest your energies in building coalitions and helping various constituents reconcile their legitimate but conflicting needs. You must also demonstrate fairness in the process, so people will accept outcomes they don’t necessarily like. You have to frame the issues, shape the agenda, and help different bodies of people come together to pursue common goals. University leadership is quite political in that sense. It is all about bringing people together.

Of course, earning trust isn’t all about being nice or making people happy. When I took this job, we had certain staff problems. I had to make changes, some of them painful. That was tough. But if I didn’t step up to make the painful decisions that were clearly necessary, how could I then ask people to trust me or to extend themselves to make this a greater university?

Extending trust to others is equally important to being a university president. Universities today are far too complex to be run solely by a one person who thinks he knows best. There is too much ground to cover. Here at Washington and Lee, we have exceptionally good people in managerial and specialist roles, and truly good Deans. Anytime a big issue comes up, I will not be the smartest person in the room. Somebody else will know more about what needs to be done. So I listen. I trust their competence and I trust them personally. Extending trust is a huge part of being a strong leader in the university context. If you try to do everyone’s job, you will fail.

**JM.** What kinds of adjustments are Universities having to make these days?

**KR.** A great many. One example I see here is that students are coming in with a whole different set of strengths and weaknesses. We used to say to them, “You write well, with passion, but you have no data to back up your argument.” Now we say the opposite. Students tend to compile tons of data, then fail to craft it into a cohesive argument. Unlike forty years ago, our students today don’t need to be taught where to get information. It’s everywhere. So we now focus more on helping students synthesize information into a cogent point of view.

**JM.** And how are university presidents, specifically, being challenged to adapt?

**KR.** A university president’s relationship with the board is increasingly like that of a corporate CEO. The mechanics are increasingly similar. I am accountable to the board and I am evaluated by them. We set goals and craft strategic plans. We have definitely become more businesslike, and rightly so. Yet universities are value-laden organizations—not that corporations are not—but our goals tend to be much more overtly couched in values. At Washington and Lee, we educate students for character. We’re not here solely to prepare students for a particular career. Their lives are going to be a series of choices that require moral insight as well as analytical and technical skills.

There are many such balances to be struck. For example, to educate students effectively we need money, but we’re not about money. I don’t have a big fundraising background. What makes me good at it is my strong conviction that this is a place worthy of financial support. I can articulate that and it sometimes motivates people to support us. But we won’t change who we are to get someone’s money. So, in answer to your question, one challenge university presidents face is to embrace what works from the business context without losing sight of what we are and why we exist. We must remain true to our context and higher purpose, even in these challenging economic times.

# # #