

# BNY Mellon *Perspectives*

Purposeful Leadership for Turbulent Times

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Featuring:

Hani Kablawi, Chairman of International at BNY Mellon

Admiral James Stavridis, PhD, Operating Executive for the Carlyle Group and the former Supreme Allied Commander at NATO

Moderated by Tom Hoare, Deputy Chief Communications Officer, BNY Mellon

## **Tom Hoare:**

Hey everyone, I'm Tom Hoare. I'm the Deputy Chief Communications Officer here at BNY Mellon, and I want to welcome you back and thank you for joining us for our latest episode of our BNY Mellon *Perspectives* podcast series, where we bring you the leaders and influencers who are making an impact in our financial world, in our industry and beyond.

We've got another great episode for you today. This episode we want to share with you is the first of a two-parter. It's a two-part conversation that took place between Hani Kablawi, the Chairman of International here at BNY Mellon and Admiral James Stavridis, the former Supreme Allied Commander at NATO and a current Operating Executive at the Carlyle Group. He's an incredible leader, and I think you're really going to enjoy this conversation.

Admiral Stavridis was our guest recently for a special webcast series that our Issuer Services business held for clients where we looked at geopolitical issues and the investment landscape relative to the backdrop of the world that we're living in, one that is awash with change, almost everywhere we look.

This part of the conversation you'll hear today is one in which Hani and Admiral Stavridis talk about the traits that are key to being successful, not just professionally, not just in your career, but in the many elements of what it means to live a fulfilling life. And those traits that they focus on are leadership and character.

These are issues that Admiral Stavridis is well-equipped to discuss. He certainly knows what it means to be a leader, and he definitely knows the importance of character to large institutions and large organizations. He spent more than 30 years in the US Navy, rising to the rank of four-star Admiral. He was Supreme Allied Commander at NATO, and previously commanded

the US Southern Command, where he oversaw military operations throughout Latin America. At sea, he commanded a Navy destroyer, a destroyer squadron, and an aircraft carrier battle group in combat. He holds a PhD from the Fletcher School of Law and Diplomacy at Tufts University, where he recently served five years as Dean. And he has published a number of books – his most recent book titled *Sailing True North* – and he’s been the author of hundreds of articles in many publications that you read. He’s also an advisor and contributor to news organizations such as NBC News, Time, and Bloomberg. This is someone who is really participating in the political and international dialogue that is shaping the future of our world.

You will find that today’s podcast focuses on a few things. Hani and Admiral Stavridis talk about leadership traits that withstand the test of time and that have never gone out of style and they are applicable to organizations around the world today. They talk about the difference between leadership and character. And finally, they talk about the world at large, the world we’re all living in, and looming issues, such as the pandemic, cybersecurity, growing competition between great powers and global economies – these are areas in which Admiral Stavridis believes that only true, effective leadership will get us to the other side to a more prosperous, more united world.

I think you’re really going to enjoy this conversation so let’s get right to it. And, as always, we want your feedback. Listen, rate, review -- tell us what you think on Apple podcasts, on Spotify, or wherever you listen to your podcasts. We do want to hear from you. You can also find us on social media -- LinkedIn, Twitter, Facebook, Instagram. We’re grateful if you share with us your thoughts. Tell us about topics you might want to hear about or guests you might want to hear from, and we’ll incorporate your feedback as we go forward. We’ve got a great slate of episodes coming up. Enjoy the conversation, and we’ll see you on the next episode.

**Hani Kablawi**

Admiral Stavridis, it's really good to have you with us today. Thank you for joining.

**Admiral James Stavridis**

Hani, what a pleasure to be with you, and I look forward to our conversation.

**Hani Kablawi**

As do I and our audience. So, maybe setting the scene a little bit here, Admiral, what qualities of leadership are important in a transitional moment like this, both really in the US where you are based, but also around the world?

**Admiral James Stavridis**

Well, let me, if I may, give an example from US history, but I think it's one that has real international applicability. Whenever I think about leaders and particularly presidents, who face great challenges, in the history of the United States there are three who really stand out. One was George Washington, who founded the country. One was Abraham Lincoln, who steered us through an immense civil war in the mid-19th century, but the one I want to focus on is Franklin Delano Roosevelt. He was president longer than anyone else in history will ever be. He was elected to four terms in office, and served about 10 years as... excuse me, about 13 years as president of the United States, three four-year terms, and a year or so, he died in his fourth term. He took us through the Great Depression and through the Second World War, and

by the way, he dealt with the lingering effect of the Spanish influenza, the pandemic from 100 years ago, so hard to find anyone other than Washington and Lincoln who faced greater challenges.

So, when I look around the world, I look back to someone like Roosevelt and think what were the qualities of leadership that he had, and I think that's an important basket, and if you haven't read a biography of Franklin Delano Roosevelt, it's worth a read, but let me give you a snapshot.

First, he was calm. He was steady. He was empathetic to those around him. He didn't blow up and lose his temper.

Number two, Franklin Delano Roosevelt was a team builder. He could bring together people of extremely disparate personalities, not only in the United States. He could get Joseph Stalin, Winston Churchill and Charles de Gaulle all working together. Think about that.

Number three, he was someone who was a master communicator, who in the very dark days of the 1930s, the Great Depression leading into the Second World War, would effectively gather the nation using the most primitive form of mass communication. This is when there is no internet, a tweet is something a bird does. The cloud is literally in the sky. There's no television, and even radio, his medium, is very scratchy and primitive. Yet, every Friday night, he captivates the nation, he inspires the nation, he brings us together to face these challenges. And finally, Roosevelt was a master of detail, and we think of him as a grand strategist, and he was, but he could also dive down to an immense level of detail, and I'll close with a quick story of his mastery of detail.

If you were lucky enough to get an invitation to go to the White House for dinner in the 1930s, after dinner was over, he would do a little parlor trick with you, we would say. He'd get out a big map of the United States and give you a pencil, and he'd say draw a line across the United States, anywhere you want, from San Diego to Bangor, Maine, from San Francisco to Miami, Florida, from Portland, Oregon to Washington, DC. So, you would say, OK, and you'd take your pencil, and you'd draw a line. Roosevelt would not tell you that the states across which that line came, he wouldn't tell you the capitals of those states, he wouldn't tell you the governors of those states. Of course, he knew all that. Roosevelt would tell you the name of every county in the United States on that line. There are 3,000 counties in the United States. He could name each of them, he could tell you the county seat, he could tell you the head of the county commission and the head of the Democratic Party. That's detail, and so I think that basket, Hani, is a pretty good snapshot of the kind of qualities that we should be looking for in our leaders today.

### **Hani Kablawi**

That's amazing. Thank you. Detailed, calm, team-building, strong communication – they are all leadership qualities, and the emphasis that you put on them is very helpful. How do you think about character in the context of leadership, Admiral Stavridis? And maybe a couple of things that I picked up in your book, and one of them you've attributed to Coach Wooden. You said, "Character is what you really are, while reputation is merely what others think of you." And then you went on to say in writing about the individuals that you wrote about in this book, you said, "All 10 of these Admirals, the basic rocks and shoals of their voyages are roughly similar, the

need for truth, justice, empathy, creativity, humility, humor, resilience and balance, contrasted with avoiding arrogance, anger, pettiness, cruelty, desire, betrayal, jealousy, and hatred.” And so I'd love to hear from you more about character, and how do I think about character in the context of leadership?

### **Admiral James Stavridis**

Yes, let's start by differentiating those two terms because they often tend to be mashed together. Leadership is pretty simple, actually. Leadership is the ability to exert influence on others, to get other people to do what you want them to do. Leadership, think of it, Hani, as like this big door that swings in the world, and sometimes that door swings for good and sometimes it swings for ill. Two examples: FDR, great leader, Franklin Delano Roosevelt, that big door of leadership swings, and it's very positive and he leads us out of the Spanish influenza, out of the Great Depression, out of the Second World War, big door. Pol Pot of Cambodia, he's a good leader, by definition, that door of leadership in Cambodia swings and creates the Killing Fields, creates a genocide, he manages to convince the population to come along with him. That's leadership.

Leadership, that big door and how it swings, swing on a tiny hinge, and that hinge is character. Character is what is going to determine whether the effects of your leadership are for good or for ill, and in that context, the other quote I like, also by Coach Wooden, is, “Character is what you do when you think no one is looking.” It's what you do when you think no one is looking, and I would say you've ticked off many of the qualities of character that we talk about, but let me give three that I think are really crucial.

One, at the top of my list always, is empathy, the ability to put yourself in the shoes of another, and to listen effectively. It's so fundamental to that. Number two is perspective, keeping perspective on your life, and your enterprise and the goals of that enterprise, and related to that, number three is resilience. Because I'm Greek-American, so I'm required to have a reference to Greek mythology in every conversation, and the one I'll give you here, of course, is Sisyphus, rolling that boulder to the top of the mountain. Eventually, that boulder is going to roll back down on all of us. No matter how successful we are, no matter how wealthy we are, no matter how talented we are, sooner or later, and often with frequency, that boulder will come rolling down on us. I've experienced that many times in my life, in my career. The key to anybody is not how they do when things are going really well. It's how they do when that boulder has rolled back down. So, those are three qualities that I think are important for us to understand.

And just to give an example, again, I'll reach to US history for one of the admirals who I talk about in the book *Sailing True North*, and that's a man named Admiral Chester Nimitz. He takes command of the Pacific Fleet right after Pearl Harbor, when the fleet is damaged and smoking. It's a smoking ruin in the harbor of Hawaii and Pearl Harbor, because the Japanese Empire has attacked it, and he takes command, which has been his lifelong dream. Not in his beautiful starched, crisp white uniform on the deck of a gorgeous battleship. All those battleships are sunk. They're at the bottom of Pearl Harbor. He takes command of the US Pacific Fleet in its darkest hour, with the ships on fire still in the harbor, with thousands of sailors entombed in those hulls at the bottom of Pearl Harbor, and he doesn't take command in a beautiful uniform. He takes command in a very rumpled, wrinkled, old set of khakis, the

working uniform in the Navy, and he's standing on the deck not of that massive battleship. He's standing on the deck of a submarine, a diesel submarine, because that's all that's available.

What does Nimitz do? He squares his shoulders. He demonstrates that resilience. He keeps things in perspective. He builds a team and that team, through his empathy and his quiet confidence in them, are personalities like Admiral Bull Halsey, General Douglas MacArthur. These are storied figures in American history, who had big egos and are hard to work with. Roosevelt is able to bring them together because of that quality of empathy.

So, there's a practical example of the three qualities that I think are at the top of the list.

### **Hani Kablawi**

Thank you, and you've set us up beautifully, Admiral, for the next question. Really drawing on your experience as Supreme Allied Command of NATO, what keeps you up at night these days? How can leadership and character help to overcome those concerns that are keeping you up at night?

### **Admiral James Stavridis**

I'm going to start with the back end of the question, how does character and leadership help us understand what's coming? So, let me start with that, and I think a couple other qualities of character, one that's very important is imagination. It's often said that 9/11, where I was almost killed, I was in the Pentagon. I was 150 feet from the impact point when that airplane hit the Pentagon. I watched it hit, the airplane, knocked down in the explosion, my office in flames. I barely escaped with my life, went down to that grassy field, tried to help until we were shooed away by the professional first responders, but let me tell you what was going through my mind, was not that this was a failure of intelligence. It was to some degree, but it was a failure of imagination. We could not imagine that this small, at the time, terrorist group, Al Qaeda, could come up with a plan like this, could do such damage, could be that creative, that inventive. Imagination. And so as I lay awake at night, thinking of the challenges of today, I try very hard these days to imagine scenarios and to think through them, and this sounds like I told you so, but you can go back and run the tape, as we say on CNN. For 10 years, I've been talking about pandemic, pandemic, and I have said many times, go back 100 years ago, look at Spanish influenza, look at history, every 100 to 200 years in human history, there is a pandemic, and of course, the chances of that pandemic have increased because we're so close together, because we travel internationally.

So, Hani, I'm still worried, not only about this pandemic, which we will get through, I'm worried about the next pandemic. What if a twist of DNA creates a pathogen that instead of having a 1 to 3% mortality rate, like this one, has a 20% mortality rate, like Spanish influenza? By the way, Spanish influenza didn't come from Spain. It came from the United States, probably in the Midwest, went to Europe with US troops on troop transports. Spanish influenza, listen to these numbers, infected 40% of the world's population, as best we know, probably more, with a 20% mortality rate. If we have a pathogen that is that lethal, as opposed to COVID-19, which is not as lethal, about as transmissible, we will have another significant wave of challenge. So, pathogen is way up on my list.

Number two, cyber and cybersecurity. The idea today that billions of devices are connected to the internet is really underrated as a concern and a threat. Certainly there's a lot of niche

attention to cyber and cybersecurity, but the average citizen is as oblivious of the impact of a massive cyber-attack as the average citizen was oblivious to the potential of a pathogen, and just to put a number on it, in 2011, there are 7 billion people in the world and there are 7 billion devices connected to the internet. 2020, there's a little over 7 billion people in the world today. There are 20 billion devices connected to the internet. By the middle of this century, there will be at least 50 billion devices connected to the internet, and that's fabulous. I can pick up my cell phone while we're talking, and I can close my garage door. Great. Here's the bad news. 50 billion devices is a massive threat surface through which these attacks can come, and the ability to conduct these attacks by United States, China, Russia, increasingly nations like Iran, North Korea, Israel, Great Britain, nations have the ability to launch massive cyber-attacks that can go after our electric grid, most worrying. So, number two on my list is cyber, and by the way, I have a whole hour-long presentation on cyber I can inflict on you at any time. I teach cyber security at Deloitte University, for example, down in Texas, and I have been seized with cyber security for four decades, since I started coding as a midshipman at Annapolis in the 1980s.

Third on my list, and I'll stop here, third on my list is the resurgence of great power competition. In other words, US-Soviet Union was great power competition. Luckily, we did not destroy the world during the Cuban Missile Crisis in 1962, and eventually, the Soviet Union collapsed essentially because of economic mismanagement. We have not had – since that collapse, roughly 1990, so that's 30 years, we really haven't had two massive global powers headed toward conflict. Today, unfortunately, I worry about the US-China relationship. We all should worry about that relationship. We should think about what are the conflict points, how can we defuse some of these tensions? How can we avoid a full-blown cold war or, God forbid, a hot war with China that perhaps starts through a miscalculation in the South China Sea? We ought to be mindful at the same time of the great power competition of Russia, which is not a great power, economically, demographically, financially, but still has 8,000 nuclear weapons, and is very involved globally in a number of different, shall we say, disputes with the United States and NATO. That trio is not quite a cold war yet but getting close. Henry Kissinger, who is I would say the leading authority on China-US relations, recently said we are in the foothills of a cold war with China. Let's hope we don't get to the top of the mountain, Hani.

So, there's three things that keep me awake at night, and there are answers to all those and we can talk to some of the solutions, but on top of the list, those three, we need to apply our imagination to how those scenarios could turn out so we can construct strategies to avoid them turning in the wrong direction.

### **Hani Kablawi**

Admiral Stavridis, I could keep this conversation going for another few hours. You've been very generous with your time and your thoughts. On behalf of BNY Mellon, thank you very much for joining us today, and thanks to the audience for your time and attention and have a great day, Admiral. Thank you.

### **Admiral James Stavridis**

Thank you so much, Hani, what a pleasure, and I'm going to close with your motto. Consider Everything. Imagination is what matters in whatever walk of life and character. Thank you.

## **Hani Kablawi**

Sir, thank you.

## **Tom Hoare**

Hey everyone, it's Tom again. Thanks for listening. We hope that you enjoyed this conversation of the latest episode of the BNY Mellon *Perspectives* podcast series. As I mentioned at the top of the show, share your feedback. We're grateful if you download or subscribe to our show. And we want you to listen, rate, review on Apple podcasts, on Spotify, or wherever you listen to your podcasts. You can, of course, find us on social media -- on LinkedIn, Twitter, Facebook and Instagram. Tell us what you think. Give us ideas for topics or guests. And you can always find us on our website at b-n- y mellon dot-com. Thanks again for joining us and we'll see you again on the next episode.

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