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Paths to power: How insiders and outsiders shaped American business leadership

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Paths to Power: How Insiders and Outsiders Shaped American Business Leadership.

Anthony J. Mayo, Nitin Nohria, and Laura G. Singleton.
Boston: Harvard Business School Press, 2006. 292 pp.
\$35.00.

We may not be able to judge a book by its cover, but we can often learn who its audience is from its publisher, because publishers today specialize in specific audiences. Some publishers produce textbooks for introductory undergraduate courses, university presses publish scholarly books, and the trade publishers place their books on the shelves of the large book store chains for the general public. The Harvard Business School Press has its own unique niche. It publishes books for those non-scholars who want to think more deeply about what works and what doesn't in business and leadership. We will know from the publisher that its books will present data richly illustrated with anecdotes about people and businesses identified by name, often written by academic scholars. They are inevitably well written and present information, drawn from the worlds of scholarship or consulting, to those who want to advance their careers and better understand business. This book is an excellent example of the strengths of the Harvard Business School Press's books.

Paths to Power provides graphs and case descriptions to illustrate how the demography of those who became the 1000 leaders chosen as most recognized in the United States changed between 1900 and 2000. The authors draw on their thousand-member data base called "The Great American Business Leaders of the 20th Century," consisting of information on individuals whom they selected because they achieved recognition by producing successful results in that century. In addition to graphs of the demographic characteristics of these leaders, the book includes rich descriptions of individuals' stories drawn from memoirs, literature, and the authors' own interviews. Throughout, they illustrate their examination of the changes in who their most recognized business leaders were with engaging stories and illustrations. For example, the book begins with the tale of "two white guys," contrasting the demography and rise to success of James Stillman and Sanford Weill, who, respectively, headed the National City bank in 1900 and its successor, Citigroup, in 2000.

The stories of their leaders provide rich details about how the paths to recognition of those they call insiders (those already favored by sex, birth, and connections) differed from those they call outsiders (those not so favored). Outsiders, then and now, have tended to succeed from the periphery—by going west in the early twentieth century or by founding firms in emerging technology industries at the end of that century. The authors make the case that the demographic profiles of who gets ahead matter because those with power tend to favor their own kind.

As a book from the Harvard Business School Press, it is not intended to build on or contribute to scholarship on elites or social stratification. The data reported here have been more

systematically described elsewhere in the scholarly literature. For example, it is well established that American business leaders have become more educated and less Episcopalian but are still largely white and male. The scholarship on how the definition of "white" in the United States has changed to include Irish, Italians, and Jews is well developed (e.g., Gregory and Sanjek, 1994), and the advantages in upward mobility that wars have provided to American-born racial minorities have been well documented in the research literature (e.g., Gonzalez, 2001). Even the fact that non-Northeastern elite outsiders succeeded best on the frontiers, and that women and African-Americans were more likely to rise to prominence in industries serving their own, is no secret. Nor do the authors use their data to address questions of interest to scholars. For example, does holding a Master's of Business Administration (MBA) signal a more meritocratic process for rising to the top at the end of the twentieth century, or do the elite simply send their children to get an MBA, instead of making sure they were raised in the right kind of Protestant church? Is the relatively rapid success of Asian immigrants best explained via their work at the present-day booming frontier of new technology or by elite resources they brought with them from their countries of origin? Nevertheless, while the book does not join the scholarly conversation on social stratification, its vivid stories of recognized business leaders from the early and late twentieth century would help enliven any classroom.

This book is intended for the intelligent general reader interested in business leadership, and for them, it provides something that is a true innovation: a genuinely new contribution to that great tradition of books advising Americans on how to get ahead in business. Such books remain popular because so many want to get ahead in business and would like information on where to invest their time and attention. Yet there are only so many ways they can be told how to win friends, to mind their manners, and to dress for the job they want, not the one they already have. Because demography has not usually been seen as actionable by individuals, it has not been used in the large self-help literature. Yet in *Paths to Power*, the authors make it clear to those worried about their own careers how others' paths to recognition have changed and so how to think more creatively about how to manage their own paths. The lessons are fresh and new: Don't worry about your religion, most business leaders treat that as a private matter now. If you weren't born in a dynamic center of growth, move there fast and start building your local connections. And if you are an outsider, your odds are long, despite superficial changes, so you might look to the tried-and-true path of serving a niche among your own. This book is itself a truly path-breaking approach to the practical problem of understanding who succeeds in business and how that has (and has not) changed, and I hope it will reach that audience.

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Book Reviews

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