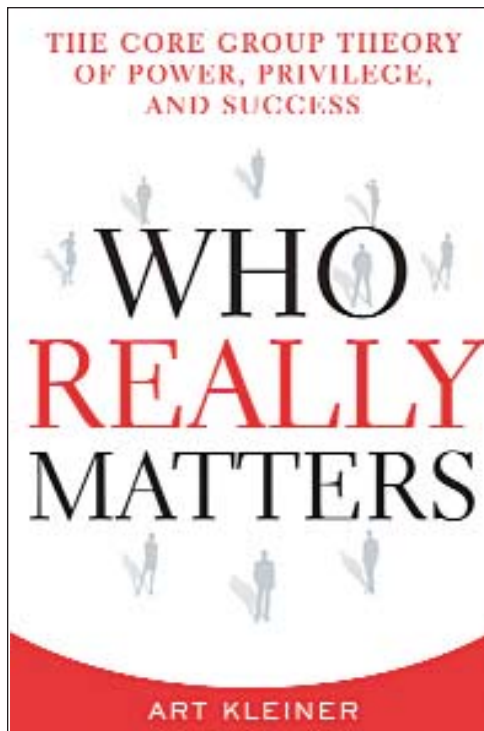


BOOKS



Getting in With the In Crowd



Who Really Matters: The Core Group Theory of Power, Privilege, and Success

By Art Kleiner

Reviewed by Ethan Sanders

“The customer comes first’ is one of the three great lies of the modern corporation,” writes Art Kleiner in his new book *Who Really Matters*. “The other two are ‘We make our decisions on behalf of our shareholders’ and ‘Employees are our most important asset.’” Government agencies, not-for-profits, associations, and labor unions tell similar lies, he says, when they vow to serve public interest or represent the needs of their members.

Kleiner debunks those myths by asserting that in every company, agency, institution, and enterprise, there is what he calls a Core Group of “people who really

matter.” He says that although it’s sometimes hard to detect, every organization is continually acting to fulfill the perceived needs and priorities of its Core Group. “If we want to not just live within society, but establish ourselves as leaders and creators, then we have to understand the dynamics of the Core Group.”

Kleiner’s Core Group is the quintessential “in” crowd; everyone else is “out.” Human nature makes us want to belong with those who are “in.” Kleiner takes that desire and applies it to organizations. His book is a fresh look at how we can improve the way Core Groups work on the inside and out.

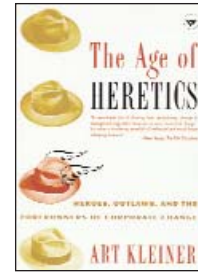
If This, Then....

If you liked *Who Really Matters* (see review), consider these other books by Art Kleiner.

The Age of Heretics: Heroes, Outlaws, and the Forerunners of Corporate Change

(Doubleday, 1996, US\$29.95)

This history of the movement to improve



mainstream corporations was a finalist for the Edgar Booz Award for most innovative business book in 1996. It includes the biographies of such promoters of organizational change and

learning as Warren Bennis and Saul Alinsky.

These three books, all co-authored by Kleiner, are a follow-up to Peter Senge's bestseller, *The Fifth Discipline*.

The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization

(Doubleday, 1994, \$29.95)

While *The Fifth Discipline* discussed the theories and principles for long-term organizational improvement, this fieldbook is meant to answer the short-term question, "What should we do differently when we go to work on Monday morning?"

The Dance of Change: The Challenge of Sustaining Momentum in a Learning Organization

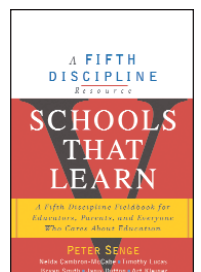
(Doubleday, 1999, \$35)

Organizations need to anticipate road blocks to change and deal with them. This book describes strategies and methods for moving beyond the first steps of corporate change, and generating long-lasting results.

Schools That Learn: A Fifth Discipline Fieldbook for Parents, Educators, and Everyone Who Cares About Education

(Doubleday, 2000, \$35)

Nearly a quarter of *The Fifth Discipline* readers are educators, so the book was created to address their needs. It describes how institutions become learning organizations, revitalizing schools, classrooms, and communities.



Core Groups aren't inherently bad or dysfunctional. Their sole purpose isn't to take money from constituents and give it to executives' families. Rather, an organization's Core Group is "the source of its energy, drive, and direction," and will vary widely in different organizations.

Kleiner maintains that most people don't understand how their organization's Core Group works. Therefore, they're can't join them or influence them. To combat that problem, he encourages readers to explore who matters most in their own organizations. He does that through a series of excellent exercises that help readers analyze Core Groups and determine how to influence them effectively. Those diagnostic exercises, positioned in key areas in the book, are an effective way for readers to take Kleiner's ideas, and formulate their own plans for action.

In addition to the exercises, the author's inclusion of case studies provides rich context and validity to his arguments. He does a good job of citing many different types of companies such as Amazon.com, The Body Shop, Delta Air Lines, General Motors, and Microsoft.

Kleiner defines *transactional employees* as those who are in a contractual relationship with the company. Basically, that's any non-Core Group member drawing a salary or other payment in an organization. In most companies, that's at least 90 percent of the population. He covers in great detail the many relationships that may evolve between Core Groups and transactional employees, beneficial and detrimental. The author uses examples of individuals and companies to show how employees can better understand the mechanisms of the Core Group to advance their careers. For example, he suggests that when employees lack the respect of Core Group members, they might decide that leaving their current position is advantageous.

There's more good news for those who aren't in the in crowd. Kleiner outlines

several ways in which transactional employees can create equity, which increases their influence in the organization. One is financial equity: the accumulation of enough money to walk away from an organization if you can't live with the Core Group. Having that money, says Kleiner, actually makes it easier to exist within the company. Employers will sense that you're staying because of genuine interest, not financial dependence.

Another kind of equity to establish is credential equity. Once you've held a position, or acquired a credential, it remains with you for a lifetime. Those who have been presidents of companies, for example, can become presidents again.

People who live by their wits, Kleiner says, such as lawyers, doctors, consultants, and writers, have always known the value of managing reputation equity. "I know several innovative managers who have protected their right to innovate by continually writing for outside publications and speaking in outside conferences—thereby demonstrating that *someone*, at least, honors their ideas."

Going beyond the equity descriptions, Kleiner also reveals how to recognize patterns that indicate whether an organization or employee will be successful or disastrous. He gives ideas on getting others into the in groups, directing those groups to a noble cause, and helping all players in an organization achieve their goals.

Who Really Matters exposes a lot of new insights and is a good reason to spend a lazy Saturday reading. I give it three cups of coffee.

Who Really Matters: The Core Group Theory of Power, Privilege, and Success, by Art Kleiner. Currency Doubleday: New York. 277 pp. US\$29.95

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