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## Dogs and CEOs

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As I witness the growing job vacancies at the top of the financial industry, I started thinking about my dogs.

It's amazing to watch how a dominant dog gets others to go along.

Animals who live in social groups - like wolves, dogs and people - have a social structure within each group. It's a good system. This dominance hierarchy maintains order, reduces conflict, and promotes the kind of cooperation that allows the pack to find the best hunting ground or helps a company make a bundle of money by securitizing sub-prime mortgages.

We share our home with two Labrador retrievers, Stuart and Polly. Stuart was 6 years into his position as top dog, when Polly arrived - a kinetic bundle of chaos who changed Stuart's life the minute we put her down on the floor and she ran over and clamped down on his ear.

Stuart is a career manager. He is thoughtful, linear, and very predictable. Polly is a disruptive force. She is the change agent. She is creative, energetic curious. She spends her days trying to beat the system - opening doors, doing belly flops into the pool (while Stuart cautiously dips in a paw) , figuring out all the places she is not allowed and then making it her life's work to be there.

But I've observed that this disruptive force has changed Stuart.

A dog that was once happy to spend much of his day viewing the world from the couch has started to tag along on her adventures because, I think, he just likes doing things that had not occurred to him. He is now playing with toys and actually chasing down tennis balls - although Polly either gets there first, or finds a way to snatch the ball out from under him.

He has even picked up some of her mannerisms. Never big on displays of affection, he has started to welcome us home like Polly does - with big wet licks.

As I watched the transformation of Stuart, I thought about the tremendous good an alpha leader can do for an organization when he or she makes the right bets; and the tremendous damage they can do when the bets are wrong.

How many times have we seen it?

In the dot com collapse, there were certainly people in a company that knew you could not charge five dollars less for a bag of dog food on the Web and then charge seven dollars to ship it. At Enron there were certainly more than one courageous accountant who saw that massive losses were being parked in shell partnerships. At WorldCom and Quest, there had to be many who knew that capacity was being swapped - incoming booked as income and outgoing being depreciated as expense. And now, a new question. How many people knew that all those jumbo loans given with a wink and a handshake (because Wall Street wanted to securitize them) would melt down when those who shouldn't have received those mortgages were, ultimately and inevitably, unable to repay them?

As long as the top dog says "this shall be so," it is. Change is too exciting. The rewards are too attractive. The top-down leadership model too ingrained.

Watching Stuart and Polly, I am convinced that these stumbles are inevitable. Only the details will change. The Stuarts of the world know that the Pollys can get them into trouble. But they won't say "no."