

Mentors

What was Gene Rotberg like?

The financial world in the 1970s didn't have many charismatic figures. But Gene Rotberg had charisma. Charisma is something which, as a manager, you can admire but you can't emulate. You either have it or you don't.

He'd been an SEC lawyer and had played an important role in breaking up fixed stock commissions. He'd been recruited to the World Bank by [then-president Robert] McNamara and, by the time I came in, he'd been here for at least 10 years. He was very approachable and loved to work with the younger staff. He liked the idea of younger staff having the opportunity to bring forth new ideas. He'd take those ideas and would be able to sell them to the market. He was very good with journalists, for example, because he could take a dry and complicated issue and make it human. He was around before management theory became popular, and instead he had a rather pop-psychology approach. I think it came from the fact that his wife had a doctorate in psychology, and his two daughters both have graduate degrees in psychology. **Give me an example of the pop psychology.**

When he made a speech, he used to tell a story about incentives. He would say: "I have three groups of people and I tell them all I want them to predict interest rates. I tell the first group, 'If you predict interest rates right, I'll give so much money you'll never have to work again.' I tell the second group, 'If you predict interest rates wrong, I'm going to severely punish you so you'll never get another job again.' And to the middle group, I just say, 'I'd just like you to do your best to predict interest rates.'" And then he would tease the audience by asking: "Which of these three groups do you think will make the best decisions?"

His key management policy was to make people comfortable — another psychological term — with mistakes. His view was

that, if you weren't comfortable with mistakes, you wouldn't be able to take risks and you might not report problems. He liked to open up discussion. That came out of his natural personality blend: he enjoyed having people talk to him.

Gene valued brains and integrity a lot, and charm very little. That helped me mature professionally. When I went to a meeting, he'd say: "I don't care what you do. Just make sure they know you're smart." He felt that, if you were smart and open, people would respect you. **Hans Hittmair was deputy treasurer then...**

He made a good balance with Rotberg. Hans was a refined, soft-spoken, behind-the-scenes Austrian gentleman. He was Gene's partner for more than 10 years. I worked with Hans a fair amount because Gene was vice-president.

Don Roth, the next vice-president, must have been very different from Gene Rotberg.

Very different. He was my contemporary. We weren't a generation apart. I truly loved working with him. It was completely open and congenial, with lots of laughs. I also learned a lot from him.

Were you surprised when he came in from Merrill Lynch?

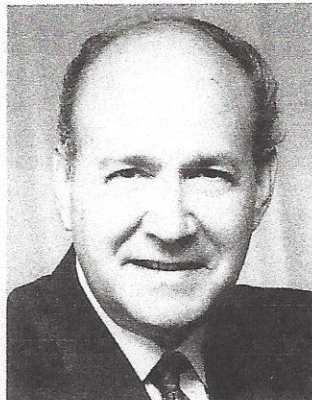
No. There was a big reorganization and a lot of tension in the bank. Ernie Stern became senior vice-president for finance.

Rotberg decided to leave the bank after 19 years as treasurer. I think the bank felt bold enough just making me director. They had to look outside for a vice-president because there was nobody in the bank. Stern was delighted to find Don Roth: a banker from the markets who'd worked in London and Tokyo as well as New York. Roth wanted to come to Washington for personal reasons. But he knew he wasn't coming in for a long-term career in the bank.

Did it help that he'd been in the markets?

He supported the modernization of the treasury. We were hardly into computers under that earlier generation. Rotberg certainly didn't have screens in his office. Roth supported our innovations in the capital

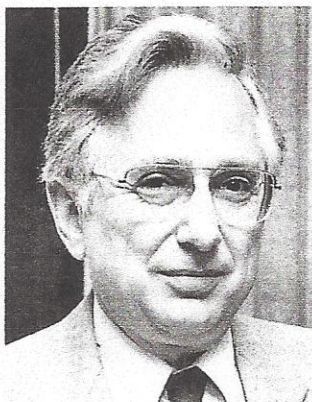
market. He gave me a real window into the corporate style. That really is a man's world. It's a style of blending in rather than sparking. I learned a lot from that and it's served me extremely well.



Rotberg: charisma.



Roth: corporate style.



Stern: breadth of intellect.

When I became vice-president — and the only woman vice-president — it was very useful for me to have worked with Don Roth. I learned that you don't always have to seek attention or command. Not every good idea you have has to

be brought up in every meeting. I grew up and became comfortable with who I am. I learned that you don't have to prove yourself to other people.

There are many styles of leadership. There is Rotberg's charisma, Ernie Stern's great intellect. But, if you were fighting out in the desert, it's Don Roth you'd want to follow.

When you were appointed vice-president and treasurer in January 1992, did you expect to get the job?

Roth made it clear to me when he left that his recommendation was that I was fully up to the position of vice-president. Ernie Stern didn't show his cards. Ernie was a great mentor of mine. But he has a different style of mentoring. Ernie's style is that he talks well of you only behind your back. When you're with him, he's just demanding. I felt quite sure I'd done a good job, but I didn't know what Ernie's view would be. I certainly didn't know what Lew Preston's predispositions were.

There was some speculation that Preston might recruit from the outside. And, although it was never articulated, there was a question about whether the bank would feel comfortable with a woman getting the job. But I'm sure Ernie Stern never even thought of that. Everybody in the bank knew he didn't look at gender.

You have a very high opinion of Ernie Stern.

I have a tremendously high opinion of him, as do many of my colleagues. His departure speech was outstanding. He was due to leave at the end of January this year but had to stay an extra month because of Preston's illness. His departure speech was a remarkable one in its blending of the vision of development and the practicality. You should read it.

Ernie is a machine in terms of his discipline and the breadth of his intellect. But, with it all, there's practical sense that you do what you can, when you can, on the basis of the information you have. Ernie was the person who came closest to being irreplaceable. And yet he was adamant that no individual was essential to an institution.