

Portrait of Darla Moore, chief executive of Rainwater, Inc.  
From a presentation at a Wharton executive series, December 7, 1999

## **DARLA MOORE'S LEADERSHIP STYLE AND TEACHABLE POINT OF VIEW**

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Darla Moore is focused and intense. She is a swift decision maker and is perceived as a tough and fearless leader. Moore describes herself as having “an ability to withstand great stress without tearing or breaking” (*CNNfn*, 6/19/98). In 1993, Darla Moore, then the highest paid woman in banking, became the CEO of Rainwater, Inc. (her husband, Richard Rainwater, owns the company). She took on the role that Rainwater loathed, that of the “tough guy”, and in the process tripled his net worth to \$1.5B. Richard Rainwater describes his wife’s leadership style succinctly, “The difference between Darla and me is that I take a lot of time and effort to solve a problem without hurting people’s feelings and reputation. By the time I’m ready to act, Darla will already have the job done” (*Fortune*, 9/8/97).

Characteristic of most successful leaders, Darla Moore is flexible and has been able to adapt to different environments to ensure her success in the business arena. Although the media has portrayed this quintessential dealmaker as having little regard for fostering teamwork, I would argue that Moore has adapted her individual-focused style to successfully operate in team environments.

*Fortune* magazine describes Moore as “hell to work for – intolerant of anyone who couldn’t deal with problems as decisively as she” (*Fortune*, 9/8/97), and a *CNNfn* article cites “When asked if she thinks people, particularly employees, are afraid of her, Moore smiles and says she doesn’t know. But she does seem to make people nervous whether they work for her or not” (*CNNfn*, 6/19/98).

Contrary to these descriptions Darla Moore created an informal atmosphere, put her audience at ease, and enabled an honest discussion about her successful career at the Wharton School on Tuesday, December 7, 1999. She attributed her success to being mentored by effective leaders and to her individual performance. When asked if she thought teamwork was important for a successful career, Moore replied that the ability to work in teams is essential for individual success. She alluded to her infamous reputation as a “management problem” at Chemical Bank, “I had my entire group quit on me. Couldn’t stand to work with me. I was so demanding and intolerant... that required some adjustment” (*CNNfn*, 6/19/98), and explained that a lack of confidence in her abilities led to this behavior and reputation. Darla Moore then said “Teamwork is essential. I learned to field a team to be successful and had people ultimately want to work for me.”

Darla Moore possesses the personal qualities highlighted as important traits to be a leader: decisiveness, confidence, assertiveness and intelligence. I place Darla Moore closer to a transactional leader than a charismatic or transformational leader. She has a pragmatic view of her own success and the success of others and sees an interactive exchange between action and

reward. Evidence of this lies in her explanation for the removal of T. Boone Pickens from Mesa and Rick Scott from Columbia/ HCA. The media has exploited these incidences as examples of Darla Moore's corporate raider tactics. On Tuesday evening, Moore offered an alternative explanation: "the markets took them [Boone and Scott] out... I was the messenger, catalyst, organizer." Moore then warned the audience against "hubris – excessive arrogance... beware of it, it comes in all forms in business" and reasoned that both Scott and Pickens had a case of hubris, thought they were above the rules of business, and did not listen to warnings from the marketplace.

Darla Moore is from a small town in South Carolina, an environment she describes as "strangling". Her ambition throughout her childhood was "wanting to get out". After college, she joined politics in an effort "to have power, influence, control over my life". However, she found that politics was based on "borrowed power" while she wanted "personal power". So she went to business school and then entered banking in New York. The decisions she made throughout her career were based on where she "...was given more independence – where will I have more control?" During the early '80s, she aspired to enter the LBO business so that she "could become somebody". However, she quickly discovered that the environment was not welcoming to a "rural-based female". A mentor suggested she join bankruptcy business because it was populated by people who were disadvantaged (by gender, race, etc.) and was "viewed as a graveyard for non-mainstream players." Moore claims she chose this career since "it was a blank desk with no job description" which gave her the independence she sought. In the late '80s the LBO business erupted and Moore found herself in the right place at the right time. The bankruptcy business, "what I had built", had become "the product du jour." It became the most powerful area in banking and "I was the only person who had developed an expertise in this area". Moore claims "people weren't looking for a [specific] bank, they were asking for Darla Moore."

Darla Moore's desire for power and independence, her demographics as a Southern woman, and the fortuitous need for her expertise in the late '80s/ early '90s are powerful explanatory factors of her successful career.

Drawing on her presentation, Darla Moore's "Teachable Point of View" on business – a synopsis of her advice to Wharton students on Tuesday, December 7, 1999 – includes:

- Mentoring is an essential ingredient for success – choose who you work for carefully.
- Pick your fights carefully otherwise you lose credibility; and when you've picked a fight, be ready to fight to death for your cause.
- You cannot take anything personal in a business environment – women tend to take things more personally, but it is irredeemable to burst into tears in public, make sure you get to the bathroom in time!
- You must be, and be perceived as, a decision maker.
- You must have confidence, and if you don't have it, fake it.

- Beware of hubris (excessive arrogance) in all forms in business.
- “Enlightened Capitalism” – eventually you should give back with no expectation of return as part of your contribution to society [Darla Moore has endowed \$25M to the University of South Carolina; the University named their business school “The Darla Moore School of Business”, the first major business school named after a woman (*The Darla Moore School of Business, USC*, News Online). On Tuesday, Darla Moore said her next career was to be “the unofficial CFO of South Carolina” so she could “reform the education system of South Carolina as well as [the] economical and fiscal position of the state in an environment that is less blessed”]

### **References – Primary**

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