

The WORLD'S 50 GREATEST LEADERS

IN AN ERA THAT FEELS STARVED FOR LEADERSHIP, WE'VE FOUND MEN AND WOMEN WHO WILL INSPIRE YOU—SOME FAMOUS, OTHERS LITTLE KNOWN, ALL OF THEM ENERGIZING THEIR FOLLOWERS AND MAKING THE WORLD BETTER. *By* **GEOFF COLVIN**

Additional reporting by Catherine Dunn, Erika Fry, and the Fortune staff

WHEN A REFORMER SWEEPS through an institution more forcefully in just a year than any other in memory—and when that institution is some 2,000 years old and the largest organization on earth—he draws attention, admiration, and wonder. That's why Pope Francis leads our inaugural list of the World's Greatest Leaders, and why he was proposed more often by our nominators than any other candidate. Reforming the scandal-plagued Vatican bank, finally beginning to address the child sexual abuse scandal, shaking up the Vatican's self-absorbed bureaucracy, setting a striking new tone through his personal example of modesty and inclusiveness—this is what a great leader does.

The world yearns for such leadership. Only 21% of those surveyed globally say they trust business leaders to “make ethical and moral decisions,” says the Edelman communication firm's latest Trust Barometer; only 15% trust government leaders to do so. Maybe the problem is that as the world changes and challenges multiply faster, delivering great leadership is getting harder. We hear it from others and feel it ourselves: The leaders we need are frequently just not there. So we went in search of them.

The great news is, we found scores of extraordinary individuals—so many that it was hard to winnow down our selections to just 50. (We've included one three-way tie.) We found inspiring, impressive leaders in every field of endeavor across the globe. On six continents—in business, government, the military, philanthropy, religion—we identified men and women, young and old, who are leading the way people want to be led. Crave to be led. Some, like the Pope, are world famous; many you've never heard of.

Choosing them necessarily required judgment. “There is no formula for leadership,” says *Leading Marines*, a book that all U.S. Marines are required to read, and on this we may regard the Marines as authoritative. So we cast our net broadly to include leaders of strictly hierarchical organizations (including the Marines) as well as others whose followers may owe no formal duty to the leader but who look to that person for inspiration and guidance. Some of our leaders, such as Alibaba chief Jack Ma (No. 16), are visionaries who inspire others to follow them toward a goal only they may see clearly; others, like Ford CEO Alan Mulally (No. 3), rescue institutions in trouble. Some, such as sports coaches, compete and win; others, like social entrepreneurs, cooperate and give.

We have drawn a distinction between leaders and people who are admirable and powerful but who are not transformative leaders. Simply running a large organization or serving in an influential role does not meet the threshold to be on this list. All candidates had to be currently active; thus no retirees or recently deceased great leaders, such as Nelson Mandela. We asked several noted leadership experts to suggest candidates, combined their ideas with others turned up by *Fortune* reporters, and vetted our nominees with experts in their respective fields. Then we made our final judgments based on the reality that while leadership can't be measured, we all know it when we see it.

“A leader's job is to define reality and give hope,” says American Express CEO Ken Chenault (No. 18). In an environment that often feels leader-deficient, our list exposes the reality that the world is actually filled with knockout leaders. And does it ever give hope.

For online extras including the best “Dynamic Leadership Duos,” our “Worst Leaders” list, and video interviews, see Fortune.com/BestLeaders.

1

POPE FRANCIS

AGE 77, PONTIFF /
CATHOLIC CHURCH

Just over a year ago, a puff of white smoke announced the new spiritual leader of 1.2 billion Roman Catholics around the world. In the brief time since, Francis has electrified the church and attracted legions of non-Catholic admirers by energetically setting a new direction. He has refused to occupy the palatial papal apartments, has washed the feet of a female Muslim prisoner, is driven around Rome in a Ford Focus, and famously asked “Who am I to judge?” with regard to the church's view of gay members. He created a group of eight cardinals to advise him on reform, which a church historian calls the “most important step in the history of the church for the past 10 centuries.” Francis recently asked the world to stop the rock-star treatment. He knows that while revolutionary, his actions so far have mostly reflected a new tone and intentions. His hardest work lies ahead. And yet signs of a “Francis effect” abound: In a poll in March, one in four Catholics said they'd increased their charitable giving to the poor this year. Of those, 77% said it was due in part to the Pope.



PHOTOGRAPH BY STEFANO SPAZIANI

2

ANGELA MERKEL

59, CHANCELLOR / GERMANY



Merkel may be the most successful national leader in the world today. She is, practically speaking, the leader of the European Union, which as a whole is the world's largest economy, and Merkel has held that position for almost nine years. She played the lead role in managing Europe's debt crisis, keeping the EU intact while setting even Greece on the road to recovery.

3

ALAN MULALLY

68, CEO / FORD MOTOR CO.



Ford's miracle worker saved the company without resorting to bankruptcy or bailouts by doing what previous leaders had tried and failed to do: change Ford's risk-averse, reality-denying, CYA-based culture. After earning \$7.2 billion of profit last year—far more than General Motors or Chrysler—the company paid its 47,000 UAW workers a record \$8,800 each in profit sharing.

4

WARREN BUFFETT

83, CEO / BERKSHIRE HATHAWAY



While lauded as an investor, Buffett also leads 300,000 employees with a values-based, hands-off style that gives managers wide leeway and incentivizes them like owners. The result is America's fifth-most-valuable company. His influence extends much further than that, though: The world looks to the "Oracle of Omaha" for guidance on investing, the economy, taxes, management, philanthropy, and more.

5

BILL CLINTON

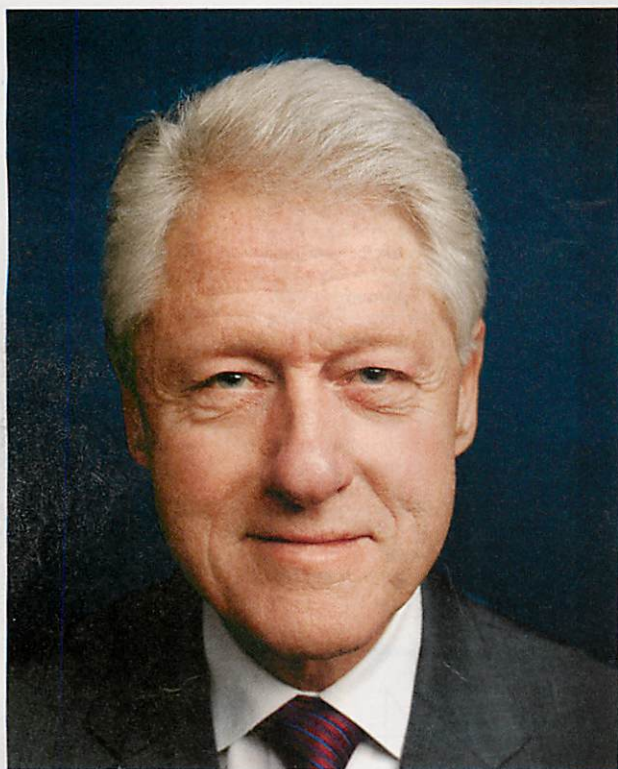
68, FOUNDER / THE CLINTON FOUNDATION



In the 13 years since he left office, President Clinton has been a relentless and forceful advocate for a number of causes: the fight against HIV/AIDS, malaria, and tuberculosis, and the need to stem greenhouse gas emissions. Through his Clinton Global Initiative, he persuades billionaires, heads of state, and others to declare commitments (2,300 so far) to specific projects. (For more, see our interview with President Clinton in this package.)

CLINTON ON LEADERSHIP

The former President distills his wisdom for Fortune.



What does leadership mean to you?

Leadership means bringing people together in pursuit of a common cause, developing a plan to achieve it, and staying with it until the goal is achieved. If the leader holds a public or private position with other defined responsibilities, leadership also requires the ability to carry out those tasks and to respond to unforeseen problems and opportunities when they arise. It is helpful to be able to clearly articulate a vision of where you want to go, develop a realistic strategy to get there, and attract talented, committed people with a wide variety of knowledge, perspectives, and skills to do what needs to be done. In the modern world, I believe lasting positive results are more likely to occur when leaders practice inclusion and cooperation rather than authoritarian unilateralism. Even those who lead the way don't have all the answers.

What attributes do leaders share?

Steadfastness in pursuit of a goal, flexibility in determining how best to achieve it. The courage to make a hard decision, and the confidence to stay with it and explain it. The common sense to listen to others and involve them. And the strength to admit it when you make a mistake or when a

given policy is not working. You have to be able to trust others, and trust your instincts as well as your intellect. Finally, if the objective is to get something done on a matter that is both important and controversial, you have to be able to compromise as well as know the lines you can't cross.

How did you learn to be a leader?

I learned when I was very young to respect the human dignity of everyone I met, to observe them closely and listen to them carefully. From the adults in my extended family I learned that everybody has a story but not everyone can tell it. I learned that most of life's greatest wounds are self-inflicted, that trying and failing is far better than not trying at all, that everyone makes mistakes but most people are basically good. As a boy growing up in the civil rights years then during Vietnam, I came to see politics as a way to help other people make their own life stories better. All along the way I learned a lot from other leaders, especially those who befriended me and shared their own experiences. Yitzhak Rabin reminded me that you don't make peace with your friends. Nelson Mandela told me and showed me that you can't be a great leader if you're driven by resentment and hatred, no matter how justified those feelings are. To be free to lead, you have to let a lot of things go. I'm grateful to them and everyone else who taught me to look for the dreams and hurts, hopes and fears, in the eyes of everyone I met.

Who are the great leaders in your mind?

There are too many to mention so I'll stick with a few. Nelson Mandela and Yitzhak Rabin were great for the reasons I mentioned and many more. Helmut Kohl oversaw the reunification of Germany, the European Union, and the creation of the eurozone.

Bill and Melinda Gates have built their amazing foundation, which is saving and lifting countless lives, driven by the principle that every life has equal value. They've selflessly given their money, time, and know-how to help solve global health and development problems. Muhammad Yunus and Fazle Abed have empowered huge numbers of poor people to live more productive lives.

Aung San Suu Kyi's dignified determination helped open her country to the world and inspired women and girls across the world.



For more leadership lessons,
see our tablet and
Fortune.com/BestLeaders.

7

ANG SAN KYI

CHAIR / NATIONAL LEAGUE FOR DEMOCRACY



Nobel Peace Prize winner gave up freedom and a life of luxury to lead her family in Myanmar to protest military rule in Burma (Myanmar). But two decades later, arrest could wash the opposition leader's determination. Since Suu Kyi's 2010 release, her political party has won dozens of seats in Parliament. Current law bars her from presidential office in 2015; even if she wins, change will take time.

GEN. JOE DUNFORD

58, COMMANDER / U.S. FORCES, AFGHANISTAN



The Marine four-star general and leader of NATO's coalition in Afghanistan "is probably the most complete warrior-statesman wearing a uniform today," says a former Marine commandant. Dunford tells *Fortune* his first battalion commander told him the three rules to success. The first? Surround yourself with good people. "Over the years," says Dunford, "I've forgotten the other two."

8

BONO

53, LEAD SINGER / U2



"Real leadership is when everyone else feels in charge," Bono tells *Fortune*. And he has lived by this maxim. He helped persuade global leaders to write off debt owed by the poorest countries and encouraged the Bush administration and others to vastly increase AIDS relief. Now, through his ONE and (RED) campaigns, he is enlisting major companies and millions of people to combat AIDS, poverty, and preventable diseases.

10

DAI LAMA

CHAIRMAN / SPIRITUAL LEADER OF THE TIBETAN PEOPLE



Over 50 years he has campaigned for peace, nonviolence, democracy, and reconciliation, especially in the world of religion; he has met with presidents, rabbis, and others. Winner of the 1989 Nobel Peace Prize, the 14th Dai Lama radiates wisdom. As for his guidance, just ask anyone who looks to him for guidance on anything. All 8.6 million Tibetans.

JEFF BEZOS

50, CEO / AMAZON.COM



Bezos is an extremely rare combination of visionary and master builder—20 years ago seeing something no one else could see and then turning it into the world's No. 2 Most Admired Company (after Apple) on our list, with a recent market value of \$174 billion. Prospective employees are still drawn to his vision; though he's highly demanding, thousands aspire to work for him. That's one way to know a great leader when you see one.

11

DEREK JETER

39, SHORTSTOP & CAPTAIN / NEW YORK YANKEES



As he begins his 20th and final season in pinstripes, Jeter remains the type of role-model player that even a Red Sox fan must grudgingly respect. It's not the five World Series rings he's won or his team record for career hits. In a steroid-tainted, reality-TV era, Jeter, the son of two Army veterans, continues to stand out because of his old-school approach: Never offer excuses or give less than maximum effort.



GEOFFREY CANADA

62, CEO / HARLEM CHILDREN'S ZONE

Dissatisfied with the results of most organizations helping the urban poor in the mid-1990s, Canada launched an experiment, an effort to reach all the kids in a 24-block zone of New York City—he called it the Harlem Children's Zone—and give them education, social, and medical help starting at birth. The idea was to make success a self-reinforcing phenomenon, as children and their families saw it all around them and recalibrated their expectations. The experiment has worked spectacularly. The zone now covers over 100 blocks and serves more than 12,000 children, with 95% of high school seniors going off to college. Canada plans to step down as CEO later this year, but his idea—and leadership here—will no doubt endure.

CHRISTINE LAGARDE

58, MANAGING DIRECTOR / INTERNATIONAL MONETARY FUND

Lagarde became IMF chief in July 2011 as the European debt crisis grew most acute. Her unenviable task required juggling the concerns of 188 member countries while supporting IMF bailouts of Greece, Ireland, Portugal, and other troubled countries. She did so and is still doing so largely with success, though the IMF's stringent conditions on aid have angered some. Lagarde combines her tough prescription of austerity with an argument that reforms will help the poor and unemployed above all—a balance that has increased acceptance of her message.



14

PAUL POLMAN
57, CEO / UNILEVER



With rare skill, Polman has combined noble corporate goals with savvy management in his five years as CEO. Of course, strong leadership also often goes hand in hand with bold ambition: Polman took a big risk by declaring his—to double the company's size even while reducing its environmental footprint and increasing its positive social impact. He is pulling it off and energizing employees in the process.

15

MICHAEL BLOOMBERG
72, MAJORITY OWNER / BLOOMBERG L.P.



Bloomberg maintained high approval ratings for nearly all of his 12 years as New York City's mayor (2002–14), winning his first re-election by a 20-point margin, the largest ever for a Republican in the heavily Democratic city. He has now returned to the financial data firm he founded but is hardly giving up his high-wattage policy activism—leading campaigns for gun control and against smoking and obesity.

16

JACK MA
49, EXECUTIVE CHAIRMAN / ALIBABA GROUP



Ma became a billionaire not just through brilliant management but also by leading his company in a big, brash way. From the day in 1999 when he founded Alibaba in a Hangzhou apartment, he has exhorted employees to “think big” and “work for their dreams!” He did that himself and built Alibaba into the world's largest online business, with some 100 million shoppers a day and higher revenues than Amazon and eBay combined.

17

MARIA KLAWE
62, PRESIDENT, HARVEY MUDD COLLEGE



A mathematician and computer scientist by training, Klawe is leading the charge to bring more women into science, technology, and engineering. At Harvey Mudd, freshman women go to computer conferences, and introductory coding classes are now designed to be more welcoming to newcomers. Thanks in no small part to Klawe, women now make up 40% of computer science majors at the college, up from 10% in 2005.

18

KEN CHENAULT
62, CEO / AMERICAN EXPRESS



He's the most accomplished leader in global finance. Operating in the economy's most hobbled and reviled sector since the 2008 meltdown, Chenault has kept AmEx non-controversial, strong, stable, and admired. At least twice during the crisis he declined offers to lead even larger institutions, insiders say. Chenault previously led the company through the 9/11 attacks, which decimated travel, the basis of its business.

19

KATHY GIUSTI
55, CEO / MULTIPLE MYELOMA RESEARCH FOUNDATION



Within weeks of her diagnosis in 1996, Giusti began disrupting the myeloma research culture—getting isolated doctors and scientists to share data, and building an unheard-of consortium to develop drugs. Harvard B-School Dean Nitin Nohria calls her “an entrepreneur in the truest sense of the word—someone who sees beyond existing constraints to imagine novel solutions to once intractable problems.”



TIE

MIKE KRZYZEWSKI

67, HEAD COACH / DUKE UNIVERSITY MEN'S BASKETBALL TEAM

GREGG POPOVICH

65, HEAD COACH / SAN ANTONIO SPURS

DAWN STALEY

43, HEAD COACH / UNIVERSITY OF SOUTH CAROLINA WOMEN'S BASKETBALL TEAM

There's no playbook for how to become an elite leader in basketball. Whether it's John Wooden teaching his UCLA players the proper way to tie their shoes or Zen master (and new Knicks president) Phil Jackson referencing Buddha, the point is to get five players working in harmony—however you do it. Three active coaches with very different styles stand out. We're hard-pressed to say which is best: Duke's Coach K (above, right), who has developed players for decades with a mixture of toughness and love—in the process becoming the winningest Division I men's college basketball coach in history and leading the U.S. Olympic men's basketball team to a pair of gold medals? Or the famously terse Coach Pop, who empowers his players by sometimes stepping back? “What do you want me to do?” he has challenged his stars in a time-out. “Figure it out.” And they do: Coach Pop has had more consecutive winning seasons (16) than any active NBA coach. Or Dawn Staley, who has led women's teams at Temple and South Carolina to storied records? The former WNBA star initially didn't want to coach. But as Staley noted at her induction into the National Basketball Hall of Fame in 2013, she knew she made the right decision when “I started to care more about my players than to win.” That might be the common trait of the great ones.



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ANGELINA JOLIE

38, ACTRESS, HUMANITARIAN

There's no such thing as a fleeting cause célèbre for Jolie; since joining forces with the UN's refugee agency in 2001, first as a goodwill ambassador and now as special envoy, she's undertaken 50 field missions to countries including Iraq, Syria, and Pakistan. Her decision to explain her preemptive double mastectomy in a New York Times editorial, though controversial in some health circles, underscored her willingness to foster hard conversations by taking a public stand. "Angelina Jolie represents a new type of leadership in the 21st century," says U.K. Foreign Secretary William Hague, who has worked with Jolie on efforts to end a plague of rape in war-torn regions. "Her strength lies in the fact that she is able to influence governments and move public opinion at the same time." That Jolie chooses to use her global influence to highlight neglected human rights and humanitarian issues, adds Hague, "is in keeping with the finest traditions of leadership."

22

ZHANG RUIMIN

65, CEO / HAIER GROUP

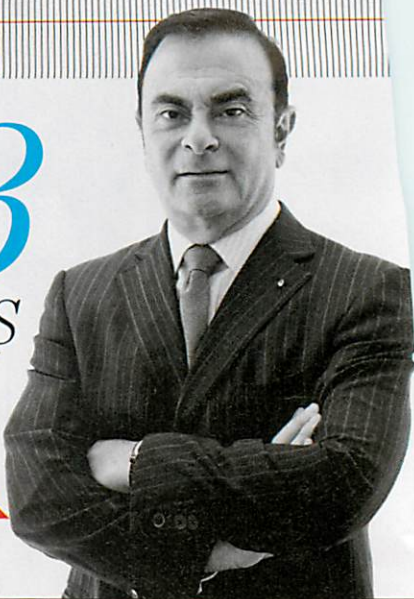


His radical management innovations have transformed Haier from a small, failing, state-owned refrigerator maker into the world's largest appliance brand. He groups employees into small, self-managing teams that choose their own managers, compete for internal talent, and can earn big bonuses—unusual in the West and unheard-of in China.

23

CARLOS GHOSN

60, CEO / NISSAN;
CEO / RENAULT



Rescuing a giant, old industrial corporation in decline is almost impossible; few leaders have ever done it. Fewer still—maybe none except Ghosn—have done it while also a top executive at a separate industrial giant on the other side of the world. His salvation of Nissan from 1999 to 2005 remains "one of the most dramatic turnarounds in the history of the modern corporation," says McKinsey. He did it by smashing Japanese cultural norms—laying off thousands of workers and cutting ties with members of the Nissan keiretsu. Japanese citizens and media were enraged, but the shock treatment worked, and Ghosn soon became a Japanese hero, his exploits even celebrated in a manga comic book. No wonder the Insead business school calls Ghosn a "transcultural leader."

24

GABRIELLE GIFFORDS

43, CO-FOUNDER / AMERICANS FOR RESPONSIBLE SOLUTIONS (ARS)



Three years after she was shot at a Tucson supermarket, the former Arizona congresswoman has become a major force in the effort to end the plague of gun violence. In 2013 she and husband Mark Kelly, both gun owners, launched a Super PAC, ARS, a move that Daniel Webster, director of John Hopkins' Center for Gun Policy and Research, calls a true "game changer."

25

WENDY KOPP

46, CEO AND CO-FOUNDER / TEACH FOR ALL



Twenty-five years after turning her Princeton senior thesis into a national education reform program called Teach for America, Kopp is taking her model global. A low-ego leader with big dreams, the 46-year-old Kopp has recruited social entrepreneurs in 32 countries to become teachers in underfunded public schools. Her aim? "To narrow educational disparities around the world."

26

FRED SMITH

69, CEO / FEDEX



Smith created a world-changing industry—overnight air delivery—that no one knew they needed until finding they couldn't live without it. His ability to continue leading FedEx to be bigger and more successful for 40 years is nearly unique and has sparked such transformative improvements as online package tracking. He's still pushing and is a hero to the company's 300,000 employees.

27

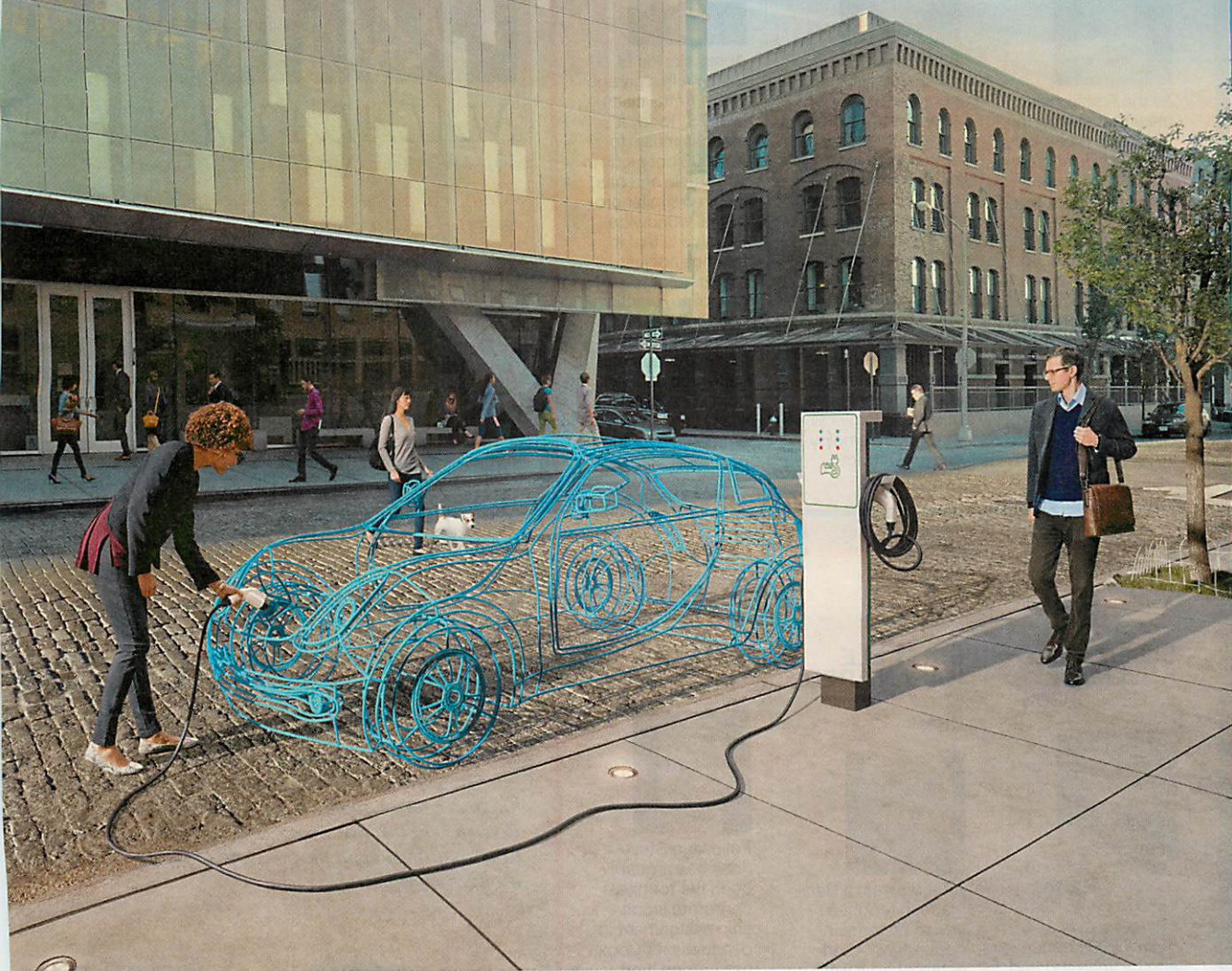
JULIET V. GARCIA

64, PRESIDENT / UNIVERSITY OF TEXAS AT BROWNSVILLE



García has utterly reengineered educational opportunities for Hispanics in South Texas, forging, in 1991, the innovative partnership between a community college and the UT system, and helping create UT-Rio Grande Valley, opening in 2015. Ford Foundation president Darren Walker lauds her "rare capacity" for bridging grassroots and elites.

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28

MARY ROBINSON

69, PRESIDENT /
MARY ROBINSON
FOUNDATION—
CLIMATE JUSTICE



As the first female president of Ireland, Robinson broke barriers. As a long-serving UN high commissioner for human rights, she framed crimes against humanity in strikingly personal terms. Now, through her foundation, she is vividly—and convincingly—showing the world how climate change is affecting the poorest of the poor.

29

HOWARD SCHULTZ

60, CEO /
STARBUCKS



A small Seattle coffee retailer has become 20,000 shops worldwide under Schultz's leadership, with many more planned. Crucially, he understood that he was creating an experience, not selling a product. Far ahead of most CEOs, he saw the value of offering medical insurance to all employees, even part-timers, and pursuing environmental and social projects that inspire employees and attract customers.

30

JOSÉ ANTONIO ABREU

74, FOUNDER /
EL SISTEMA



Abreu started El Sistema in a garage with 11 musicians in 1975. Today it teaches music to 400,000 poor kids in Venezuela and has inspired similar programs worldwide. Its value is that it teaches not just music but also discipline, practice, cooperation, and culture. A canny leader, Abreu has cultivated support from Venezuela's many varying governments over the past 39 years.

31

ELLEN KULLMAN

58, CEO / DUPONT



The first woman to head the 212-year-old company, Kullman took over as a dismal 2009 began and by year-end had publicly vowed to raise earnings over three years at a 20% annual compound rate. She did 24%, as she accelerated a major strategic change—"and nobody likes change," says a colleague—that downplayed chemicals and positioned agriculture and nutrition to power DuPont's third century.

32

SIR FAZLE HASAN ABED

77, CHAIRMAN /
BRAC



After his native Bangladesh fought a war to become independent, Abed established BRAC (originally Bangladesh Rehabilitation Assistance Committee) to aid the rural poor, including 10 million returning refugees. He has built it into the world's largest nonprofit, with over 100,000 employees serving millions in 10 Asian and African countries. He was knighted in 2010.

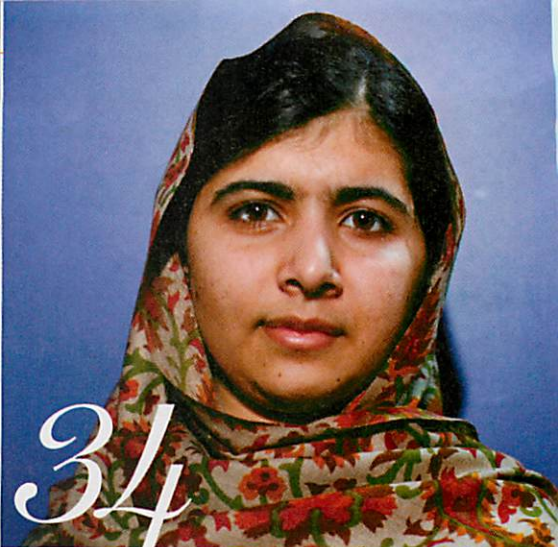
33

TIM COOK

53, CEO / APPLE



Following Steve Jobs has arguably been the toughest corporate leadership assignment in decades, yet Cook has carried it off with mostly quiet aplomb. In 2½ years he has kept the parade of winning new products marching (the Retina display, new operating systems, the iPhone 5), and he is bringing in Burberry's savior, Angela Ahrendts, to run Apple's retail stores. That's thinking different.



MALALA YOUSAFZAI

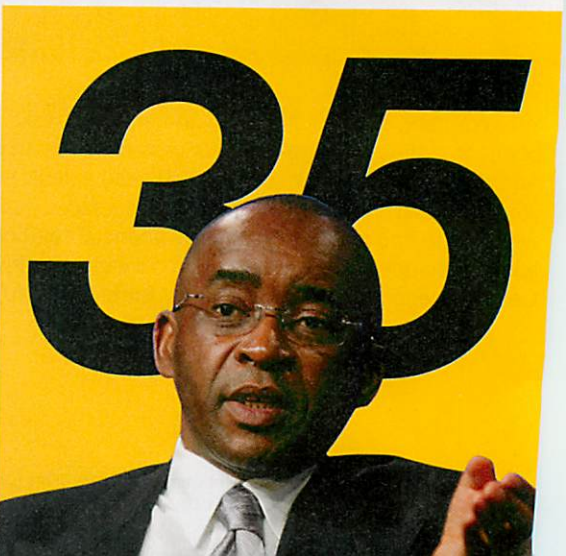
16, ADVOCATE FOR EDUCATION RIGHTS

Malala Yousafzai first stood up to the Taliban when she was 11. A fierce and outspoken defender of a female's right to education, the Swat Valley schoolgirl was shot by them four years later aboard her school bus. The senseless act stunned the world, just as her recovery and continued activism—despite more death threats—have drawn many to her cause. Bede Sheppard of Human Rights Watch calls Malala a "radiant example that children can be intelligent and savvy advocates for their own rights."

STRIVE MASIYIWA

53, FOUNDER & CHAIRMAN / ECONET WIRELESS

Nearly two decades ago Masiyiwa fought and won a key court battle to open Zimbabwe's telecom industry to private investment. Masiyiwa, who sits on the Africa Progress Panel as well as the boards of Alliance for a Green Revolution in Africa and the Rockefeller Foundation, is a persuasive advocate for development opportunities and the creation of strong government institutions. "He is truly one of Africa's most influential figures, with his good counsel sought by world leaders and CEOs," says Rockefeller Foundation president Judith Rodin, who calls him "a champion for the power of technology to improve the lives of millions."



36

GEORGE KENNEDY

58, HEAD COACH /
JOHNS HOPKINS
UNIVERSITY SWIM
TEAMS



Kennedy is in his 29th coaching season at Johns Hopkins, but veterans of his swim teams say you'd never know it. Kennedy sees not just each season, but each meet as a new chance to change things up. Maybe that's how his teams have won 23 conference titles and had 17 top-five NCAA finishes. "My four favorite words," he says, are "We can do better."

37

JOKO WIDODO

52, GOVERNOR /
JAKARTA,
INDONESIA



In 2005 the self-made furniture exporter was elected mayor of Solo, a 500,000-person city in Indonesia. "Jokowi," as he's known, cleaned up the city and rooted out corruption, thrilling an Indonesian public weary of the status quo. His ascent since then has been swift: In 2012 he became governor of Jakarta. Now he's the favorite for Indonesia's July 2014 presidential election.



ERIC GREITENS

39, FOUNDER & CEO / THE MISSION CONTINUES

"I think fundamentally leadership is a species of courage," says Missouri-bred Greitens, a former Navy SEAL and a Rhodes Scholar. "A lot of people approach leadership from a different perspective, but for me a true leader is someone who confronts fear, embraces pain, and welcomes suffering. It's on the front-line of hardship, pain, and difficulty that leaders really make a difference." In 2007, Greitens took his commitment back to the frontlines, founding a nonprofit organization that serves post-9/11 veterans by deploying them to service projects across the country. It's about providing them with "a challenge, not charity," he says—and changing the way Americans, and the veterans themselves, think about veterans.

39

WYNTON MARSALIS

52, MANAGING
AND ARTISTIC
DIRECTOR /
JAZZ AT LINCOLN
CENTER



Call him the guardian of American jazz: Pulitzer Prize winner Marsalis has relentlessly played, composed, and taught throughout his career, and built Jazz at Lincoln Center into a bastion of the art form. Moreover, "he has developed a generation of musicians," says longtime friend and American Express CEO Ken Chenault.

40

ANAND MAHINDRA

58, CHAIRMAN /
MAHINDRA &
MAHINDRA



A third-generation corporate aristocrat, Mahindra has aggressively expanded the big conglomerate through acquisitions in autos, computer services, aeronautics, and more, while maintaining the company's standing as one of India's most sought-after employers. The company remains well-regarded in Indian society as he has reinforced a policy of integrity in a notoriously corrupt environment.

41

NANCY LUBLIN

42, CEO / DO
SOMETHING



Lublin is a standout among social entrepreneurs. Back in 1996, at age 24, she turned a \$5,000 inheritance into Dress for Success, a nonprofit that provides interview suits and career development training to women. Six years later, having finished law school at night, she became CEO of a failing nonprofit called Do Something; by embracing technology, she created one of the largest youth organizations in the world.

SUSAN WOJCICKI

45, CEO / YOUTUBE

Google's employee No. 16 officially joined the company in 1999 as its first marketing manager, just a year after Larry Page and Sergey Brin set up their first office in her Menlo Park, Calif., garage. Widely admired within the Googleplex for her management style, Wojcicki was instrumental in guiding the evolution of the company's hugely successful advertising and commerce platforms. Now, many expect Wojcicki, who took the helm of Google's YouTube division in February, to rev up the troops there.



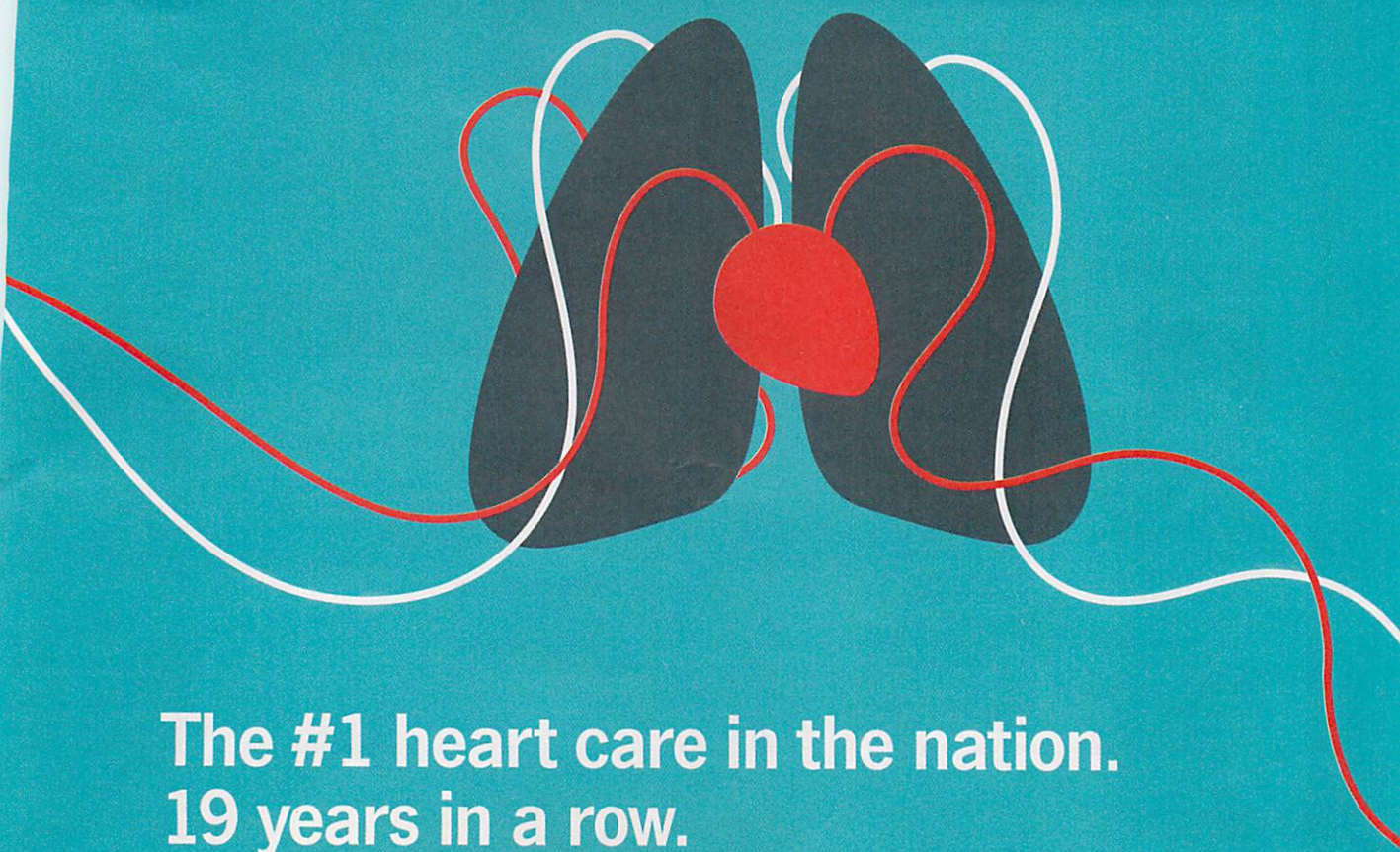
43

PETER DIAMANDIS

52, CEO / X PRIZE
FOUNDATION



Apart from the 14 other companies he has founded, Diamandis presides over X Prize Foundation, which hosts \$10 million competitions to solve global problems. "He has an infectious optimism, which becomes a self-fulfilling prophecy," says futurist Ray Kurzweil. He makes "each person understand that their role is critical to the success of their organization and in turn that the overall project is critical to transforming the world."



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INNOVATING THE EVERYDAY

Mobile Meals



At Zoca® food trucks, business is brisk as hungry crowds line up for burritos, tacos, and other authentic Mexican fare. Welcome to the latest in corporate dining, where the traditional lunchroom is adapting to today's flexible and fast-paced work environment.

Food trucks are the most recent entry in Aramark's alternative dining programs, initially launched on college campuses and now an exciting option for employees in business locations as well. The company also offers self-service micro-markets that provide fresh and healthy food options 24 hours a day.

Aramark is scheduled to continue to add innovative food trucks and hundreds of micro-markets this year. These flexible-footprint dining solutions not only give employees popular and healthy food options but also boost productivity by keeping them on-site whenever hunger strikes.



44

TETIANA CHORNOVOL

34, REP. / ANTI-CORRUPTION POLICY, UKRAINE



One of the first reporters to document the rich estate of then-Ukrainian President Viktor Yanukovich, Chornovol faced continual threats and was beaten to within an inch of her life on Christmas Day. The attack added fuel to the Euromaidan protests, which forced Yanukovich's ouster in February. Chornovol has now been asked to ferret out corruption from inside Ukraine's interim government.

45

ARATI PRABHAKAR

55, DIRECTOR / DARPA



Running the military's technology innovation lab in the middle of the austerity era is no easy task. But Prabhakar, who first led a major federal office when she was only 34 and later spent time as a venture capitalist, is meeting the challenge with an outsider's enthusiasm. Key Beltway stakeholders are taking notice. Says Thomas Mahnken, a defense expert at Johns Hopkins University: "She's very charismatic."

46

XAVIER TRIAS

67, MAYOR / BARCELONA



Barcelona has its Mediterranean port, its Gaudi treasures, and since 2011, a mayor who is busy transforming the cultural gem of Spain's Catalonia region into the smartest "smart city" on the planet. Partnerships with companies like Cisco and Microsoft are fueling development, a new tech-campus hub is in the works, and he's connecting citizens to government services through mobile technology.

47

JULIANA ROTICH

36, CO-FOUNDER, EXEC. DIRECTOR / USHAHIDI



Nonprofit Ushahidi has helped seed the fast-growing East African tech industry and reimagined what technology can do. Witness its crowdsourced mapping platform, which helps communities track everything from violence to floods.

48

LAKSHMI MITTAL

63, CEO / ARCELORMITTAL



Mittal created the world's largest steelmaker by pursuing a decades-long, impossibly audacious plan of consolidation—working with governments, powerful labor unions and other constituencies to rewrite the rules of the old steel industry in tough times.

49

GAIL KELLY

57, CEO / WESTPAC



Her six-year tenure as CEO has brought a 70% return to WestPac shareholders—a remarkable feat given the challenges. Kelly engineered a huge merger with a rival bank, and then had to deal with fallout from the global financial crisis. Australia's most powerful woman in business has gotten high marks all around.

50

JED RAKOFF

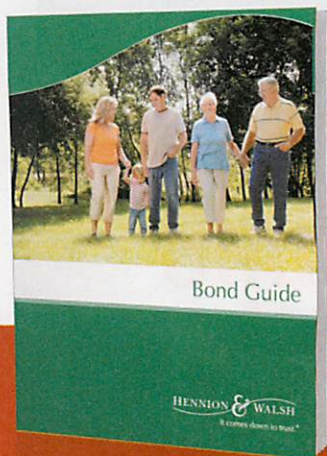
70, U.S. DISTRICT COURT JUDGE



Breaking with tradition, Judge Rakoff rebuffed the SEC's bid to let Citigroup settle securities violation charges without admitting wrongdoing. The case went to the heart of the financial crisis, he said, and the public deserved to know more. An appeals court still deliberates but the bold stand, in our view, is an act of leadership. **B**

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Potential Regular Predictable Income

Municipal bonds typically pay interest every six months unless they get called or default. That means that you can count on a regular, predictable income stream. Because most bonds have call options, which means you get your principal back before

the maturity date, subsequent municipal bonds you purchase can earn more or less interest than the called bond. According to Moody's 2012 research,* default rates are historically low for the rated investment-grade bonds favored by Hennion & Walsh.

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George W. Casey Jr. was Army Chief of Staff and Commanding General of the Multinational Force in Iraq. He is now a consultant with the Minot Group and a Distinguished Senior Lecturer of Leadership at Cornell.

clearer I could be—even if I wasn't exactly right—the better we executed. Without a clear focus, there was no common purpose, and without common purpose, there wasn't effective execution. In war—and business—that is fatal.

Consider my experience in Iraq. When I took command in July 2004, I had about 30 days to come to grips with the new environment, build a relationship with the new Iraqi government, and develop a plan for succeeding, all the while keeping a burgeoning insurgency at bay. I had a lot on my plate.

Then, almost immediately, we confronted a country-wide uprising after a young Marine made a wrong turn and drove too close to a militia leader's house in the key city of Najaf, home to the Imam Ali Mosque, the third-holiest site in Shia Islam. In response the militia leader,

LEADERS POSSESS ONLY SO MUCH INTELLECTUAL AND EMOTIONAL ENERGY. WE MUST EXPEND THAT ENERGY IN THE AREAS THAT PRODUCE THE HIGHEST PAYOFF.

Muqtada al-Sadr, whose forces had been terrorizing the population of Najaf for months, rapidly mobilized his forces in Najaf, Baghdad, and southern Iraq, and fighting escalated. That's volatility.

With an inexperienced Iraqi government, a mere two battalions in the Iraqi army, 162,000 coalition forces from 33 countries engaged in a form of combat for which they had not prepared, in a culture they didn't fully understand or appreciate, and against a diverse and committed enemy, our ability to achieve our desired outcome was hugely uncertain. In addition, Iraq was the most complex environment I had ever experienced. I had to consider not only what the U.S. government wanted but also how our decisions would affect the Iraqi government, our coalition of 33 countries, and the varying Iraqi factions—and that was just our side. In war the enemy has a vote. On almost every issue I had to consider multiple and competing internal and external variables that, if I chose incorrectly, could produce undesirable outcomes.

Ambiguity? The reporting that I received was all over the map—Sadr had been killed! No, he was just wounded. An errant bomb had damaged the mosque! No, it was the

hotel next door. The Iraqi Special Forces had arrived! No, they were still on the way.

VUCA conditions conspired to postpone action. Yet I had to act fast because my troops were under attack.

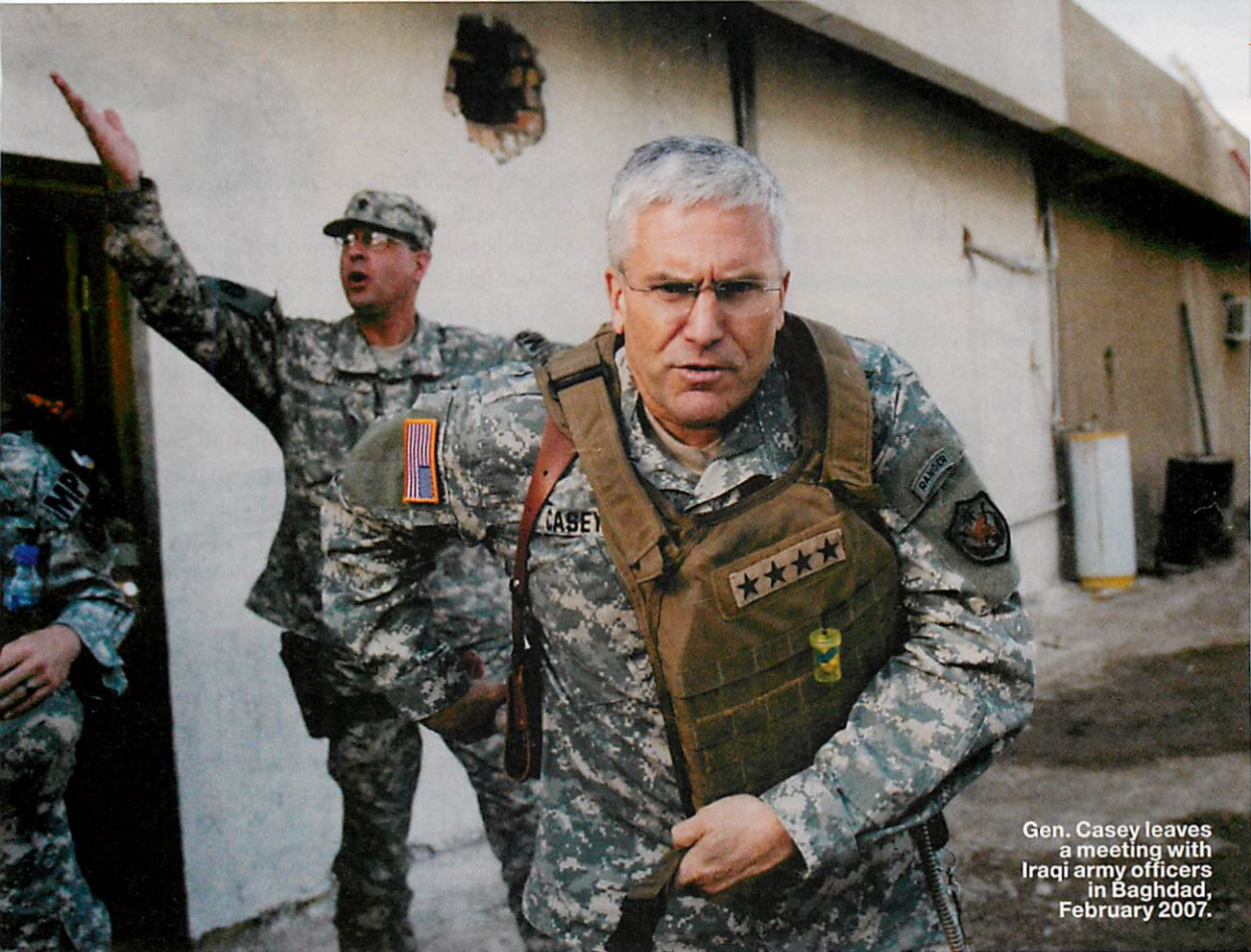
Over the years I had developed an offensive mindset—I worked aggressively and opportunistically to gain an advantage. That attitude kept me from being cowed by the complexity and ambiguity of the situation, and I was able to perform a leader's first duty—to point a clear way ahead. I quickly saw the battle for Najaf as an opportunity for the new Iraqi government to demonstrate its strength. In less than 24 hours, I consulted with the Prime Minister and instructed my forces to restore Iraqi government control of Najaf, which in the following weeks they did. The Prime Minister had his first victory.

I got the chance to apply what I had learned in Iraq when I became the Army Chief of Staff in 2007. As I began developing my vision to guide the Army through my four-year tenure, I initially thought it would be something flashy, like "America's Army—an agile, disciplined warrior team, dominant across the spectrum of 21st-century conflict." I couldn't have been more wrong.

In a four-month tour of the Army, talking with men and women of all ranks, I found an organization stretched by six years of war and facing another five to 10 years of continual deployments. Over 3,000 soldiers had given their lives, leaving 10,000 surviving family members. Another 25,000 soldiers had been wounded, some 5,000 seriously enough to require long-term care. We also were just beginning to come to grips with the impacts of post-traumatic stress and traumatic brain injury on thousands of soldiers. In all the turbulence, readiness suffered. The magnificent volunteer force that we had built so painstakingly since the early 1970s was seriously frayed.

I came to see the Army as out of balance—so weighed down by current demands that we couldn't adequately care for soldiers or prepare for the future. I realized that when you are out of balance, there is only one thing to do: Get back in balance. I thus arrived at a simple—and clear—vision statement: "Put the Army Back in Balance." It wasn't quite so glamorous a vision as I had originally imagined, but because it was clear, it guided a Herculean Army-wide effort that left us in a fundamentally different and better position four years later.

Leaders are human and possess only so much intellectual and emotional energy. To succeed in a VUCA world, we must expend that energy in the areas that produce the highest payoff for our organizations. Our first priority must be developing and articulating a clear vision to drive our organizations' actions. The clearer leaders can be about what they want to accomplish, the better their organizations will execute in the volatility, uncertainty, complexity, and ambiguity of today's global business environment.



Gen. Casey leaves a meeting with Iraqi army officers in Baghdad, February 2007.

LEADING IN A 'VUCA' WORLD

**VOLATILITY.
UNCERTAINTY.
COMPLEXITY.
AMBIGUITY.**

Each poses a unique challenge for any decision-maker. Here's how to lead in crazy, changing times.

By **GEN. GEORGE W. CASEY JR. (RET.)**

I WAS RECENTLY ASKED TO ADDRESS THE STUDENTS OF THE UNIVERSITY OF North Carolina's Kenan-Flagler Business School on "Leading in a VUCA World." I must admit that as soon as I got off the call with the school's executive director, I went to the computer and Googled "VUCA." Ten seconds later it was clear why the acronym was vaguely familiar to me: It was a term coined by the U.S. Army War College in the early 1990s to describe what the world would be like after the Soviet Union's collapse: volatile, uncertain, complex, and ambiguous.

In reality, VUCA has never been more relevant, for the military and for business. I experienced VUCA environments in Bosnia (1996), in Kosovo (2000), and in Iraq (2004–07). Leading grew progressively more difficult in those conflicts, with Iraq unquestionably the toughest. I believe that my experiences leading in those environments can benefit business leaders.

The reason is that the primary function of any leader is to point the way ahead. I've learned that doing so in VUCA environments is extraordinarily difficult. Leaders need to "see around corners"—to see something significant about the future that others don't see. Yet the more VUCA the environment, the harder it is for leaders themselves to comprehend the situation, let alone articulate a clear way forward. VUCA environments thus become invitations for inaction—people are befuddled by the turmoil and don't act. And to succeed, you must act!

Effective action begins with a clear statement of what needs to be accomplished. As the commander in Iraq and later as the Army Chief of Staff, I made the No. 1 question I asked: "What are we really trying to accomplish?" The higher in the organization I was, the more complex the issues became and the harder it was for me to answer that question clearly and succinctly. I had to force myself to get clarity in my own mind so that I could clearly articulate to my subordinates how I saw things and what I wanted them to do. I found that the