

Content Lab Report

Speaking Truth to Power

June 2020



About the "Speaking Truth to Power" Content Lab

Over the years, we all remember regrettable cases of a number of truths about things going wrong not having been told up to the hierarchy (Nokia, Volkswagen, Nissan and Boeing to name a few). Yet, we know that not telling the truth — to power and peers — may prove very deleterious to the integrity of the management process and ultimately lead to catastrophic situations. Everybody feels a sense of moral obligation to be honest and transparent, but, is it really the case? Have we already observed how we invite —or not- truth into our business?

Pressure for performance and quick returns, demanding or even authoritarian CEOs, combined with today's uncertain world all have direct managerial implications as they create a climate of indecisiveness, fear and anxiety. Lack of open dialogue and transparency insidiously creep into the organisation. Even worse, some managers are ready to adopt wrong behaviours or adapt reality to meet individual goals or those of the organisation. Not telling the truth may stem from an entrapment process, an escalation of commitment in the face of adversity.

This Content Lab was held on 24 October 2019 at CEDEP. It gathered a group of those from private or public organisations who have set up a context for speaking the truth and fostering trust and transparency in their organisation, as well as those who have encountered non-ethical situations, and senior academics and researchers, experienced at working with top teams, together with Senior Academics.

The day was led by CEDEP Academic Council Members, in particular Professor Yves Doz (INSEAD), author of Ringtone, the story of the rise and fall of Nokia, and Professor Jules Goddard (LBS), author of Uncommon Sense and Common Nonsense and of recent publications on futuristic models of management and philosophy and management. For more details on the composition of the Academic Council, CEDEP and its Content Labs, refer to the end of this report.

Introduction: From "leaks" to speaking out as a mainstream issue

It has been nine years since Chelsea Manning, Julian Assange and Edward Snowden inaugurated the era of leaks, and the landscape has changed for business as well as governments. In parallel, an inability to act on internal warning of dangers (as with Boeing's 737 Max prior to two catastrophic crashes) creates new risks for enterprises and public institutions. Less apparently, the same trends also create novel dilemmas for individuals who dissent from corporate policies or leadership practices. These issues were confirmed at the Content Lab, a workshop bringing together academics and practitioners from the public and corporate spheres at CEDEP on October 24, 2019.

Those who were present at CEDEP on Oct. 24, including senior managers, made it clear that the day's subject is very current in their organisations. Employees at every level think and talk about what might happen in the event – the visibly *possible*, if not necessarily *likely* event – that they must speak about something their leaders don't want to hear, within or beyond their organisations.

The near-consensus among participants at this meeting on the ubiquity of conflicts over truth-telling, and their consequences, indicates that on the employee side the discussion has swiftly advanced. Leaders and their support functions will not successfully manage the dynamics taking shape by ignoring them. In case after case discussed at this meeting, inaction or pushback failed to protect an enterprise or leaders confronted by discomforting truth.

Yet participants also made proposals for best practices, at the individual and enterprise levels, to navigate the landscape taking shape before our eyes. The executive summary below details those practices. For those who want more insight, the body of this report sets out the full discussion among participants and faculty, including case studies.

Executive Summary: Imperatives for Truth-telling

Participants were asked to consider how to improve organisational abilities to speak and hear difficult truths from three perspectives, using a framework developed by the CEDEP Academic Council:

- "If only I could": What skills should individuals possess or develop?
- "If only we could": What organisational capabilities should be developed?
- "If only CEDEP could": How could CEDEP help these processes?

A. If only I could: Individual takeaways

1. The primacy of networking

The single most important capability and asset for individuals who wish to be truthful within their organisations, according to participants, is **the ability to build a network within and outside the organisation, and to use it effectively.** Seven different participants cited networking or "influence" in this regard, more than for any other subject. They spoke of "building coalitions", including "some people outside of the corporation" to influence what happens inside. They warned each other: "Make sure you have a 'hot line', a network of advisors, to reflect on what you feel (vs. using the organisation). **If you are alone, you cannot achieve anything.**" Said one participant: "Do not speak up as a single lonely voice in the desert."

2. Develop listening skills

The second most prominent theme was the necessity of being able to verify one's observations and intuitions, and so to gain certainty so far as possible before acting. One participant called explicitly for "investigative facting" skills, especially when faced with probably illegal acts. But the most frequently expressed need was for listening skills. Four participants used that exact term ("listen, listen, listen" said one). Another said, "Allow diverse opinions," which implies hearing them. Still another spoke of "questioning" skills — a specific kind of listening.

Closely related to the desire for better listening skills was a yearning for greater "empathy" in conflicts. Participants used the term to mean enabling and deepening discussion of difficult subjects. Thus one participant suggested learning to "suspend judgement". Two others advised, "Listen to the unspoken and understand what people really mean." (This point also appeared as a hoped-for leadership skill: "To be able to consider a situation from someone else's perspective, without immediately dismissing it, even when you may not agree with the moral underpinnings of the person.")

3. Improve communication skills

"Communication" likewise surfaced on the wish list in more ways than one. "Framing" — setting a context for information, and thus influencing its impact and meaning — was explicitly and implicitly evoked. Truth should be framed in a constructive, rather than aggressive way, participants said, with understanding of the biases, motivations and priorities of those in power. Individuals should "say honestly what they are going to share." They must focus on "reasons", and on "facts and actions, not persons." To be trusted, they should be "explicit", for example by making "clear you disagree." In any case, assertiveness and persistence is required.

4. Measure the risks of speaking out

Participants wished for courage in several ways, but were realistic about what courage alone could achieve. The cardinal rule, said a participant, is to "protect ourselves as individuals." They wanted "resilience in the face of adversity", even if it meant playing "the king's clown." If necessary, they would "tell the boss to stop" the bad behaviour or action. Twice, participants said they would like to be more "assertive". One urged the group to be willing to "pay the price" for honesty. Another said that one could "talk to the boss," or "quit," but must in any case "do something" when faced with the unacceptable (such as illegal actions or ethical breaches).

5. Reflection is a necessity, not a luxury

Participants wanted more time to analyse conflicts. They wished to first use "silence to reflect" — to avoid inconsiderate or mistaken action — and to "develop a better understanding of oneself" and one's values before dissenting. They considered reflection especially important when there is no clearly right or good answer, and when the choice is between more or less bad outcomes (a familiar situation in crises). They created a checklist for reflection that amounts to a strategic plan for dissent:

Ask yourself:

- Is the object of your dissent in violation of generally accepted norms or policies? What was the red flag? Do you know the causes of the situation?
- How sure are you of the truth? Is your framing too narrow? Will you criticise unfairly?
- What are your own motivations? Are they constructive or destructive?
- Will it make a difference if I speak out?
- What are the consequences if you dissent, for yourself and others? How will this affect your relationships?
- What are the consequences if you do **not**, in the long as well as short term?
- Have you exhausted internal channels? Should you accept hierarchical procedures and standards?
- Is it better to speak privately, or publicly? Would you use outside channels, like social media?
- Can a coalition be created, internally or externally?

B. If only we could: Organisational takeaways

In this part of the discussion participants seemed to address themselves to two audiences: Top leadership and HR.

1. Leadership as truth-seeking

Top leaders were asked, above all, to create an environment and governance that "promotes truth." They should be open to external benchmarking and feedback, as well as to networking and coalition building beyond the firm. Hierarchies and bureaucracies should be replaced by flat structures that "leave less room for power plays" and "less room for hiding facts", as well as "lesser distance" between leaders and employees, decision makers and implementers. "Diversity" (cognitive and otherwise), of and within teams, would further promote dialogue, thought participants, meaning that leaders should not only promote "people like you" who "think alike."

Just as participants believed that listening was a skill they needed to develop, they believed their leaders should become better at "asking open questions without being judgmental." That included allowing the expression of "opinions" as well as information and analysis.

Leaders should "provide the rewards and incentives" to encourage truthfulness, said participants. The rewards should be tied to the long-term benefits of a truthful culture, which can get lost from sight "in the heat of business." They should strive to be "equipoised", balanced and "calm with the different phases" of discussion. They should be less judgmental, and more like coaches in seeking to elicit better performance, notably in giving feedback. They would be wise to "allow mistakes" by subordinates, and avoid seeking "validation" rather than constructive insight. They must "make sure" that bullying isn't tolerated, and learn to "read in the eyes of others what is not being said." Thus they could "prepare people to be courageous."

Participants did not say so explicitly, but they were effectively proposing that **constructive** dissent could be normalised by making it more permissible and habitual. They clearly believed that only leadership could make this possible.

Though participants urged leaders to "let go of control" and show "humility", they also wanted leaders to use power for employees' benefit. Leaders should enact and exemplify organisation culture and rules that promote truth-telling, such as "silence is no longer an option" when employees see something that must change. They might also "get rid of blockers". They should stop ignoring ethics officers, and "have more regular conversations with them."

Participants clearly perceived that their leaders, like themselves, were under intense pressure to make rapid decisions, whether or not the decisions are optimal. They urged leaders to "avoid quick judgment", to "take time to reflect", to "appreciate the complexity of situations", and to be "sensitive to consequences". Wise leaders should be "less fragmented in their workload," enabling them to "do less but address more." "Foresight" and "scenario planning" can help leaders in this respect.

2. The role of HR from employees' standpoint

On the whole, participants wanted the HR function to play a different and stronger role in their organisations. They wanted to "raise the profile" and "change the culture" of HR, to make it a neutral arbiter in conflicts with leaders and keeper of the company's values. In practice this might be mere wishful thinking. But it reflects a constant theme of the day's work: No one should be punished for telling the truth for the sake of the organisation. A corollary was that HR must enforce that rule. A participant commented: "HR are the gatekeepers of Integrity inside an organisation. Speaking truth to power is a clear manifestation of integrity, a value almost every organisation espouses." In particular, decisions concerning individuals should be made with "a fair process approach."

They suggested processes to support truth-telling. **Disagreements, they said, should be documented.** New structures could be created by a neutral person or unit within HR:

- Training in identifying, appreciating, and if necessary acting on ethical violations (such procedures already exist in certain military orgainations);
- "Formal platforms for speaking up and acting";
- "Safe spaces" where employees could "freely speak up and share";
- "Supervision groups", similar to ombudsmen or coaches, who would provide "feedback as a mirror —" when presented with problems and claims, and then take or recommend action.

• One participant noted that in conflicts, "Media visibility may be important." But how to pursue it was not further discussed.

C. If only CEDEP could

How could CEDEP advance this discussion further, notably by exploring solutions to the expressed needs?

The workshop already explored one suggestion, especially at the individual level: **Document best practices**.

Two paths were then proposed: First, hold workshops for "more important people" who are facing these issues. The discussion on Oct. 24 gave a clear picture of how employees and line leaders are experiencing these issues, but no direct evidence of how top leaders and HR policy-makers perceive them. It is safe to assume that the perceptions and proposed remedies are not identical. It is likely that this adds to the risk of organisations getting it wrong when faced with conflicts and crises arising from truth-telling or the lack of it.

The second path is to generate research on various aspects of truth-telling within organisations. The research could lead to case studies, practitioner or scholarly articles, or other knowledge channels, with members' sponsorship. It is striking to note that the dominant "research" on these issues in a corporate context resides in news media accounts of organisational failures to hear and act on the truth. That is useful from a warning standpoint, but hardly fills the best practice gap, or for that matter the knowledge gap concerning the causes and effects of these issues. The workshop demonstrated widespread experience of conflicts over truth (or divergent "truths") within organisations, but the underlying material remains anecdotal.

Research could address the following key issues: Diagnosis of organisational health with regard to open communication and resolution of conflicts and errors; development of pertinent organisational structures, skills or practices; and not least, cultural characteristics (including values and policies to support them) that strengthen an organisation's ability to profit from the truth, instead of being ambushed by realities that were hidden, avoided or suppressed. Research might identify the losses caused by forcing problems to build up to a damaging explosion (as with whistleblowing), in contrast to the gains of educating leaders on the value of early warnings and ideas that come from an open, transparent culture.

In short, CEDEP's role would be to enable and facilitate awareness of these issues, to search for viable and reliable solutions, and to make the knowledge available to members and a wider public as appropriate.

Conclusion

Throughout the day, management-level employees had described numerous ways in which they prepare themselves to speak out, through reflection, framing and networking. This skill set is hardly fully developed, but it has taken shape, if participants can be trusted, in the absence of organisational encouragement. Going forward, organisations can accompany this movement, or monitor it, or ignore it. The latter strategy seems the least wise.

The discussion, though certainly neither definitive nor encyclopaedic, made it clear that truth-telling is now a structural concern of employees' lives. It is powerfully affecting organisations and will continue to do so.

Rapporteur

Mark Lee Hunter is the rapporteur for this Content Lab. Mark is an investigative journalist, founding member of the Global Investigative Journalism Network, and Adjunct Professor and Senior Research Fellow at INSEAD, where he conducts research on new forms and business models of watchdog media. He is author or co-author of eleven books, including "Story-based Inquiry: A manual for investigative journalists (UNESCO 2009)" and "Power is Everywhere: How stakeholder-driven media build the future of watchdog news" (Stakeholder Media Project, 2017). His next book (with Kevin Davis), "Community-Powered Journalism", will be published later this year.

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CEDEP is an exclusive, executive education club, created and co-run by its member organisations where minds meet, grow and succeed together.

Content Labs take place once a year and bring together CEDEP's member companies and faculty to cover current and topical themes concerning business today. Participants are assigned work groups to cover the topics which are looked at from different angles. What are the problems? What are the solutions? What should you, your company and CEDEP be doing to help business progress today?

It is a day of reflection, experience sharing and a moment to look at how we can develop the business of tomorrow. Themes are summarised and then developed further to produce content for future CEDEP programmes.

The CEDEP Academic Council leads the discussion on the day. It is a small intimate group including international faculty from top business schools, with years of business acumen and personal experience. The Committee meets regularly to challenge and innovate current pedagogical methods, and identifies new content which they debate and research before proposing as leading themes for the CEDEP community.

The CEDEP Academic Council was composed in 2019 of David Champion, Yves Doz, François Dupuy, Jules Goddard, Dominique Jacquet, Anil Sachdev, Luk Van Wassenhove and Nadya Zhexembayeva, supported by Jens Meyer and Muriel Larvaron from CEDEP's Academic Management. We herewith thank the Academic Council for their regular contributions to CEDEP.

Disclaimer: the meeting was held under Chatham House Rules, therefore, names and affiliations of participants are anonymised. In the case of companies referred to, information is freely available from the press.

To get a copy of the full report contact <u>muriel.larvaron@cedep.fr</u>

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We are a unique, well-established close and collaborative learning community of international members from diverse and noncompetitive industries.

Our members understand the value of building long-term relationships, active participation, open exchange and leveraging our collective intelligence.

We are rooted in the real world and driven by the real-life challenges of our community.

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We always challenge conventions and assumptions. We inspire new and empowering thinking from the inside out building internal capacity and ownership.

We are co-run by our member companies who believe in a humanist philosophy and approach. We focus on long term and lasting organisational development.

We are based in the Fontainebleau forest and share a campus and origins with INSEAD.

We were created 50 years ago by pioneering entrepreneurs as the first membership organisation dedicated to executive education.

We are now an independent, not-for-profit club with over 20 international members such as L'Oreal, Renault and Tata Steel.

In an ever changing and uncertain world we choose to work together to make the world a better place for us all.

Together, we are better. Together, we are stronger. Together, we are CEDEP.



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