THE CONFERENCE BOARD REVIEW

IDEAS AND OPINIONS FOR THE WORLD'S BUSINESS LEADERS

DISCONNECT

THE COMPANY YOU THINK YOU'RE RUNNING IS NOT THE COMPANY FOR WHICH YOUR PEOPLE WORK.

HOW DO YOU HANDLE WORKPLACE BULLIES?

RETHINKING MARKETING FOR AN UNFAMILIAR WORLD

FROM TRUSTWORTHY TO TRUSTABLE

THE CONFERENCE BOARD

Summer 2012
www.tcbreview.com

ONE COMMON, AND COMPLETELY LEGITIMATE, COMPLAINT ABOUT CORPORATE REGULATION IS THE GIANT SUCKING SOUND OF MAN-HOURS SPENT IN COMPLIANCE. Tax laws in particular practically constitute a full-employment act for accountants. Sure, every single government demand for evidence and metrics—to prove compliance with some rule or movement toward some goal—is there for a reason, perhaps even a good reason. But at what point does assessment turn counterproductive and signal a general disrespect for people's effort and expertise? When does the desire for accountability morph into a memo-generating waste of time?

Government regulation is an easy target, of course, even when that regulation is obviously necessary. But many of us dread similar oversight and demands for information from sources far closer to home: our supervisors.

Notwithstanding any amount of criticism of metrics—including in these pages—top executives remain enamored of assessment and quantification, aiming to foster accountability and control expenditures by requiring ever more frequent installments of Excel sheets and PowerPoint slides, loaded with columns of figures and zigzag charts.

Even if no one actually looks closely at those sheets and slides, the process is seen as a net good—it gets people to maintain focus on the important measures, right? But as with regulation, constant demands imply a lack of trust and a lack of respect for people's time. What seems like a small request from the top (e.g., *It'd be interesting to see how these numbers track over the past five years—could you get us those?*) may require a whole team of people to put their work on hold for a week while data is collected, compiled, synthesized, and presented.

Especially with departments stripped to the bone and administrative assistance increasingly scarce, managers and workers find themselves scrambling to compile information; instead of focusing on achieving, they spend hours seeking new ways to present. As with "teaching to the test" in school, the requests will surely dictate the results, regardless of whether it's good for the organization. And inevitably, data will get manipulated and massaged to fit every new target.

Time isn't the only reason why incessant top-down demands grate so—it's the assumptions behind those demands. Just as with government regulations, heavy-handed oversight implies that those at the top believe they know everyone's job, and its priorities and pitfalls, better than the person actually being paid to perform that job.

So, the question: In most organizations, do those at the top actually know what their people do every day? In "Disconnect," James Krohe argues that, well, no, they don't. Even in delayered organizations, there's a big gap between what those in the C-suite think workers do and what the workers really do. "Learning how a big company works from internal reports is like learning about an unfamiliar country from guidebooks," he writes. "The information is seldom wrong, but it is almost always insufficient."

Empathy—really understanding life on the front lines—may be the only way to change a culture of micromanagement, and Krohe explains how CEOs can get a ground-level view. It doesn't require performing an *Undercover Boss* stunt—though doing just that can't hurt. Executives who understand the real impact of constant assessment might think twice before adding to everyone else's to-do list.

MATTHEW BUDMAN
Editor-in-Chief

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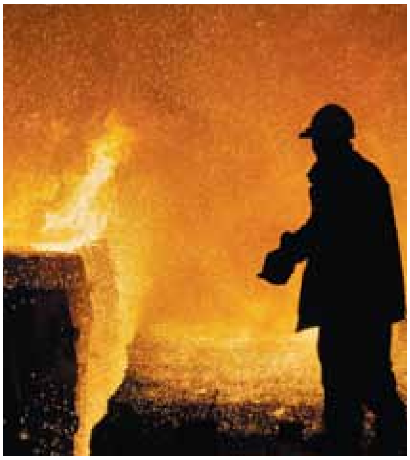


Want Your Idea to Be Loved? Keep It Simple

BY JOHN MATARAZA

WE'VE ALL MADE THE ASSOCIATION THAT BIGGER IS BETTER. That saying more means you have more to say. That the more we pontificate, the more likely we are to eventually say something smart. That the longer our PowerPoint presentations are, the more astute we are going to seem. That a hundred-page deck with complex measurement readouts and vague meaningless "results" is better than a distilled and focused one-page dashboard.

The truth is: A great idea is only great when others can understand it and easily act on it. The best ideas are similar to magic; they are amazing yet easily understood on the surface. In a time of an overwhelming abundance of information, data, and options, the more efficiently you can explain your strategy, the better it most likely is.

Building in contrived complexity to make it seem like you "put a lot of work into this" serves only to keep your ideas from becoming actionable. Complexity makes your idea seem too hard and casts doubt regarding how feasible it is to implement. Ever notice people don't like ideas that they perceive will result in a lot of work for them? →

■ JOHN MATARAZA is director of marketing at Digital Influence Group. You can connect with him on Twitter @jmaz3 or on LinkedIn. From MarketingProfs Daily Fix Blog, at www.mpdailyfix.com.

Unfortunately, it's easier to complicate something than it is to simplify it. Making brilliant ideas seem simple is a unique and invaluable talent. Doing so requires much more thought. You need to conjure up the brilliant idea—and do the thinking for the folks to whom you are going to present this idea. You need to make your brilliant idea easily understood.

On the other hand, it's easy to just throw together all the charts and words you can and submit a hundred-page measurement deck because *maybe* your audience will find something of value in it. However, that hundred-page deck betrays an incredible lack of confidence in what you are saying. In giving a long-winded presentation, you aren't saying anything at all. Details are critical but should never be used as a crutch. Elegance with respect to analytic storytelling continues to be an anomalous occurrence.

This propensity for pontification is tied, in part, to fearful corporate cultures in which taking action seems scary. There is comfort in size. The notion that a deck should have a "thunk factor" (named as such for the sound your ridiculously bloated presentation makes when it is dropped on a desk) shows only that you didn't invest the time on your reader's behalf to determine what was important. Instead, you crammed it all in and hoped the deck gives the impression that you know what you are talking about.

It won't.

Distilling simplicity from complexity is not easy. However, being unafraid to commit to a clear point of view is true thought leadership—and we need more of it. Nobody has the time or desire to wallow in a sea of unnecessary details that only obfuscate your strategic intent.

Sure, there is safety in numbers, but there is power in simplicity.

Clockwatchers

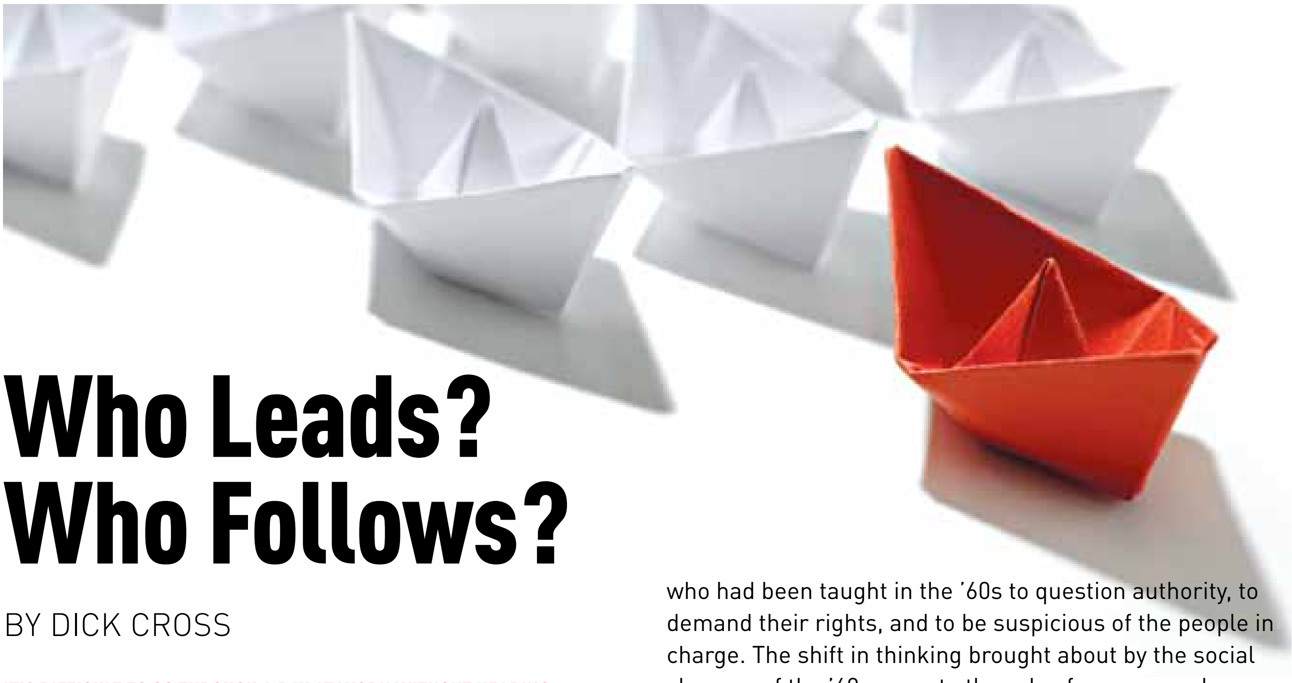
BY PETER MEYERS AND SHANN NIX

During an average week, how much of your time is spent in meetings? And how many of those meetings go on far too long, with people jabbering on meaninglessly until you clutch desperately for any form of caffeine or sugar, just to stay awake?

Well, here's the bad news: Those people are you. We all use far too many words. We have lost the art of brevity. We have forgotten how to convey our message in vivid, visceral language that makes communication pleasurable. We are draining the lifeblood of our organizations, killing millions of brain cells per hour with sheer boredom.

Look around you the next time you're in a meeting. What do you see? Are people engaged? Are they contributing? Are they discovering and articulating their ideas with passion? Or are they sitting back and passively attending, waiting for the meeting to be over? For those of us in organizations, it's critical that we redefine these times when we are gathered together in a room as an opportunity to wake up our sense of purpose, excitement, and meaning.

■ PETER MEYERS is founder of Mill Valley, Calif.-based Stand & Deliver Consulting Group. SHANN NIX, a consultant at Stand & Deliver, is also a journalist, novelist, and playwright. From *As We Speak: How to Make Your Point and Have It Stick* (Atria). ©2011



Who Leads? Who Follows?

BY DICK CROSS

IT'S DIFFICULT TO GO THROUGH A DAY AT WORK WITHOUT HEARING SOMEONE TALKING ABOUT LEADERSHIP OR MANAGEMENT. We use the terms to differentiate good companies from bad. We also attribute successes and failures to performance in these areas. And everyone agrees that excellence in these skills is a cornerstone for an effective career running businesses.

But judging from the way I often hear the terms used, I don't think that most people have a clear understanding of the differences between the two. And it's hard to become really good at something when you don't quite know what it is.

Thirty years ago, when I was training to become a naval officer, I was given a course on leadership. Mostly, it was about how to present yourself and how to preserve your status as a leader in a system where the number of stripes on your shoulder determined your authority. We studied the "bearing" of an officer. This meant how you looked, whom you talked to and whom you didn't, what you talked about with whom, and how you disciplined others. Leadership in the U.S. Navy was about fulfilling the responsibilities of the position that the government had given you. And there are some valuable insights to be gained from this perspective. What I never understood from those years, however, was the idea of a universally applicable prescription, or a handbook, for leadership. It seemed to me that leadership was more about who you are than about how you wear your clothes, how you address your troops, your physical posture, and whether you follow the rules.

By the late 1970s, the seeds of a different approach to leadership were beginning to break ground. This, I believe, was an entirely predictable response to the entry of generally better-informed people into the workforce, people who had been taught in the '60s to question authority, to demand their rights, and to be suspicious of the people in charge. The shift in thinking brought about by the social changes of the '60s rewrote the rules for anyone who aspires to stand in front of others as a leader. True authority is not granted today by position or by statute. Rather, authority is bestowed by those who agree to be led. Today, leadership is not about achieving position. It is about creating followership.

But blind followership is not enough. Effective leadership creates a following that is committed to more than doing what they are told. Effective leadership means creating effective support. The difference between followers and supporters is this: Followers follow because they don't have a better alternative, while supporters support because they believe in both the cause and their leader. They believe that their cause is just and worth fighting for. And they believe that their leader shares, and moreover embodies, the values that they hold most dear, and which they aspire to exhibit in their own lives.

Organizations must adapt or, eventually, case to exist. The most effective leadership of a business, therefore, is that which initiates and fosters the most effective adaptation. But adaptation is change, and change is seen by most people as risky. There's no way around it. So why would a mid- or lower-tier employee risk change and its consequences? Only because of a burning belief that things might be bettered if he takes the risk, because he feels a margin of safety in doing so, and because he feels supported in the endeavor by the company's authority figure. It's the creation and maintenance of those circumstances that I call leadership.

■ DICK CROSS is a corporate-transformation consultant. From *Just Run It!: Running an Exceptional Business Is Easier Than You Think* (Bibliomotion). ©2012

Bad Associations

BY OLIVIA FOX CABANE

WHEN ONE OF THE WORLD'S LARGEST ACCOUNTING FIRMS ASKED ME TO COACH THEIR "RISING STARS," I WAS STRUCK BY HOW EARNEST, HARDWORKING, AND WELL-INTENTIONED THESE BRIGHT YOUNG MANAGERS WERE. Chosen for their high level of knowledge and competence, they served a two-year term in the firm's headquarters before returning to their local offices. And yet they were intensely disliked by the rest of the firm.

During those two years, young managers served as experts for all local offices, who would turn to them in difficult situations—e.g., when questions were tricky or when things had gone wrong. Because they spent their time finding mistakes and providing the answers (or explaining what the answer should have been), these back-office experts had become associated with difficult situations and unpleasant feelings.

You can imagine how hard it was afterward for the rest of the firm to be warm and welcoming to these same experts when they "repatriated" to the very offices whose failings they'd had to point out. Talk about bad associations! Because of this setup, making others feel supported and being positively associated was a challenge for these rising stars.

To reverse this negative connotation and broadcast as much warmth as possible, we worked to ensure that they communicated a better ratio of neutral or good news to bad news. They learned to highlight what people had done *right*; they started sending out email updates with useful tips and would even include a "kudos" section to congratulate any local office that had done a good job. These techniques helped them use their high-status position as experts to give their warmth and praise even more weight.

OLIVIA FOX CABANE is a Fortune 500 executive coach. From *The Charisma Myth: How Anyone Can Master the Art and Science of Personal Magnetism* (Portfolio/Penguin). ©2012

Rethinking Retirement

BY LAURA VANDERKAM

WHY ARE WE SO INTO THE IDEA OF RETIREMENT IN THE FIRST PLACE?

The answer seems obvious. Who wouldn't prefer leisure to labor? Almost everyone talks of wanting to retire someday, and pretty much every financial decision the experts tell us to make is designed with this goal in mind. We talk of building up wealth so that at some point we can stop working, preferably when we're young enough to enjoy ourselves. Ads for financial-planning firms tend to feature mature but definitely not decrepit couples, purposefully staring at whatever ocean vista their wealth has afforded them.

Yet we seem conflicted about this. Surveys of Americans find that two-thirds of adults say they would continue to work even if they won the lottery. This question has been asked in many surveys over the years, and stubborn majorities of us continue to proclaim we would not want to be idly rich.

I've been scratching my head for a while trying to figure out how these two beliefs fit together. Building up $5 million in retirement savings and winning $5 million in the lottery would enable the exact same life.

So why are we so fixated on saving for a leisurely retirement when we wouldn't use a windfall to live a life of leisure now? The best explanation I can see is that people believe that, if they won the lottery and became financially secure, they'd be able to do work they loved in a flexible way. They wouldn't have to think about money first. They could seek out work that offered meaning and pleasure.

If that is the case, though, then the lure of retirement is not a statement on work in general. It is about quitting the work one is currently doing. So perhaps we are asking the wrong question. Rather than fixating on "retirement," why not put that same mental energy into figuring out what kind of work we'd never want to retire from?

LAURA VANDERKAM is a member of *USA Today*'s board of contributors. From *All the Money in the World: What the Happiest People Know About Getting and Spending* (Portfolio/Penguin). ©2012

Losing the Blame Game

BY ROBERT STEVEN KAPLAN

Some people can't stand to admit that they were wrong, or that they've made a mistake. You could put a loaded gun to their heads, and they *still* would not want to admit that they screwed up. Unfortunately, these people have not yet learned that making the mistake is rarely fatal. On the other hand, failing to own up to it and address the issue can have severe negative consequences for a leader. It becomes a severe issue when the leader fails to take ownership of a problem, distances him- or herself from it, or points the finger at others. This reaction to stress has a chilling impact on teamwork. It discourages subordinates from pulling together and working collaboratively to improve the situation.

I recently advised a leader who was very careful to avoid responsibility for difficult problems that arose during the Great Recession. These problems were not at all unusual in his industry. This difficult period, though, brought out many of the insecurities and fears that this leader had been feeling during his career. His response was to distribute the blame in numerous different directions in order to deflect attention from him. He blamed his predecessor, his subordinates, certain of his suppliers, and even his customers. He cast himself as a victim who had inherited a "bad hand."

What happened next? His predecessor—offended by remarks attributed to him in the newspaper—decided to strike back in an equally public way to defend his reputation. Because he was still a revered, even legendary figure among the company's employees, people inside and outside the company took note.

All this had a chilling impact across the company. The consensus among the employees was that the current CEO—who had been in charge for more than a year and had the ultimate responsibility—should have simply taken ownership, looked forward, and mobilized employees to develop action plans for what to do next. By blaming others, he severely damaged his own reputation, undermined the confidence of existing employees, and hurt the company's "franchise." People who would have been inclined to help him address the company's challenges decided it was better to keep a distance from this CEO. They learned that helping him could lead to being blamed if the help did not work out positively. Morale at the company is still repairing itself, very slowly, in the wake of the episode.

ROBERT STEVEN KAPLAN is a professor of management practice at Harvard Business School. From *What to Ask the Person in the Mirror: Critical Questions for Becoming a More Effective Leader and Reaching Your Potential* (Harvard Business Review Press).

Who Has Voice?

BY J. KEITH MURNIGHAN

Business schools are teams of students, faculty, administrators, and staff, all organized to provide a scintillating educational experience. Like any other team, it helps when they are well organized.

I once worked in a business school where the associate dean was the point person for every new idea; without his support, an idea had no chance of being considered. This made sense in terms of efficiency, with one person filling the essential role of gatekeeper. Anytime anyone had a new idea, she made an appointment with the associate dean to get his support.

The first time I went, I was excited about my idea and presented it enthusiastically. He didn't ask me much about it; he paused for a bit, acting like he was considering it seriously, but in the end, he said no. I came away thinking that my idea might not have been so good. But the same thing happened the second time I brought him an idea. It happened the third time, too. In fact, it continued to happen, every time I brought him another new idea. The only response I ever got was "No." It didn't take long for me to stop bringing him ideas. Obviously, this was pretty discouraging. But it also had more far-reaching effects.

During the time that he was dean, I could tell anyone who asked me exactly what my salary was. Normally I remember my salary only for about a week or two after I hear what it will be for the next year: I always have a general idea of what it is, but I don't know its exact value. But I did then.

Why? Well, it turned out that every time the school asked me to do something more than the strict requirements of my new job, I asked myself, "Am I being paid enough to do this?" If the answer was "Yes," I would do the extra work; if the answer was "No," I wouldn't. This was not a happy period in my professional life. I particularly disliked the fact that I was constantly making these "Am I paid enough?" evaluations, but I couldn't get myself to stop.

When this associate dean stepped down and a new associate dean took over, I thought I'd try out my next great idea with him. To my great surprise, he seemed to listen carefully and, without even asking for more details, said, "Let's see if we have any money to pursue that."

I almost fell off my chair. I floated out of the office. The next morning, I did not need an alarm clock to wake up; instead, I was up early and off to the office, ready to go. More important, since that time, it's rare for me to be able to tell you what my salary is. Instead, when I have an opportunity to do something extra, there is no question—I just do it, and I'm much happier about it, too.

This is not an unusual story. People are more motivated when they have *voice*. Too many leaders act as if they don't realize this. They don't invite people to share their ideas, and, even when people voice their ideas, they don't always listen carefully. These kinds of fairly subtle actions result in reactions that leaders truly don't want. In particular, like the story of the associate dean, having no voice is tremendously demotivating.

There are two key questions here: Do your team members feel like they have no voice? Do they think that the team is democratic? It doesn't have to be democratic all of the time. When there's an emergency or a time crunch, everyone needs you to take over and be a directive leader. Also, when you are truly the team's expert on a task, you should be the most influential. But most of the time, your team members need to have voice to be motivated and effective.

■ J. KEITH MURNIGHAN is the Harold H. Hines Jr. Distinguished Professor of Management and Organization Development at Northwestern University's Kellogg School of Management.

How Local Is Too Local?

BY MICHAEL ROBERTO

EXPERTS FREQUENTLY CRITICIZE LARGE MULTINATIONALS FOR FAILING TO CUSTOMIZE THEIR PRODUCTS ADEQUATELY FOR LOCAL MARKETS. We hear about the fabulous flops, in which firms try to export a popular product developed in the United States or Western Europe, only to experience a huge failure in an emerging market. I'm quite sure that multinationals do make these mistakes often. However, I think we hear far less about an equally serious mistake that many firms make: Some companies have far too many local variations of essentially the same product. They adapt their goods for every local market around the world, yet perhaps they don't quite need that level of localization.

These firms don't encounter the same level of criticism. Why? The economic damage is not as apparent. After all, these goods may sell very well in each local market. But the localization strategy comes with some costs. By constantly adapting their products for each country, the firms fail to take advantage of potential economies of scale and learning. As a result, their costs are much higher than they should be.

Moreover, they spend excessive amounts of money building multiple brands in the same product category, rather than investing in the growth of fewer truly global brands. I'm not saying such a global strategy is *always* better than localization. Naturally, localization is essential in some products and markets. However, I do think we fail to levy the same amount of criticism at firms that miss out on key cost savings because of the constant adaptation that they engage in from country to country.

Why does this excessive localization take place in some multinationals? I would argue that the explanation lies in the organizational structure, not in the minds of those senior executives plotting global strategy. In many firms, country managers and regional presidents push for localization because it gives them more control and power. It justifies the existence of larger brand management staffs at the local level, and in general, the country managers control more financial, physical, and human resources.

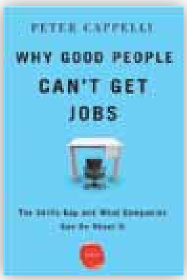
All else equal, country managers have some personal incentives to push a level of localization that may be higher than optimal. We often don't hear experts discuss this failure; instead, we hear often about the firm that failed to adapt to a local market. Yet both types of mistakes can be equally costly.

MICHAEL ROBERTO is a professor of management at Bryant University and author of, most recently, *Know What You Don't Know: How Great Leaders Prevent Problems Before They Happen*. From his blog, at http://michael-roberto.blogspot.com.

WHY GOOD PEOPLE CAN'T GET JOBS

THE SKILLS GAP AND WHAT COMPANIES CAN DO ABOUT IT

By Peter Cappelli
Wharton Digital, $6.99



Essential reading for anyone who's involved in hiring or who intends to work in the future or . . . really, just read it. This brief, brisk online book by Wharton professor Cappelli demolishes most of what you think you know about the U.S. workforce—and leaves readers with answers, not just questions. The problem, he sets out at the beginning, is not that there's a skills gap—in fact, "when we look at the facts, there is no evidence to support" the existence of a skills gap. The problem is the supply/demand hiring disconnect, "a crippling employer-employee standoff" that is hurting society in both the short and long terms.

Expanding on a series of *Human Resource Executive* columns and a pair of *Wall Street Journal* articles "exploring the evidence for the claim that employers simply could not find candidates with the skills to do the jobs they needed to fill," Cappelli goes after the real culprits: employers with demands that range from unrealistic to ludicrous. HR departments are told to hire only candidates with high-quality educational degrees and years of directly relevant experience—and a willingness to work for peanuts. When they come up empty, CEOs grouse about failing schools, a substandard work ethic, and, yes, a skills gap.

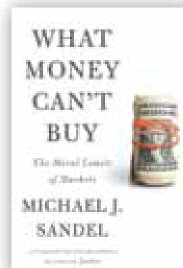
Widening the divide "between employer expectations and applicant realities," companies add unnecessary hurdles to the hiring process (e.g., résumé-scanning software that disqualifies half of applicants) and routinely discriminate against older workers "despite their skills and experience—which are exactly what employers say are in short supply." In many cases, a failure to fill skilled positions "simply means that employers are not paying the market wage."

Like many of Cappelli's points, this is commonsense but routinely unmentioned in workforce-planning discussions, making *Why Good People Can't Get Jobs* an invaluable conversation-starter in HR departments. And no one will object to being assigned the book for next week's meeting: Using a minimum of charts and zero jargon, Cappelli's presentation is plainspoken, authoritative, and engaging. It's an hour well spent with your Kindle or Nook. —MATTHEW BUDMAN

WHAT MONEY CAN'T BUY

THE MORAL LIMITS OF MARKETS

By Michael J. Sandel
Farrar, Straus and Giroux, $27.00



Should we allow companies to advertise in schools and prisons? How about permitting solo drivers to pay to use the carpool lane? And why not let universities auction off a number of spots to the highest bidders? Should anything—everything—come with a price tag? Sandel, a Harvard political philosopher best known for teaching arguably the nation's most popular college course, "Justice," explores these and other thorny questions in his new book. Once upon a time, only material goods could be bought and sold. Today, Sandel argues, almost everything has a price. "Do we want a society where everything is up for sale?" he asks. "Or are there certain moral and civic goods that markets do not honor and money cannot buy?"

Sandel doesn't exactly rail against capitalism—rather, he worries about our unchecked reverence and reliance on it in our everyday lives and policies. We've come to take for granted that, to a large extent, markets govern health, education, criminal justice, and other social goods. "When we decide that certain goods may be bought and sold, we decide, at least implicitly, that it is appropriate to treat them as commodities," Sandel writes. Consequently, he complains, this has led to greater inequality, as well as corruption of our values. For example, he explains, we do not allow children to be sold for adoption, since doing so would promote the wrong way of valuing them.

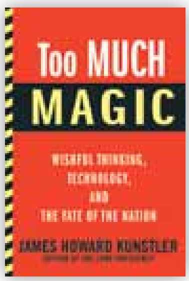
At times, Sandel seems to draw on our ethical intuitions, rather than logical reasoning, to support his claims. Why, for instance, is it wrong to value babies as commodities? Similarly, why can you sell your labor but not your kidney? Where to draw the line?

To Sandel's credit, he doesn't seek to create concrete boundaries around market influence. Instead, he aims to provoke serious contemplation about our values, and here he succeeds beautifully. By raising questions that you might never have considered, he leaves it up to you to ponder the answers. —VADIM LIBERMAN

TOO MUCH MAGIC

WISHFUL THINKING, TECHNOLOGY, AND THE FATE OF THE NATION

By James Howard Kunstler
Atlantic Monthly, $25.00



For some years now, urbanist Kunstler has been scaring the hell out of his legions of blog readers, and in *Too Much Magic* he pulls together all manner of terrifying trends and predictions—terrifying, that is, if you're looking forward to life being more of the same for the foreseeable future. The author bases his forecast on a peak-oil case that companies and consumers will soon find themselves with far less energy than they need to function. And he scoffs at techno-enthusiasts who trust that scientists will come through with a "magic" solution, and at "ongoing fantasies about a technological rescue from the very predicaments already spawned by the misuse of technology."

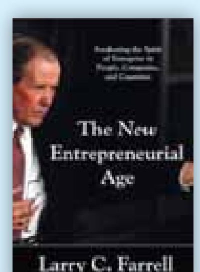
Kunstler has run into plenty of resistance; he describes speaking to audiences who "were clamoring desperately for rescue remedies that would allow them to continue living exactly the way they were used to living, with all the accustomed comforts ranging from endless driving to universal air-conditioning, cheap fast food, reliable electric service, NASCAR, Disney World, Walmart, and *good jobs* with a guaranteed comfortable retirement. They didn't want to hear anything that suggested we might have to make other arrangements for everyday life in this country."

Building on arguments laid out in 2005's *The Long Emergency*, Kunstler calls for Americans to prepare for a violent shift in the way we live, and his vision of the near future is beyond unsettling: a land of abandoned skyscrapers and wasted suburban moonscapes, with people congregated in smallish city centers, reminiscent of life in the nineteenth century, for better and worse. "I have a feeling that whatever we can do with wind turbines, solar electric rigs, and the other systems will be a transitory phase of history," he writes. "Our longer-term destination is a society run at much lower levels of available energy, with much lower populations, and a time-out from the kinds of progressive innovation that so many have taken for granted their whole lives." Every reader will turn pages wondering about her place in the economy of the 2030s—and likely come away with much to ponder but, alas, no action plan.

There's more than a little Howard Beale in Kunstler, and sometimes his paragraphs pull together too many barely-connected rants about everything from suburban anomie to the crimes of Angelo Mozilo. But he's a terrific writer, colorful and pointed, and it's hard to shake the feeling that he just well may be right . . . in which case we're all doomed. Still, at book's end, he strives to strike an upbeat note: "A fortunate person will come to terms with the anxiety that being alive in this world presents.… The way to become hopeful is to demonstrate to yourself that you are a competent person who can understand the signals that reality is sending to you (even from its current remove offstage) and act intelligently in response." —M.B.

The authors of the following two books should sound familiar to *TCB Review* readers. Both have written columns for the magazine, and both have penned new books expanding on many of the ideas they've explored in these pages.

In *Future Work: How Businesses Can Adapt and Thrive in the New World of Work* (Palgrave MacMillan, $30.00), current columnist Alison Maitland and co-author Peter Thomson detail how technology and increasing competition to attract and retain skilled employees are creating anything but your grandfather's organization. Today's workplaces require flexible arrangements and new forms of leadership. Unfortunately, Maitland and Thomson argue, many companies fail to recognize the need for change. For companies still stuck in the past, *Future Work* may be just what they need to move forward.



Larry Farrell explored entrepreneurialism in his 2004-08 column, "Entrepreneuring," and in his latest book, *The New Entrepreneurial Age: Awakening the Spirit of Enterprise in People, Companies, and Countries* (Brick Tower, $26.95), he shares decades of experience helping people and organizations tap into their entrepreneurial strengths. Most organizations, Farrell writes, go through four stages: start-up, high-growth, decline, and survival. But it doesn't have to be that way, he insists. Having worked with companies like IBM, Citibank, DHL, and other big names, he offers equally big ideas to boost your business using the principles of entrepreneurship. —V.L.

DIS CON NECT

BY JAMES KROHE JR.

THE COMPANY YOU THINK YOU'RE RUNNING IS NOT THE COMPANY FOR WHICH YOUR PEOPLE WORK.

EVERY TRAVELER KNOWS THE FEELING. YOU'RE IN AN UNFAMILIAR COUNTRY, ALONE. YOU HAVE A GENERAL MASTERY OF THE NATIONAL LANGUAGE, BUT THE LOCALS SPEAK A DIALECT THAT IS MOSTLY UNFAMILIAR TO YOU. YOU CAN NEVER BE CERTAIN WHETHER THEY ARE DISCUSSING EACH OTHER'S NEW HAIRDO OR SNEERING AT YOUR SUIT. THE CUSTOMS, TOO, ARE NOT WHAT YOU ARE USED TO, AND WHILE EVERYONE IS POLITE TO YOU IN THE BAZAAR, YOU CAN NEVER BE SURE IT'S JUST BECAUSE THEY WANT TO SELL YOU SOMETHING, OR EARN A BIG TIP.

Many a senior executive of one of our corporate mini-states is an uncertain traveler when he's on the job. Learning how a big company works from internal reports is like learning about an unfamiliar country from guidebooks. The information is seldom wrong, but it is almost always insufficient. To run a large, complex firm, everything about it has to be simplified to the point where one person can understand it, and anything that simple is, paradoxically, confusing, because it conveys only part of the reality it presumes to describe. It's like judging life in France by its GDP.

"CEOs typically are not exposed to, and so have no idea of, the underlying complexity of their organization," insists Michel Meijs, a Dutch specialist in corporate communications at a large financial institution who has studied corporate-identity issues. "They see

■ JAMES KROHE JR. is a writer and editor based in San Rafael, Calif. His most recent article was "How Much Do You Know?", in the Summer 2011 issue.

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BOSSES AND WORKERS DO NOT MERELY OCCUPY DIFFERENT STRATA OF THEIR FIRMS—THEY SEEM TO WORK FOR DIFFERENT FIRMS.

only the tip of the iceberg themselves and get information that is filtered by others and consequently selectively perceived, retained, and reproduced by themselves, again mostly unconsciously."

An up-from-the-mailroom exec acquires the knowledge of a native, but there are fewer of those these days. Booz & Co.'s most recent survey of CEO turnover at big firms found that many new hires are outsiders, and that they are being given less time than ever—less than six and a half years on average—to learn their way around. Most of today's peripatetic senior executives are doomed to be resident tourists.

THE VIEW FROM THE BALCONY

Ask the guests of the posh hotels what kind of town, say, Buenos Aires is, and ask a bus driver the same question, and you will learn that Buenos Aires is two very different cities. "While I don't want to say CEOs are disconnected, they often do have a different perspective than the rank and file," says Chris Woolard, employee-loyalty expert for Walker Information Inc., the Indianapolis-based customer strategy consulting firm. "We do a topical survey six times a year here in Indiana, and we almost always see differences in perceptions between CEOs and rank and file."

In 2011, Walker surveyed Indiana business leaders and their staffs to measure employee loyalty. Forty percent of staff met Walker's criteria of the "truly loyal" employee, while the responses of 29 percent were interpreted as unloyal. Walker also asked the CEOs to answer its loyalty questions the way they thought their respective employees would answer them. The CEOs, like other senior leaders and VPs, thought their staffs were far more committed to the firm than they actually were, estimating that 74 percent were truly loyal and only 4 percent unloyal.

A recent survey conducted for international business-culture consultant LRN by the Boston Research Group asked more than five thousand American employees (most of them in large companies) to describe which sort of governance system was in use where they work. At one extreme was the "self-governing" company that rewards performance based on values rather than merely on financial results. (The study found that only 3 percent of the sampled companies are self-governing.) At the other extreme was governance based on "blind obedience" or top-down, command-and-control management, which was the way things were done in 43 percent of the firms sampled.

LRN found what it called "a marked disconnect between C-suite executives and the employees they lead." Worldwide, CEOs observe their companies as self-governing three times as often as the overall workforce: 10 percent versus 3 percent. (The surveyors note that U.S.-based CEOs were significantly more likely than their C-suite counterparts from other nations to entertain sunny attitudes about the workforce at odds with employees' views; for every one employee who thought the company was values-driven, eight CEOs did.) More than a quarter of bosses believed that their company inspires employees; only 4 percent of the employees themselves agreed.

It hardly matters which of these divergent views is more accurate. What does matter is that bosses and workers do not merely occupy different strata of their firms—they seem to work for different firms.

The executive who steps outside the C-suite into this unfamiliar territory needs someone to show him what he can't see himself. Subordinate staff can be as untrustworthy as the guide one hires on the boat dock. Probably the ideal guide is a friend who lives there. They know the area, of course, but their value lies mainly in your being able to trust them to tell the truth about the place.

Such friends are hard to come by for the newcomers to the C-suite. Many a wise company head acquired plenty of practical knowledge about their firm when they worked their way up the ladder. Unfortunately, most of today's peripatetic senior executives start at the bottom of the top, having been trained either as generalists or as specialists in such arts as finance.

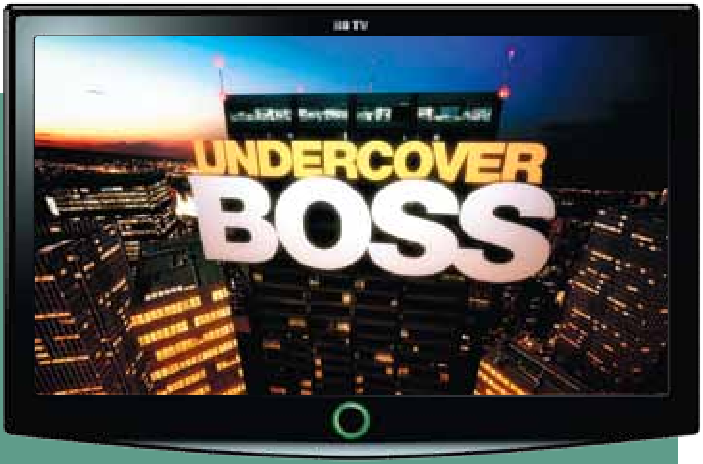
HOW COULD THE CEO NOT KNOW? EASILY.

The workers themselves know how things really work. But most companies are organized for directives to filter down, not for information to filter up. Managers at every level have little incentive to volunteer a warts-and-all depiction of life on the front lines, and reports of problems and discontent get further neutered with each rung up the hierarchal ladder.

This disconnect is bad enough when it comes to daily operations, but it helps explain why so many corporate scandals—from massive trading losses to accounting malfeasance—come as a shock to those at the top. For one thing, executives can't count on people below calling their attention to wrongdoing. Plain speaking poses tangible risks to the speaker: The lower-level manager who reports bad news will probably end up being assigned to fix it or, worse, be blamed for causing it. Bosses are no longer allowed to shoot the messenger bearing bad news—OSHA has a rule about it—but even ostracizing the betrayer removes a tattletale, at the price of depriving senior decision-makers of potentially valuable information.

Unable to speak the unspeakable to the higher-ups, employees are tempted to do so surreptitiously to press or public. That's what banker Greg Smith did when he resigned

KINGS WITH THE COMMON TOUCH



Originating in 2009 on Britain's Channel 4 and now in its fourth season in the United States, the fairytale TV series *Undercover Boss* has become a global hit. Some version of it is produced in five countries, and the American version is shown in another dozen. In weekly episodes, a CEO in disguise descends from the castle to work and suffer for a week with ordinary workers of his own firm. In the process, personal bonds are forged between ruler and ruled that last at least until the cameras are turned off.

The boss, it turns out, is invariably a nice guy who is woefully out of touch with life down where the lunch tables are sticky and the only options under discussion are whether to have the egg salad or the taco during break. Working a different job each day, the bosses are exposed to challenges more awkward than they usually encounter off a golf course. Most seem flabbergasted by how hard it is to make a lousy living.

One national critic called *Undercover Boss* "one of the worst arguments for capitalism since Upton Sinclair's 1906 novel *The Jungle*." Nonetheless, it is popular among the world's CEO never-be's, perhaps because it offers them a rare chance to see the über-boss get his comeuppance. Typical was the on-air fate of Henrik Slipsager, president and CEO of facilities contractor ABM Industries. While driving an airport shuttle bus with a company trainer, Slipsager was slow to help passengers with their bags, complained, ignored procedures, and ended up getting fired on his first day.

A more interesting question is, Why do CEOs go along with the gag? For the good of the company, of course. Joe DePinto, president and CEO of 7-Eleven, said he hoped to "find ways to improve systems and operations for franchisees and to make 7-Eleven an even more well-oiled machine." The president and CEO of Frontier Airlines, Bryan Bedford, wanted to learn how to help his newly merged company compete against the "big guys." ABM's Slipsager wanted viewers to develop respect and appreciation of the firm's 100,000 janitors, cleaners, and other service workers who make everyone else's lives more comfortable on a daily basis.

Having shown each new CEO to be naïve and not reliably competent, the producers graciously provide a chance to redeem himself in each episode's closing scene, when he (it is usually a he) reverts to his true identity as the CEO. He usually bestows gifts on his new colleagues for having put up with for one week what his juniors in the C-suite must put up with all the time. Chiquita Brands International CEO Fernando Aguirre was typical. He offered to personally mentor one of his new friends who'd recently taken a demotion to keep his job during cutbacks and gave a $10,000 scholarship for his two kids. A trainer Aguirre liked was treated to a paid vacation for him and his family and money to pay for his citizenship papers. Bad employees—which includes those pursuing company policy too zealously—usually get extra training.

Part reality TV, part game show, part morality play, *Undercover Boss* reconciles all involved to the status quo. The bosses are humanized, the workers (usually) made heroes. It's an new take on the king with the common touch who used to distribute gifts at random to the subjects. *Undercover Boss* confirms that even today, all wealth comes to us through the hands of the man in charge. —J.K. Jr.

from Goldman Sachs in the pages of *The New York Times*, citing what he called the firm's exploitation of trusting customers; that burning bridge made a gaudy fire that lit up blogs and op-ed pages for a week.

The typical CEO, it seems safe to say, would prefer something more discreet. How to ensure that the boss can learn about dissension in the ranks someplace other than the *Times*? The anonymous-complaint procedure is intended to be a way to vent such pent-up feelings safely, but workers don't trust that anonymous complaints will remain anonymous, and middle managers ignore them because they are. Two cases from the headlines illustrate. The head of Goldman replied that Greg Smith had not expressed misgivings through the anonymous complaint line the firm provides, and dismissed his complaint as personal pique—which dismissal may be why Smith didn't express his misgivings through the firm's anonymous complaint line. And a whistleblower alerted Walmart officials to possible bribery of Mexican building

authorities back in 2005, but the company reportedly shut down the subsequent investigation.

Blogs and online bulletin boards can provide an unfiltered take on workers' ground-level concerns. Back in 2005, *BusinessWeek* design and innovation columnist Bruce Nussbaum asked whether anonymous blogs written by committed employees might serve, as labor unions once did, to countervail the tendencies of the corporate bureaucracy toward lethargy and entropy. He noted that such employees tend to be much closer than managers to problems and potential solutions. Nussbaum pointed out as a model the Mini-Microsoft blog, where Microsoft employees and others engage in an open discussion about all aspects of the company and what it is like to work there.

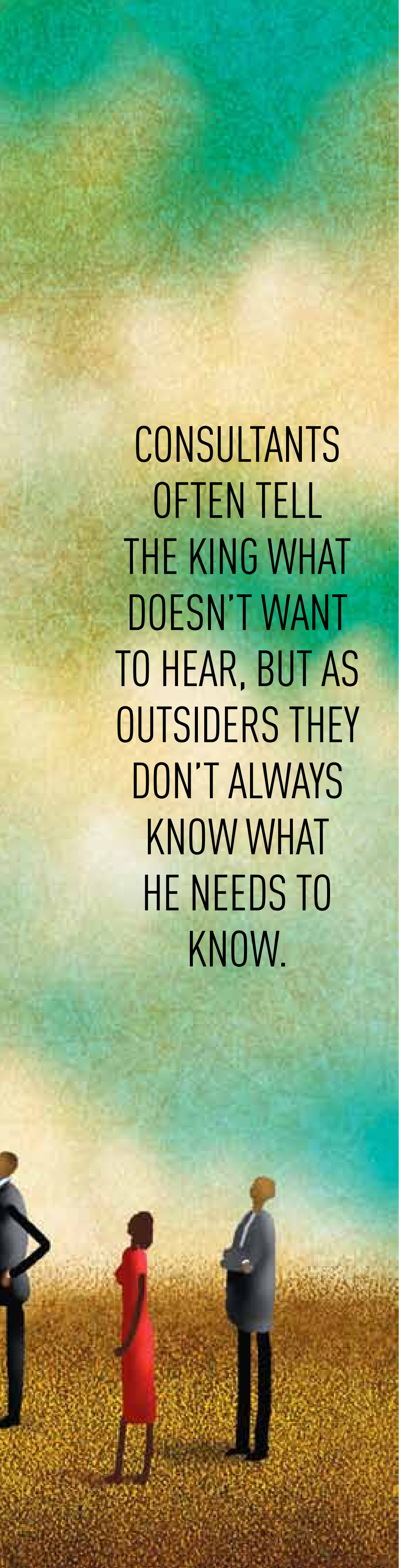
Rather than protect useful truth-tellers by giving them invisibility, why not give them immunity? Kings and queens were the first CEOs to realize that they could not rule effectively without knowing what was going on behind their backs. Among their solutions was the court jester, the sage

"KINGS AND QUEENS WERE THE FIRST CEOs TO REALIZE THAT THEY COULD NOT RULE EFFECTIVELY WITHOUT KNOWING WHAT WAS GOING ON BEHIND THEIR BACKS.

fool, employed to voice to the king—preferably in amusing terms—the unfunny truths about the court and the realm.

In the corporate court, the jester can be played by anyone outside the ordinary hierarchy who is not dependent on the persons or structures they challenge. The better consultants often tell the king what he doesn't want to hear, but as outsiders they don't always know what he needs to know. A recent or soon-to-be retiree from the executive ranks is usually a better choice.

Of course, to tell the truth, someone must know the truth, and fellow executives suffer from the same isolation as the CEO herself—they are, explains Michel Meijs, "inextricably



CONSULTANTS OFTEN TELL THE KING WHAT DOESN'T WANT TO HEAR, BUT AS OUTSIDERS THEY DON'T ALWAYS KNOW WHAT HE NEEDS TO KNOW.

part of the present organizational culture and identity. They belong to the same school of fish, so to speak, that are all swimming in water they are unaware of. This lack of awareness may result in myopia." If a Buffalo native tells you that his city is beautiful in February, he might believe it to be true because everyone on his street thinks so.

Walker's Woolard has advised his readers that CEOs "really need to try to view the work environment from the employees' perspective" and "try to walk in their shoes for a bit." (See "Kings With the Common Touch," page 17.) Alas, many an executive ventures to the remote corners of his realm armed with an agenda the way a tourist is armed with her walking-tour map. They see only what they came looking for. Top managers often think of themselves as problem-solvers, indeed they are often hired as such. They focus on how work is not being done and, in the process, miss the ways work is actually being done.

Might it be possible to make a virtual tour of one's company, to eavesdrop on the chatter in the cafés without leaving one's desk? The blogosphere, social networks, and online communities today compose a sort of electronic samidzat by which dissidents within the corporate community could vent their spleen about the company. The problem is that all this chatter is seldom heard on the top floor.

THE VIEW FROM THE HOTEL BALCONY

Only a few CEOs believe themselves to be actual deities, but nearly all of them are obliged to look at their world from a god's perspective. Senior executives are, after all, paid big-picture thinkers. It is their lot to understand their domains in terms of strategy, image, systems, market share, and their rank among competing firms. The difference between that view and the view from the store, warehouse, or assembly room is the difference between seeing a city from the twentieth floor of a Sheraton and seeing it from the back street off the bazaar. One is ideal, or imagined to be so, or in the process of becoming so. The other is perplexingly real.

John M.T. Balmer, professor of corporate marketing at Brunel Business School in London, and Stephen A. Greyser, professor emeritus at the Harvard Business School, codified the ways in which any company appears to be any one of several companies at once, depending on who is doing the looking or, more precisely, from which vantage the looking is being done. The C-suite deals with what the professors call the company as conceived by stakeholders, the company that the CEO or directors desire it to be, which, if fully realized, constitutes an ideal company. Staff remote from the core grapple with the actual company charged with making these visions real, and the company as communicated by the organization about itself and to itself, which as often as not little resembles the actual company.

It is in the marketplace that image and expectation meet the grubby realities of making and selling. Look at Walmart. As described by its mission statement and stated policies, Walmart is a selfless social benefactor ("We save people money so they can live better") and a corporate model, a mass-merchandizing innovator and environmental crusader. As described by press accounts, Walmart is the worst kind of American tourist, a company whose executives, on being informed that an in-house investigation had discovered $24 million in questionable payments to local building authorities in Mexico, shut down the investigation.

Arguing about which Walmart is the "real" Walmart is silly. Both are. The dichotomy between the two was stated eloquently by Walmart VP of communications David Tovar. In a statement, Tovar insisted that Walmart executives "are committed to having a strong and effective global anti-corruption program in every country in which we operate," adding, "If these allegations are true, it is not a reflection of who we are or what we stand for."

But does the leadership really determine who the company is and what it stands for? Johan van Rekom, assistant professor in marketing research at the Rotterdam School of Management, has pointed out that the ways people work (as he puts it, the ways that participants translate their job descriptions into everyday practice) determine the identity of the organization.

Michel Meijs studied how one large European investment house in 2002 handled an identity shift of the sort every firm experiences as a result of rebranding, restructuring, or merger. "Management tends to delineate the desired corporate identity or image without having a clear conception of the company's actual identity, let alone of the existence of different identities within the company," warns Meijs today. The result is that the "corporate identity claims defined by management are often contradicted by routine practices in the organization."

Routine practices in the organization. Yes, the mysterious ways of the natives. When out exploring, one can always just ask the natives about local goings-on. The experience will usually be interesting. Whether it will be illuminating is less certain.

WHAT OUGHT TO WORK VS. WHAT DOES WORK

The small-company CEO can meet regularly with staff-level employees to learn how they think and feel. That's impossible for the head of a firm with 300,000 employees in what sometimes seems to be as many countries. So the CEO does what the traveler does: He picks up the local newspaper and reads expert analyses about what the locals think and feel.

What's the closest thing a big company has to a newspaper? The employee survey. Granted, the weaknesses of company-commissioned surveys—whether done in-house or by consultants brought in for the job—are well known. Making them detailed enough to be helpful makes them too detailed to be helpful; those designed to answer specific questions—context-specific performance reviews, for example—seem to have little to say about the larger questions that so often actually explain poor performance.

Ben Waber, president and CEO of Sociometric Solutions, a Cambridge, Mass.-based organization-design consultant, describes a too-common project. "We are working with a company now that did a massive project on engagement," Waber explains. "All they got out of it was a bunch of survey responses. In the end, they had no idea what to do with it."

To the outside world, the most important person in any company is its CEO. To the inside world, the most important person is one's immediate supervisor. No single thing will more improve the quality of the project team, branch office, or department than to improve the quality of the people who run them.

Google, like any well-run company, pretty much knew who their best team managers were—but not why their best team managers were better than the rest. Thus "Project Oxygen." In 2009, Google set up "people analytics" teams who combed through the company's piles of performance reviews, feedback surveys, and nominations for top-manager awards. Their aim was to distill a mash of phrases and words of praise and complaint about more than one hundred variables into lists of good and bad traits. This rough framework was fleshed out using follow-up interviews with managers.

What this very new big company had done was what so many very old companies did, which is set up a task-management system not according to what is known to work but, rather, to what the senior management team believed ought to work. In Google's case, that meant teams run by people chosen for the job because they knew the relevant technology. After all, who better to help team members struggling with tech issues in a tech company than a more knowledgeable tech guy?

The answer that the data revealed: almost anyone but a tech guy. What team members wanted in a manager was not someone to answer their tech questions but someone to help them do their work. The virtues they applauded in their boss were clarity in communicating, helpfulness, and supportiveness. Technical expertise mattered least.

A new insight into workplace dynamics? Anything but—

and that's what interesting. As Jeffrey Pfeffer and Stanford colleague Robert Sutton, co-authors of *Hard Facts, Dangerous Half-Truths, and Total Nonsense: Profiting From Evidence-Based Management*, have noted, the attributes of great managers have been explained in hundreds of previous studies going back before most Googlers were born. Says Pfeffer, "Managers for the most part are uninterested in and unaware of much relevant social-science literature that would help them do their jobs better." Leaving the guidebooks on the shelf back home makes it easier to pack, but . . .

CONFUSING NEW WORLDS

Google's high-tech analytics remain primitive insofar as they still measure what people say about other people. Celebrated MIT professor Alex "Sandy" Pentland has argued for years that objective data of the usual sort isn't really objective because it can't be. "As people, we can't really observe others objectively," he has observed.

For several years, Pentland and his colleagues have drawn on their expertise in organizational engineering, mobile information systems, and computational social science to devise technologies to learn how people really do their work by measuring the process of work rather than the result, and do it independently of the person working. Among the new tricks of this old trade are sensors that employ Bluetooth and infrared signals and tracking software on cell phones to record pulse rate and blood pressure or previously untrackable patterns of activity such as where every person goes and to whom they talk. Data from such "tag and trace" technology is more comprehensive and more honest than that supplied by self-reported surveys or interviews.

In 2009, MIT's Media Lab did a tag-and-trace project at a Bank of America call center in Rhode Island. The center staff was divided into four teams, one of which did much better

"DOES THE LEADERSHIP REALLY DETERMINE WHO THE COMPANY IS AND WHAT IT STANDS FOR?

work than the others, as measured by the usual metrics. The tag-and-trace data found that it wasn't how staff talked to customers that determined their success, at least not directly. It was how they talked with each other. The workers who talked to more co-workers matched the performance metrics of their peers—and did it while getting through calls faster and feeling less stress.

Informally talking-out of work problems correlated more reliably with good results than following the employee handbook or obeying managers' emailed instructions. To encourage more of it, the center's managers started scheduling coffee breaks so all members of a team were away from their workstations at once and thus had more opportunities to talk. The result was productivity gains worth about $15 million a year.

Useful stuff, certainly. What made it interesting is that the social sensors did not record what was said. Words per se don't matter as much as one might think. In a wide variety of facets of everyday business, what matters is tone of voice, body language, the ways people congregate (or don't), the time spent on tasks, and the rhythms of workplace activity.

"The modern corporation is an incredibly new invention," says Sociometric's Ben Waber, who also is a senior researcher at the Harvard Business School. "People worked together for hundreds of thousands of years before that, in small groups, very attuned to each other's facial expressions and ways of speaking. These are the biggest factors in productivity, but currently it is not even part of the management structure."

Like an American tourist confronting for the first time, say, India, a senior executive might find much of what he sees in this new world of work to be as confusing as it is astonishing, because it departs so dramatically from his own assumptions. More important perhaps is what he cannot see, that is, the underlying realities so alien to his own experience that simply don't register as such.

In *Hard Facts, Dangerous Half-Truths, and Total Nonsense*, Pfeffer and Sutton note that research has shown that stable membership is a hallmark of effective work teams. People with more experience, working together, typically communicate and coordinate more effectively. "Although this effect is seen in studies of everything from product development teams to airplane cockpit crews, managers often can't resist the temptation to rotate people in and out to minimize costs and make scheduling easier." Pfeffer and Sutton also point to incentive pay, in wide use even though evidence shows it is usually ineffective.

The appropriate context for management is not a world of rewards and punishments but, rather, a much more complex one inhabited by the social creature who responds to peer groups, who is exquisitely sensitive to status and snubs and more alert to tone of voice than to explicit meanings in speech. Waber points to the rise in the virtual office and the "telepresence room" as typical of trends that are "devaluing the ways that people are accustomed to working together. These are good for meetings, but most work doesn't get done in meetings."

ENDING UP BACK WHERE YOU STARTED

The sophisticated senior executive has been aware for some time about the social nature of work. Exhibit A is the near-ubiquity of the office-as-commons, which caters to the natural sociability of workers—and the natural desire of their managers to save on office overhead. Up to now, however, the actual dynamic that makes these kinds of environments work has had to be largely inferred from results. Data about what goes on inside the small-group settings so common in the modern workplace has not been robust enough to support management systems designed to exploit it.

New technologies to monitor the workplace will enable workplace analysts to give the social workplace the kinds of detailed real-world attention that engineers have long given manufacturing processes, and that logisticians more recently have given to supply chains. Will they allow new ways of organizing work? Maybe. However, it seems unlikely that they will lead to workplaces that are friendlier to the worker in both familiar and profound senses than innovators such as Pentland and Waber hope for. The open office, after all, facilitates surveillance as much as sociability. Unobstrusive body and motion sensors will allow managers to read workers' moods and emotions via their voice tones, heart rate, even sweat, allowing them to better track who is working and how hard.

Some advanced thinkers are already speculating whether use of such tools means the death of hypocrisy at work. That, certainly, would be a change; people might in fact end up being less able to work together than they are now. More certain is that using these tools in that way will mean the death of privacy in any remotely familiar sense of the word. The savvy traveler eventually learns, often to her regret, that the natives find it disrespectful to ask certain kinds of questions when you are a stranger. ■

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■ VADIM LIBERMAN is senior editor of *TCB Review.*

MISTREATMENT

NO ORGANIZATION TOLERATES BULLYING. SO WHY DO SO MANY WORKERS CONTINUE TO FEEL ABUSED?

BY VADIM LIBERMAN

ON THE MORNING OF JUNE 30, 2010, KEVIN MORRISSEY RECEIVED AN ADMONISHING EMAIL FROM HIS BOSS, TED GENOWAYS. IT WASN'T THE FIRST SUCH MISSIVE, BUT IT WOULD BE THE LAST. HOURS LATER, MORRISSEY, 52, SHOT HIMSELF IN THE HEAD.

Morrissey had questioned accounting practices at the *Virginia Quarterly Review*, where he was managing editor; allegedly, Genoways and university officials had dismissed his concerns. Increasingly rebuked for his daily work, Morrissey slumped deeper into depression, according to friends and family.

Then Genoways sent an email contending that Morrissey had "engaged in unacceptable workplace behavior." Without specifying the conduct, he ordered Morrissey to work from home for a week and not discuss the issue with colleagues. Ten days later, after Genoways' final note—lambasting Morrissey for mishandling an article source—the expulsion turned tragically permanent.

Genoways, now retired, admits having dealt harshly with Morrissey but rejects blame for "bullycide." Of course, he did not shoot Morrissey, but did he bully him?

FROM CLASSROOMS TO CUBICLES

Bosses have tormented workers ever since there were workers to torment, but only recently have we become sensitized to what studies indicate is four times more common than sexual harassment. Most workplace bullying doesn't climax at the point of a pistol, but it can be devastating nevertheless to morale, productivity, and HR departments, strongly affecting not only the target but his whole department—and even the entire company.

Bullying goes beyond everyday rudeness and incivility—it's repetitive, enduring, and escalating, entwined with perceived power disparities and matters of intent. It turns the most grown-up of environments, the modern workplace, into something resembling junior high, in which so many of us felt helpless to deflect the attentions of a bigger kid who had decided, seemingly randomly, to make our lives hell.

Just as in that horrific setting, someone with an eye for frailty and a mild sadistic streak can keep us off balance, distracted, and looking over our shoulder. We may seek out alternate paths to our cubicle and stay home on the flimsiest excuse. And just as we may have been reluctant to tell anyone about teenage cruelty, workplace victims often keep bullying

30 TO 50 PERCENT OF U.S. WORKERS SAY THEY'VE BEEN *bullied* AT SOME POINT AT WORK

to ourselves, since talking about it acknowledges weakness and powerlessness, which doesn't exactly mark complainants as future leaders. Plus, in the absence of an email thread or actual violence, bullying may be hard to explain, much less prove, to a supervisor or HR rep.

It doesn't make it easier that, as in middle school, bullying isn't necessarily physical or face-to-face—just think of the reputational damage that a *Mean Girls*-style whisper campaign can inflict.

With financial pressures intensifying and business units stretched ever thinner, are rising workplace tensions leading to more bullying? It's difficult to say, and not only because one person's motivation-minded tough love is another's bullying. "We haven't had validated measures," explains Joel Neuman, a workplace-aggression consultant and director of the Center for Applied Management at the State University of New York at New Paltz. "Too many people have their own ad-hoc instruments with different scales and definitions."

Still, you know workplace bullying when you see it: persistent and unreasonable aggression that creates an unhealthy, hostile environment, impairing the well-being of targeted individuals and organizations. (Though the focus here is on bosses browbeating subordinates—since that constitutes 75 percent of workplace bullying—obviously, co-workers can also turn on each other. Rarely, a direct report may even bully a boss.) People who feel picked on withdraw from work life as much as they can, to avoid contact—not exactly conducive to open, collaborative office environments.

"People have joked that *of course* a Canadian like me studies this issue because Canadians want everything to be nice," says Loraleigh Keashly, a conflict-resolution trainer and associate professor in the communication department at Wayne State University. "But it's not about being nice—it's about treating people like they have value." That is, brushing past a co-worker in the hallway without saying hello doesn't make you a bully—unless you're also continually undermining her work and soiling her reputation.

Measuring difficulties aside, 30 to 50 percent of U.S. workers say they've been bullied at some point at work, depending on the study, while 10 to 20 percent report being bullied at any given time. Surveys also reveal that the whiter the collar, the darker the prevalence of bullying.

In other words, Ted Genowayses and Kevin Morrisseys abound. Some may work for you. One might be you.

WHEN IT DOESN'T GET BETTER

Explicit workplace bullying entails yelling, name-calling, belittling of opinions, insults, inappropriate jokes, false accusations, verbal and nonverbal intimidation, spreading of rumors, public humiliation, discounting of accomplishments, destructive criticism. Frankly, you won't imagine anything a bully hasn't already done in a company somewhere.

Obviously, no organization tolerates this. (Well, almost no organization—see "Tony's Tale" on page 29) Besides which—screaming? Taunting? That's child's play, literally. The workplace is no sandbox, and most executives and would-be executives are too sophisticated to act overtly. Sure, tantrum-throwing tyrants are kicking sand somewhere, but if you look only for the beast who snarls the loudest, you'll miss the destructive elephant in the room. "Ninety percent of bullying is under the radar," says Lynn Taylor, a workplace consultant and author of *Tame Your Terrible Office Tyrant*. "Bullies don't want to lose their jobs, so they'll do things that are just subversive enough."

Unlike schoolyard bullies, who break rules, their office counterparts manipulate them. To conceal their aggression in plain sight, "workplace bullies use organizational tools to help them bully," explains Catherine Mattice, president of the workplace consultancy Civility Partners. Such actions include threatening disciplinary action and job loss, giving poor performance appraisals, assigning unreasonable amounts of work, shifting deadlines and other goals, stealing credit, laying undue blame, allotting busy work, creating unrealistic demands, and micromanaging.

"I've seen targets forced to move their desks into remote corners where they couldn't interact with colleagues," says Lisa Barrow, an assistant professor at Brock University and author of *In Darkness Light Dawns: Exposing Workplace Bullying*. "That's not only physically isolating but sends a message that co-workers shouldn't interact with these employees."

Often, acts of omission inflict the greatest harm: Withholding necessary information and resources, removing job responsibilities, preventing access to opportunities, holding back praise, raises, and promotions, and excluding one from meetings are among the more clandestine acts of aggression.

Hold on. What if you have legitimate reasons for giving your subordinate a negative review or excluding him from some meetings? *What if?* Bullies know that others—including their targets—will wonder. "If I complain to HR, 'My manager told a dirty joke,' everyone knows there are no ifs, ands, or buts about what he did," Mattice says. "But if I say, 'My manager took away work and rolled his eyes at me in a meeting,' that's hard for people to understand."

But not hard for a bully to help people understand. The sad irony is that if you've got a boss who's hammering away at you, eventually your work will suffer as a result. By the time you complain, your boss can easily point to dwindling performance to justify his actions—the adult version of "He started it!" Then, too, your boss may shrug in wide-eyed bewilderment or feign victimhood himself.

Bullies need not resort to physical violence for victims to feel knives twisting their insides. Worse is the psychological damage. "Evil demons, physical wounds, chiseling and chipping away, and broken, torn hearts" are some metaphors that victims summon to describe their experiences in a research paper by Pamela Lutgen-Sandvik, an associate professor in the University of New Mexico's department of communication and journalism. About one in ten targets endures severe post-traumatic stress disorder, according to research by occupational psychologist Noreen Tehrani, who likens symptoms to those of returning soldiers, battered women, and child-abuse victims. Many contemplate suicide or homicide.

"I received one call from a man who was going to jump in front of a train because he couldn't take the undue pressure to perform and was being publicly humiliated and yelled at," recalls Lisa Barrow.

"When someone feels mistreated, humiliated, and undermined, their confidence drops steeply," says Charlotte Rayner, professor of HR management at England's University of Portsmouth and president of the International Association on Workplace Bullying and Harassment. "People are frightened, nervous, and stressed to go into work. Companies have a responsibility to provide reasonably safe working environments. That includes psychological safety."

Addressing workplace bullying isn't just a moral imperative—which it is—but a financial one. Bullying plagues businesses with increased compensation costs, higher medical expenses, reduced productivity, and absenteeism. And that's assuming that abused workers stay. Most do not. The Workplace Bullying Institute, a victims' advocacy group, estimates that 66 percent of aggrieved employees quit to end the bullying. By contrast, companies terminate only 1 to 2 percent of bullies.

WHY SO CRUEL?

What's the typical victim profile? There isn't one. "There are no significant differences regarding age, gender, or other large demographic characteristics for victims," reveals Rayner. Sure, some managers prey on employees based on a Title VII characteristic. For them, there's Gloria Allred. For the rest, a therapist may provide more help than an attorney. (See "This Can't Be Legal, Right?", page 34.) The Workplace Bullying Institute paints typical victims as competent, experienced, skilled, honest, cooperative, popular, and nonconfrontational; academic experts are skeptical of this portrayal, citing an absence of confirming research.

Bullies appear equally hard to classify. Some displace anger with the organization onto subordinates when they think the company has treated them unfairly, perhaps denying pay or a promotion. Also, "we tend to see more aggressive behavior once norms at the organization have been weakened," Keashly points out. For instance, recessions, corporate restructurings, downsizings, and other pressures can incite others to whip out the whip.

A more general consensus is that managers mistreat workers due to their own personal or professional insecurities. Threatened by others, they lash out to divert attention from self-perceived inadequacies. While this seems to legitimize that bullies target exceptional performers, it fails to describe why everyone with insecurities—in other words, everyone—doesn't engage in bullying when given the opportunity. The best explication may be the simplest: We come from different backgrounds, so—

So what? Explanations are not justifications. Someone may have a hundred inclinations to bully, but there's only one relevant reason why he actually does: *because the organization allows him to*. "Inaction is not neutral. It supports the bully," says Rayner. "If your environment expects you to treat people decently, you will. We can all be bullies or angelic managers. Every so often, we get sloppy or tired or get into bad habits, and if the organization doesn't act, we just carry on, because it's so easy to. We end up doing what we can get away with."

Adds Keashly: "Research shows that even if you have someone with a high proclivity to sexually harass, he won't do it if the organization won't tolerate it. That says the company has a profound influence on an employee's behavior. Once you permit, you promote."

Of course, you could fire the person (assuming you could expose him). End of story. But that only treats a symptom. If the corporate culture is diseased, the bully was never the true ailment. Now, the real story begins.

THE "GOOD" BULLY?

You've probably been conjuring images of malicious managers best characterized with four-letter words. They lurk, but the bulk of bullies don't dream of inducing nightmares for underlings. They don't have bad intentions at all. Some actually have good ones.

That might sound strange. We don't typically relate anything good with bullying—because we picture the archetypal bully as an oversized seventh-grader who *purposefully* harms and intimidates. Office bullies, though, are not in middle school; they're (probably) not after your lunch money, and they've (probably) grown out of that cruel-adolescent phase. So we must ask: If you don't mean to be mean, you may still be mean, but are you a bully?

TONY'S TALE

Tony (because he's still scared to use his real name), a former (because victims rarely stay) publicist at a major book publisher, recalls constant harangues by his boss. "I was always anxious about the next time he'd yell at me in front of others—about my work, my clothes, my personality," he remembers. And there would always be a next time.

Worse, Tony says, when he would step away from his desk, his manager repeatedly sat at his desk and browsed his computer. When confronted, Tony's boss smirked, explaining, "I wanted to see what you actually do all day. I don't know what you do. *What do you do here?*"

"I work," replied Tony, who later discovered unseemly emails from his own account that his boss had sent to colleagues.

Enduring months of abuse and dreading going into work on many days, Tony finally consulted an HR staffer, who suggested—get ready for it—that he not write out his complaint because "it will only make things worse. Try to work it out with your boss."

Shortly after, in what Tony says felt like retaliation for the HR meeting, his boss put him on probation before firing him. He informed Tony that "it's just not working out," also citing an author who'd complained about Tony's work.

"Strange," says Tony. "I never got that sense from any authors I'd worked with. In fact, I'd always received praise from them. I decided to apologize directly to this author and ask him why he was unhappy with my work, so I could learn for future jobs. Turns out, the author said he never made any of the remarks my boss claimed he did. And if I had to bet on who was lying . . ." —V.L.

"

WHEN SOMEONE FEELS MISTREATED, HUMILIATED, AND UNDERMINED, THEIR CONFIDENCE DROPS STEEPLY.

PID

“The popular belief is that these leaders have blood dripping from their fangs,” says Sharone Bar-David, a Toronto-based workplace consultant, “but most don’t perceive themselves to be engaging in unacceptable conduct. They aren’t aware they are doing any harm. They’re just extremely passionate about their jobs and perceive the workplace as a dog-eat-dog environment. It’s not personal.”

It is, though, if you’re the hapless dog being eaten. Once again, an inability to deal with stress, coupled with a lack of emotional intelligence, sensitivity, empathy, and social and communications skills, may explain behavior. But it does not vindicate it.

Still, *you* know you don’t have bad intentions. You’re just trying to get work done and, sure, maybe you’ve raised your voice here and there, dumped extra work on your assistant, failed to give him credit sometimes, could’ve been kinder at other instances, but come on. That doesn’t make you a bully. Right?

In fact, many apparent bullies would be surprised to be tagged as such. Neuman remembers a mid-level manager at the Minneapolis VA who’d taken a workplace-bullying survey. “‘I don’t think any of this stuff goes on,’ he said,” Neuman recalls. “The next day, he came up to me and said he was thinking about the questionnaire all night. He told me, ‘I haven’t witnessed the behaviors, but I think I’ve engaged in them myself.’” Just because people don’t self-identify as bullies, Neuman points out, doesn’t mean they aren’t. Still, we shouldn’t infer bad intent. As Mark Twain suggested: “Never attribute to malice that which is adequately explained with stupidity.” Or thoughtlessness.

40 PERCENT OF VICTIMS NEVER REPORT THEIR EXPERIENCE. OF THOSE THAT HAVE, 62 PERCENT SAY THEIR EMPLOYER *ignored* THEIR PLEAS.

On the other hand, maybe you *do* know that you come off aggressively—because you intend to. Still, you’re not bullying. You’re *managing*. And this isn’t just euphemizing. If you’re someone who shouts, intimidates, micromanages, ostracizes, eliminates job duties, or withholds resources, it’s not to humiliate—it’s for the organization’s good. Maybe you lack patience to deal with your direct report. Perhaps you’re merely re-purposing military training from earlier in life. Regardless, your use of negative reinforcement is nothing more than a motivational strategy. Laura Crawshaw, author of *Taming the Abrasive Manager*, recalls one executive’s rationale: “My dad kicked my ass, and look where I am today—vice president!”

THE STEVE JOBS QUESTION

The line between bullying and managing leads directly to “the last great tyrant.” *The New York Times* certainly overstated its anointment of Steve Jobs—definitely with “last,” probably not with “great,” but the endmost part? Was Apple’s CEO a bully?

To the extent that Jobs bears responsibility for placing iGadgets in millions of homes, is it due to or despite his reputation for terrorizing and humiliating staffers? The latter would suggest that ends may not justify means. The former, however, doesn’t necessarily license Jobs’s management style. “Often, people are successful in spite of bullying behavior,” Neuman explains.

Fair enough. Maybe Apple didn’t *need* a bad apple, and perhaps Jobs didn’t aim to be one. Conceivably, his devotion to the company unleashed his forked tongue when he perceived incompetence. Nevertheless, that his behavior didn’t necessarily *help* Apple doesn’t imply that it *hurt* the company. It may have made no difference. If so, from the organization’s perspective, there seems no reason to condemn his actions, or care at all.

“My sense of Steve Jobs is that he was a brilliant jerk,” Neuman says, “but to use him as an iconic question mark is

STUDIES SHOW THAT 11 PERCENT OF BULLIES EXHIBIT SIMILAR BEHAVIORS WITH CLIENTS.

misleading because most abusive supervisors aren't brilliant. He's the rare exception."

Is he? If not brilliant, many are successful—or at least successful enough for organizations to strap on blinders. If you win big, you can bully hard. After all, if a colleague is reeling in the cash, boo-hoo if a few minions pop Xanax to cope. "It's scary to confront someone who may leave with his skills and Rolodex," says Bar-David. "Unfortunately, it's easier for companies to do nothing."

Easier, perhaps, but not necessarily better. "Look, intimidation can work," Neuman says, "but there's always a price to pay. What about the ideas that never came about from people who might've left the organization because they were bullied?" You can't gauge what you can't see, but when an employee vomits at the thought of coming to work, he's purging creativity, motivation, and productivity. In fact, working up to expectations—but only up to expectations—is common among victims. And what firm strives for satisfactory?

Targets are also likelier to hide mistakes rather than fix or report them. And there will be errors. Employees stressed by bullying score 50 percent worse on cognitive tests, according to research by John Medina. Plus, if that weren't bad enough, studies show that 11 percent of bullies exhibit similar behaviors with clients.

Some targets adopt an OK-you-asked-for-it approach. Lutgen-Sandvik writes about one employee whose boss instructed her to notify her of all her activities at work after she didn't answer her phone once. So every time she went to the bathroom and left her office, she'd inform her manager's secretary. When the office becomes *The Office*, guess whom the joke is on. Furthermore, any laughter turns silent when targets retaliate in more hostile ways. Now who's bullying whom?

PERCEPTION VS. REALITY

"I loved being at work," recalls Mattice about her time at a start-up. "The CEO supercharged me. Then one day, the guy next to me said, 'He's a bully.'"

Suppose you treat two subordinates relatively identically. Only one feels bullied. Are you a bully? Do subjective interpretations place the issue in the eye of the beholder?

"Companies too often use that term to diminish someone's experience," says Keashly, so an HR rep might try to convince

MEAN WORKING GIRLS

You know the cliché: Women prefer male bosses. Not that many females will publicly proclaim what they usually confide to friends. After all, everybody knows the "right" answer when asked about the topic: *Of course it doesn't matter.*

Of course it does.

A recent Gallup poll of American workers reveals that both genders prefer a male over a female boss—men by 26 to 16 percent, and women by 39 to 27 percent. Granted, we've come a long way, baby, since 1953, when Gallup first started tracking such preferences and reported that a scant 5 percent of Americans would opt for a double-X boss. Nevertheless, women continue to spurn their own kind in large proportions.

One explanation: because they also prefer to bully their own kind. According to the Workplace Bullying Institute, an advocacy organization, 62 percent of bullies are men, unsurprising given that more males hang out at higher rungs and most bullies kick at those under them. But hey, at least they don't discriminate based on their target's sex. When the boss is female, however, so is the victim 80 percent of the time.

Sometimes, that's due to workplace demographics. With few men at a fashion magazine, whom else would a devil in Prada pick on? Other reasons skew psychographic: "Women tend to be more catty and feel threatened by other women more than men," says Catherine Mattice, a workplace trainer and consultant. Some deem other women less confrontational. Others may be modeling their more aggressive male counterparts. With limited opportunities for women to advance, "it's either her or me, and I'm going to make sure it's me."

There's another angle. According to David Yamada, director of the New Workplace Institute, a nonprofit research and education organization, "research indicates that women are more sensitive—and I mean that in a positive way—at picking up emotional cues." Thus, females may be likelier to report bullying because they can better recognize it, especially by other women whom they can read more easily than men.

Perhaps what everyone should be reading is *Ms.* —V.L.

a target that he's paranoid or "crazy" or a troublemaker—and let's be honest, sometimes that's true.

Except it does not matter. If your subordinate complains about you, regardless of who's perceiving things rightly, things have clearly gone wrong. "When someone describes an experience, it may not fit into some definition of bullying you may have," Keashly continues, "but that person is still experiencing a hostile and demeaning work environment."

Additionally, when a colleague tells a dirty joke at work, we don't dismiss a sexual-harassment charge just because Jane was offended while Sally laughed. Likewise, businesses can review the behavior rather than query an entire org chart.

All this assumes that someone actually complains. Usually, no one does. Targets fear retribution or that the company will disregard concerns or, worse, side with the bully. According to the Workplace Bullying Institute, 40 percent of victims never report their experience. Of those that have, 62 percent say their employer ignored their pleas. That's too bad, says Bar-David: "Organizations should thank the person complaining because that is the canary in the mine."

Working with a business with forty thousand employees, Rayner recalls: "The HR director told me there were only five informal complaints that year. 'Isn't that great?' he asked. I smiled and said it didn't seem like enough. Turns out, the organization had a formal complaint system, but they got such massively well-paid and brilliantly aggressive lawyers working at internal-complaint hearings—and the whole workforce knew this—that no one bothered to complain. Employees knew it wasn't going to get them anywhere. This director had made low complaint numbers an HR target, so they ensured low complaint numbers."

Other times, a victim doesn't speak out because he may not consider himself a victim. Different employees possess varying self-esteems and resiliencies, and not just to the extent that some better tolerate what they consider inappropriate behavior. They may not view the acts as unacceptable to begin with. In which case, is such a worker a victim? And by default, is the bully—can we still call him that?—behaving improperly? It's one thing to argue that even if a bully doesn't deem himself one, as long as *someone* feels abused, the behavior may be unsuitable. However, if no one sincerely suffers, then, well, who cares?

For starters, if you're getting bullied, you don't necessarily recognize what's going on initially. Especially when actions

THIS CAN'T BE LEGAL, RIGHT?

Four years ago, the Indiana Supreme Court upheld a $325,000 verdict against a cardiovascular surgeon accused by a medical technician of intentionally inflicting emotional distress and assault. The case is unique because: (1) The court stated that the "phrase 'workplace bullying' . . . is an entirely appropriate consideration in determining the issues before the jury," cracking open the door for bullying victims to pursue justice. (2) The crevice has remained just that.

Under harassment statutes, a colleague has no legal right to continually intimidate and humiliate you . . . if you're black, disabled, or female *and* you can prove it's because you're black, disabled, or female—or a member of another lawfully protected class (or a whistleblower). Otherwise, about 80 percent of bullying is entirely legal. Current laws may punish bullies for punching workers in the head but not for messing with their heads.

David Yamada wants to change that. In 2001, Yamada, a law professor at Boston's Suffolk University and founder of the New Workplace Institute, which promotes socially responsible office environments, drafted the Healthy Workplace Bill. The proposed measure sets conduct standards and would allow victims—regardless of race, gender, religion, etc.—to sue a company and the bully, personally, for intentionally creating an abusive environment, assuming targets can supply medical records to prove physical or psychological harm. First introduced in California in 2003, a version of the bill has since been put forward in twenty more states. So far, not one has passed it.

"This started as a pipe dream," Yamada explains. "Ten years ago, people would've laughed at the idea of workplace-bullying legislation, but in the past few years, we've started to see more progress within state legislatures. It takes a long time for ideas to take hold in the legal system, but I'm quite optimistic that we'll see progress."

Others are equally eager for anti-bullying laws—just not this kind. They oppose the inclusion of malicious intent, which they argue sets an unreasonably high standard of proof. "It's important to have legislation that promotes a respectful workplace, but requiring the target prove intent is problematic because many bullies don't intend harm," says Laura Crawshaw, an executive coach. And those who do won't admit it. To avoid a law that paradoxically encourages victims to remain silent, you could set the bar lower, but then why punish managers and organizations for are stealthy, you may well scratch your head: *Huh? Did I do something wrong? Why was that project taken away?* "Imagine the productivity loss spent wondering if your boss is being subversive," Taylor says. It may take months before an OMG epiphany, during which time the boss becomes more emboldened, the victim feels more despondent, and the relationship devolves into irreparable dysfunction.

That's why Neuman suggests periodic surveys to capture different types of aggression. Rather than ask, "Have you been bullied?", he asks about sixty bullying behaviors so that "even if people don't recognize they are being bullied, you can look at the frequency with which they experience various behaviors and detect patterns."

It's also worth contemplating who the "they" are. Fifty to 80 percent of employees report witnessing mistreatment of co-workers at some point. Regrettably, some bystanders feel pressure to cooperate with the bully. If you're like most, however, you want to get involved, but hesitate for the same reasons that direct targets don't speak up. Neil Crawford, co-author of the seminal book on the subject, *Bullying at Work*, has described it as "the organizational equivalent of watching a mugging on a daily basis."

behavior devoid of malice?

Yet that's precisely what laws sometimes do regarding sexual and other forms of harassment. Courts put aside intent and instead focus on impact. For example, though your goal might be to make others laugh at your penis joke, a co-worker who finds you unfunny may convince a judge to find you guilty of sexual harassment.

We can debate the logic of incorporating intent into laws another time. For now, the point is that it's easier to win a case under current harassment laws—if you belong to a protected category—than under proposed anti-bullying bills.

It's a point not lost on Yamada, who worries that such legislation wouldn't pass otherwise. "I'm trying to get at the worst behaviors and separate clear cases of bullying from gray areas of lousy management," he explains.

Ultimately, Yamada's goal is not to punish but to prevent. If passed, even with the greater burden of proof, businesses would face a liability risk. "If employers know they can be nailed for this, they'll be incentivized to act preventively and take bullying claims seriously," he says.

You don't need a law for that, other critics contend. The U.S. Chamber of Commerce and corporate attorneys are among groups that complain that businesses have enough to worry about without adding another regulation. Translation: "Stop giving workers more opportunities to sue."

Not all companies feel that way, Yamada claims: "Some would welcome the legislation because it would sharpen gray areas for them. There'd be some protocol to handle complaints. Right now, HR folks want to help workers but are flailing away because management doesn't want policies that might raise liability concerns."

"HR has not been as supportive for targets because they don't have a legal mandate to be," concurs Lisa Barrow, a workplace coach and consultant. If companies were going to better police themselves, they would have blared their sirens louder by now, charge critics. Countries such as Ireland, Sweden, Finland, Norway, Spain, and the United Kingdom offer significant legal redress for victims, while "it's fair to say that American employers have been reluctant to do the right thing by workers until the law has drawn a line," observes Yamada, citing rampant discrimination before 1964's Civil Rights Act. Though Yamada would like more organizations to act responsibly, he adds: "I'm not holding my breath." —V.L.

"I've said to people after witnessing certain behaviors, 'I don't like the way he talked to you. I'm stunned. Are you OK?'" says Keashly. "One person, with tears in his eyes, responded, 'Thank you for noticing.'"

What if his reply had been, "Really? I honestly didn't see a problem"?

"Then it's my problem now," retorts Keashly, who suggests that bystanders are secondary victims. Just think of the discomfort you feel when you see or know of others being abused.

Sometimes, however, there are no bystanders—even though everyone witnesses the abuse. That is, we've come to accept, and therefore expect, certain practices in various companies or fields. The screaming stockbroker. The sleep-deprived hospital resident. Similarly, what Americans may deem bullying is standard procedure at some Russian firms. Is all bullying relative to corporate, industrial, or geographical culture?

THE PROBLEM WITH LABELS

"It's all context," remarks Neuman. As a result, bullying rules won't fit neatly into your corporate handbook. Sure, you can codify your company's values, such as "treat people with respect and dignity." But don't kid yourself: (1) The statement's utility collapses under individual interpretation; (2) when was the last time anyone, including your HR director, read your manual? and (3) it means nothing if your CEO is a prick. And the most obvious: What organization would—in writing or not—claim otherwise?

At the other extreme, you'll never be able to list every behavior you deem unacceptable. Even if you could, trust your workforce to invent an unspecified abuse. "Anyone looking for an absolute guide will be waiting a long time," Crawshaw warns. So what to do?

Do what all organizations must: manage in the gray. Returning full circle to where we began, for starters, rethink the significance of labels. That "workplace bullying" has validated victims' experiences is valuable. However, your desire to brand bullies or victims can yield unintended consequences. Some observers worry that, especially given the lack of a ubiquitous definition, people will misuse or overuse the accusation. While some anecdotal evidence supports this fear, it's minor compared to the greater drawback of labeling itself. "We think if we can label something, then we'll know what to do about it," Keashly says, but in our quest to stipulate what it means to be a bully or a victim, we're losing sight of more important goals.

When you broaden your judgment of a deed to the individual committing it, you make an unnecessary moralistic leap. In tackling workplace bullying, you're better off separating the person from the act because, ultimately, individual acts—not individuals—are good or bad. Thus, searing a scarlet "B" onto a boss's lapel is too simplistic, one-dimensional, and risks pigeonholing him. (This similarly applies to victims.) And so, because no supervisor wants to be called a bully, the label may not enlighten him so much as enrage him. "I know if I tell a manager, 'You've been perceived as a bully. Let me help you,' the chances that I can help the situation will be zero," says Bar-David. "But if I say, 'Let me help you with your management style, it gives me an opening to work with the person effectively."

Once categorizing bullies and victims recedes to the background, the overriding question becomes: Is the behavior in the interest of the organization?

The answer here can't be anything but relative, though curiously, "companies have standards when it comes to *external* contacts," Crawshaw points out. "If you're working at an airline, you *know* you can't swear or hang up on people, but internally, we lose all of our common sense."

"Here's the test I use to make the gray fade away," Bar-David says. "If you looped a video of a manager engaging in the behavior, would you be willing to proudly display that video above your establishment's entrance?" Asking that, she continues, rightly makes inconsequential whether one person feels bullied while another doesn't, or if anyone complains. "People think you need to have casualties on the ground," she adds. "You don't."

Righting wrongs shouldn't focus on who was actually right or wrong as much as correcting acts. "The quicker you can catch something and informally address it, the less chance that tension will increase," says Rayner. Solutions often involve getting subordinates to see that managers weren't trying to lacerate their souls, while explaining to bosses that passive-aggression—or just aggression—rarely motivates in the long-run. There are better, more respectful ways to convey messages.

"Executives need to understand that they're surrounded by people with different personalities, and it's their job to manage that," explains Crawshaw. That applies to bosses and subordinates. "A lot of media attention says to the targets that it's never their fault. It's entirely the boss and the organization's fault. I disagree with that," says Mattice. "You have to help aggressive managers learn empathy and communications skills, and targets can use some of that training too." (Though if a company reasonably believes a manager is acting malevolently, sensitivity training won't be as useful as a pink slip.)

"In the end," says Rayner, "everyone just wants to get back to work." ■

DO YOUR CUSTOMERS TRUST YOU?

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BY MATTHEW BUDMAN

MATTHEW BUDMAN is editor-in-chief of *The Conference Board Review.*

OK, YOU DON'T BREAK THE LAW, AND YOU FOCUS ON SHAREHOLDER VALUE, AND AS FAR AS YOU KNOW, NO ONE IS ACTIVELY BOYCOTTING YOUR PRODUCTS OR PICKETING YOUR HEADQUARTERS OR PURSUING A CLASS-ACTION CONSUMER LAWSUIT. You qualify, more or less, as a trustworthy company. But looking ahead, say management consultants Don Peppers and Martha Rogers, that's nowhere near good enough.

Authors of, most recently, *Extreme Trust: Honesty as a Competitive Advantage* (Portfolio/Penguin), Peppers and Rogers argue that social media and increasing transparency are combining to change the relationship between companies and customers, to something resembling friendship. Ideally, anyway. At the least, that's what you should strive toward—open communication, admissions of error, and empathy on both sides.

Yes, it's a lot to ask. But, say the authors, founding partners of Peppers & Rogers Group, if you don't forge that relationship, someone else will.

Rogers spoke from Montauk, N.Y., Peppers from Sea Island, Ga.

DO MOST COMPANIES CONSIDER THEMSELVES TRUSTWORTHY?

Martha Rogers: Companies have made an effort to be trustworthy, and if you talk with the officers of those companies, they'll say *Yes, yes, we're trustworthy!* And by yesterday's standards, they really are. But there's a difference between being trustworthy and *extremely* trustworthy, or trustable, as we call it.

First, of course, in order to be trusted by anybody, you have to be competent. If you're always late or you can't deliver, then I can't trust you, even if I like you a lot. And you have to have good intentions—I have to know that you're looking out for my best interests, that you're not trying to rip me off.

What really makes the trust issue different now is the idea that you not only do the right thing but that you do it proactively. You don't just wait and react in a friendly way toward customers who call you. If there's a problem, you take care of it before they even find out about it. If you see they're about to make a mistake, you warn them. If their coupon is about to expire, you let them know. You take care of them even if they're not paying attention.

Don Peppers: Let me give you an example of proactivity. I was on a JetBlue flight a few days ago. It was five or six hours late, and everyone was terribly inconvenienced, but as we got off the plane, a gate agent handed us a letter that said, "First, we apologize for the delay. Under our Customer Bill of Rights, you're entitled to a refund, and the value of your refund depends on how you bought your ticket. But you don't have to do *anything* to claim this refund—we know who you are, and we're going to proactively put the value of your refund in your flight bank with JetBlue, so it'll automatically be available to you next time you book a flight."

Contrast that with how most airlines do it: "Oh yeah, you're a valuable customer, and we're sorry for the delay, so we're going to give you five thousand miles, and all you have to do is go to our website and enter your ticket number and confirmation number and write up a claim."

Rogers: "And type in your mother's maiden name and the name of your first pet."

A DEFINITE STEP FORWARD. YOU'RE SAYING THAT CUSTOMERS ARE BEGINNING TO DEMAND THAT LEVEL OF PROACTIVE SERVICE?

Peppers: Yes. And this rapid rise in customer expectations is being driven by a rapid increase in the speed and volume of interaction among people. It's a technology-driven revolution. Businesses are going to have to evolve very quickly in order to deal with these new expectations.

But the fact that expectations are increasing does create business opportunities for companies—at least for those looking to be the first in their category to be trustable. Three days ago, my wife and I got home—looking forward to watching a *Law & Order* marathon on the USA Network—and our cable service was on the fritz. So I called Comcast. It's a good company—their heart is in the right place, like with their program Comcast Cares Day. I have nothing against Comcast, and I expect that kind of company to have technical problems once in a while. They said yes, we have an outage in your area, we have technicians working on it, and we expect to be back online by late in the evening.

The next day, I called Comcast again, because I wanted to get a refund.

FOR ONE DAY'S OUTAGE?

➡ **Peppers:** I don't know—maybe I'm just cheap!

The customer-service rep said, "Yes, I can see you had an outage, and we'll give you a credit on your monthly bill. Sorry about that." And I said, "You know that I had an outage. In fact, you know *every* household that had an outage, right? Is Comcast giving everyone a refund?" He said, "No—just the ones who call."

Now, think about the opportunity that Comcast has. They could have sent out an email that said, "We know you had an outage, and you don't have to do anything—we're giving you a credit on this month's invoice." Don't you think people would feel as though Comcast were on their side? It would go a long way toward repairing their reputation in the marketplace.

➡ **Rogers:** It would also make it clear that Comcast has a real incentive to avoid outages, because they would have to pay for them.

➡ **Peppers:** Now, it'd be costly for Comcast to voluntarily send out thousands of refunds, even though each one is tiny. But it's only a matter of time before one of its competitors does it, and then Comcast will have to do it anyway. And then they won't get any of the credit—they'll be a follower, not a leader, in customer service. Compare that to the airlines—everyone's going to be copying JetBlue.

➡ **Rogers:** The others won't get any credit, and they'll *have* to follow along—they won't have a choice, because customers won't even consider any company that doesn't do this.

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> **BECAUSE OF SOCIAL-MEDIA TECHNOLOGIES, THE SOCIAL DOMAIN AND THE COMMERCIAL DOMAIN ARE BEING SMASHED TOGETHER. CONSUMERS ARE BEGINNING TO EXPECT COMPANIES TO ACT LIKE, WELL, FRIENDS.**

OF COURSE, IN A LOT OF AMERICA, CUSTOMERS HAVE ONLY ONE CABLE PROVIDER.

➡ **Rogers:** But even in an area in which there's no other provider, there are alternatives. People get television off the Internet because they're fed up with cable, if the provider doesn't offer enough proactive trustworthiness to be a truly trustable company. Customers shouldn't have to be the ones doing the work to make sure they're not snookered out of money, in order to get a refund that the company *acknowledges* they should get. As customers talk more and more to each other, and there's more transparency, everyone will know Don's story as soon as he blogs about it. And Comcast's attitude—if you don't ask for this, we're going to rip you off—just won't sit well.

A LOT OF WHAT YOU'RE SAYING BOILS DOWN TO CUSTOMERS' RELATIONSHIP WITH COMPANIES. YOU WRITE THAT "TRUST IS PROBABLY THE SINGLE MOST IMPORTANT INGREDIENT IN ANY PERSONAL INTERACTION OR RELATIONSHIP." BUT I DON'T THINK OF MOST RELATIONSHIPS WITH COMPANIES AS BEING *PERSONAL*.

➡ **Peppers:** For a couple hundred years, there's been a dividing line between the social domain of friendship and camaraderie and the commercial domain of buying and selling. If I'm working behind the counter at the grocery store, we may be friendly, but I wouldn't ask you to stop by later and help me restock shelves.

But because of social-media technologies, the social domain and the commercial domain are being smashed together. Consumers are beginning to expect companies to act like, well, friends.

➡ **Rogers:** One of the knee-jerk reactions we hear from marketing executives is to propose rewarding people for posting on social media: "If someone writes something positive about us, we'll give them a discount." That is the exact wrong strategy. If customers want to say nice things, we should reward them not with money—which maintains that social/commercial divide—but by recognizing them and giving them a bigger voice: "Here's someone who really knows a lot about the subject."

I've traveled all over the world; I'm a million-miler on more than one airline. And I wish that one darn luggage company would say to me, "Martha, we see that you've flown our luggage millions of miles—do you have any opinions about how we might design our luggage to work better for you?" I don't want a discount on luggage—I just want someone to acknowledge that I exist and to get my opinion so that I can have one piece of luggage before I die that's actually made the right way. There are *many* ways we can reward customers who are willing to recommend us to their friends and teach us things and help others who are having problems with our product.

> IT'S ONLY A MATTER OF TIME BEFORE COMPANIES WILL BE ABLE TO ASSESS YOUR TONE OF VOICE ON CUSTOMER-SERVICE CALLS AND WILL LOOK AT YOUR IMMEDIATE POST-PHONE-CALL TWEETS OR FACEBOOK POSTINGS.

YOU TALK ABOUT PEOPLE DEMANDING MORE AND MORE TRUST FROM FRIENDS, RELATIVES, BOSSES, COLLEAGUES, SALES REPS, SPOKESPEOPLE—I'M ENVISIONING A WORLD IN WHICH EVERYONE GIVES A FEEDBACK RATING AFTER EVERY INTERACTION.

➡ **Peppers:** It's coming to that. And not necessarily voluntarily: It's only a matter of time before companies will be able to assess your tone of voice on customer-service calls and will look at your immediate post-phone-call tweets or Facebook postings. We're becoming more and more transparent. You can't hide from bad behavior. It's more costly to keep a secret than it ever has been. So if your business model depends at all on any kind of action that's not explicitly in your own customers' interest, your customers are going to find out about it.

YOU'RE REFERRING TO COMPANIES SUCH AS AOL, WHICH RELIES ON CUSTOMERS NOT KNOWING THEY DON'T NEED TO PAY FOR DIALUP ACCESS, AND BANKS THAT MANIPULATE INSUFFICIENT-FUNDS TRANSACTIONS TO CHARGE CUSTOMERS EXTRA FEES. HAVEN'T THERE ALWAYS BEEN COMPANIES THAT THRIVE ON WHAT COULD BE SEEN AS VIOLATIONS OF TRUST? WHAT'S DIFFERENT TODAY?

➡ **Peppers:** There probably always will be companies like that, but it's going to be less and less easy to make a business over a long period of time in this way. It's a slow process of change, but it is inevitable.

➡ **Rogers:** The difference is that now, if I find a company that does right, I can tell a bunch of other people—and help that company stay in business. And yes, a bunch of companies—not just banks and AOL, though they do stand out—have the attitude that, "If we do what we say we're going to do, fine print notwithstanding, then we're being honest, and therefore there's no problem if we don't help customers get the best of what they can have."

We're currently working with some telecommunications companies that are doing proactively trustable things. A mobile-phone company knows that it's been two years since you signed up, so you're due a new phone, and we'll tell you that. Or we will contact you after you've been with us for a few months and say, "Even though you're on a contract, you're using fewer voice minutes than you thought you were going to, but you're sending a lot of text messages, and that's costing you extra. Why don't we change you over to this other plan that will work out better for you?"

Now, if a company does that, they're willing to sacrifice a little in the short term, but they are much more likely to build loyalty and long-term relationships that have trust as the basis. There's the feeling that *these guys do right*. They don't screw up all the time, and if they do screw up, they let me know, and they fix it. And that's a remarkable thing to find out about a big company that you might be working with. You'll tell your friends, and you won't leave. Plus, I don't want to switch to another company and have to figure out how their voice-mail system works.

YOU DEFINE TRUSTABILITY AS A LOT MORE THAN JUST GOOD CUSTOMER SERVICE—IT'S DOING THE RIGHT THING. BUT EVEN PEOPLE'S FAVORITE COMPANIES—APPLE, TO CITE JUST ONE EXAMPLE—DO BAD THINGS. I THINK WE PROBABLY ALL ASSUME THAT NO COMPANY IS PERFECT; MOST OF US SHRUG AND MOVE ON. WE MAY QUALIFY OUR PRAISE, BUT WE KEEP BUYING.

Peppers: One of the most important traits we're seeing today is empathy. It's a very human quality. If you want your customers to have empathy with you, then you have to earn that trust, sometimes by exposing your vulnerability. Every company is going to make mistakes, and you need to say, "Hey, we screwed up; we're trying to be better; here's what we're working on; we hope you'll stick with us." You want to get the customer on your side. That's the way your friend would do it if he messed up something.

We open the book with a dynamic example from USAA, of how customers can have empathy for a company—customers got refund checks and actually sent them back to USAA.

> "If you want your customers to have empathy with you, then you have to earn that trust, sometimes by exposing your vulnerability."

Rogers: These were not rich people; they could have used the money, but they wanted to make sure that USAA was there for them when they needed them next time, so everyone chipped in. When I learned this story, I asked myself: If I got a check from Chase, would I send it back? I don't think I would.

Peppers: I've been with USAA since I bought my first car in 1971. I remember buying a house in Dayton, Ohio, for $28,000 in 1977, and I called USAA to buy insurance, and they said they would do their own appraisal so I didn't buy more insurance than I needed. I would have bought whatever they said to.

BUT EVEN COMPANIES THAT SEEM TO HAVE VIOLATED EVERY STANDARD OF TRUST STILL RETAIN MOST OF THEIR CUSTOMERS—LOOK AT OBVIOUS EXAMPLES SUCH AS EXXON OR BP. YOU'RE PREDICTING THAT IN A FEW YEARS, COMPANIES THAT BREACH CUSTOMERS' TRUST AND ARE UNAPOLOGETIC ABOUT IT, WILL PAY A PRICE?

Peppers: Over time, the more trustable companies will prevail. Customer expectations are increasing, and maybe not so gradually. Those rising expectations are going to change company behavior, and as soon as one competitor does something to take advantage of this changed expectation, all its competitors will have to do it as well.

Rogers: Customers will have more and more choice. How is Don going to feel when another cable company—say, Verizon FiOS—comes to town and says, "We're going to offer you better service and a set fee so you're not surprised at the end of the month, and if we screw up we'll automatically refund you"? What's he going to do? He's going to switch!

I'VE SWITCHED A FEW TIMES OVER THE YEARS, MOST RECENTLY FROM COMCAST TO FIOS, BUT IT WASN'T BECAUSE I TRUST VERIZON SO MUCH—THEY JUST HAPPENED TO HAVE A GOOD OFFER. HOW MANY COMPANIES—OTHER THAN USAA AND MAYBE ZAPPOS—DO PEOPLE ACTUALLY TRUST, BY YOUR STANDARDS? DON'T THEY DO BUSINESS EVERY DAY WITH COMPANIES THEY DON'T TRUST?

Peppers: Oh, of course they do, and they'll continue to. You have to live. But over time, standards will increase. Every time you buy from Amazon or Zappos or USAA, your own standards for what you expect as good service go up for every company you deal with.

HOW CAN COMPANIES REGAIN LOST TRUST?

Peppers: If you lose customers' trust because of incompetence or a mistake, that's easier to forgive than losing trust through some sort of deception. The cover-up is always worse than the crime. So the best way to recover trust is to honestly acknowledge the problem, not run from it. Domino's Pizza is a great

example: They were not well known for good pizza, and they knew it; their own research showed it. Instead of defending it, they said, "We know it's not that good, and we're going to do better." They garnered customers' sympathy by acting like a *person* about it, by giving up control.

Rogers: By "giving up control," we mean understanding that things are going to get away from you, that you're not going to be able to contain it the way you might have ten years ago. You have to give up control of what people say about you. Instead, focus on what you do that people talk about.

LOOK, REVIEWS ARE GOING TO HAPPEN ANYWAY. SO EITHER YOU CAN PROVIDE SPACE FOR REVIEWS IN A MODERATED WAY, IN A CONTROLLED ENVIRONMENT, ON YOUR WEBSITE, AND SHOW THAT YOU'RE ACTING IN THE INTEREST OF CUSTOMERS, OR SOME OTHER PARTY WILL DO IT. DO YOU WANT TO BE ON THE TRAIN OR ON THE TRACK?

YOU TALK ABOUT "THE IMPORTANCE OF EXPOSING YOUR OWN VULNERABILITY." CAN THIS BACKFIRE? I'VE READ ANY NUMBER OF RECOMMENDATIONS THAT RETAILERS' WEBSITES SHOULD INCLUDE CUSTOMER RATINGS, BUT WHAT HAPPENS TO SALES WHEN CUSTOMERS TRASH CERTAIN ITEMS?

Peppers: Obviously, if one customer trashes an item online, that doesn't necessarily depress sales. If a whole lot of customers trash it, then you have to ask yourself whether it's a good product to be carrying in the first place.

Look, reviews are going to happen anyway. So either you can provide space for reviews in a moderated way, in a controlled environment, on your website, and show that you're acting in the interest of customers, or some other party will do it. Do you want to be on the train or on the track?

DO YOU EXPECT CLOSER CUSTOMER SCRUTINY TO LEAD TO MORE CONSERVATIVE BEHAVIOR,

TO AVOID MISTAKES?

Peppers: We hope it doesn't. You'd hardly say the Domino's campaign was conservative.

Rogers: We actually think that this trend might have the effect of making companies *less* conservative—

Peppers: —by empowering employees to be more human. People don't trust inanimate objects and legal entities—they trust other people.

Rogers: Here's an example: On a rainy day, one of the people from our media group and I went to a Barnes & Noble in Manhattan—people had recommended it to us as a great place to go. We looked around a bit and then asked to speak to the manager. And the manager said, "I'm so sorry—I can't talk to you without approval from headquarters." This is the *manager*—she's responsible for all the stuff that comes in and out, for whether the customers in the café upstairs get food poisoning, for whether the store is operating at a profit—and she doesn't have the authority to speak to somebody about being voted one of the top five places to go in Manhattan.

Peppers: You really need to put a human face on your business. That's what Barnes & Noble could have done but didn't. And yes, people make mistakes, so you're taking a risk in putting on that human face, but that's what happens.

AREN'T THOSE BOOKSTORE EMPLOYEES A "HUMAN FACE"?

Peppers: I'm not sure that Barnes & Noble has a human face. They have a sales face and a bureaucratic face.

Rogers: We had five little write-ups on our blog. Four of them were really great, and the other one said, "Barnes & Noble people wouldn't talk to us." They blew an opportunity.

This new world will mandate that companies stop doing that. Companies need to empower not only employees but customers. People are going to talk about you anyway, whether you give them the authority to do it or not. We could go in the store and look around all we wanted; we could talk to anybody who would listen. But they weren't allowed to say anything.

ISN'T THIS AT LEAST PARTLY AN ISSUE OF COMPETENCE? IT SEEMS AS THOUGH LACK OF COMPETENCE, EVEN WITH APOLOGIES ATTACHED, LEADS DIRECTLY TO LACK OF TRUST.

Peppers: Yes. And lack of competence is easy to illustrate in a lot of different companies. The classic is when you call up a company and you enter your account number and ask to speak to a rep, and the first question the rep asks you is—

"WHAT'S YOUR ACCOUNT NUMBER?"

Peppers: Every time that happens, the customer thinks, "I just *gave* you my account number." Trust goes down a little. Every time there's some kind of ball dropped, customer trust declines.

Rogers: One of the reasons people trust USAA is that when you have a conversation with somebody there and then, the next day or the next year, when you have a conversation with somebody *else* there, the second person *always* has some knowledge of the first conversation. You don't have to start all over again.

Peppers: That's competence.

AND YET COMPETENCE, AND EVEN TRUST, WON'T NECESSARILY TRUMP OTHER CONSIDERATIONS. YOU RELATE AN ANECDOTE ABOUT BEST BUY BEING REMARKABLY HELPFUL TO A WOULD-BE CUSTOMER, BEING AS TRUSTABLE AS A COMPANY COULD BE, AND THEN LOSING THE SALE BECAUSE AMAZON WAS A LITTLE CHEAPER.

Rogers: But in the long run, that particular customer feels really bad about that purchase and is looking for

> "A trustable company creates customer loyalty because people want the company to succeed."

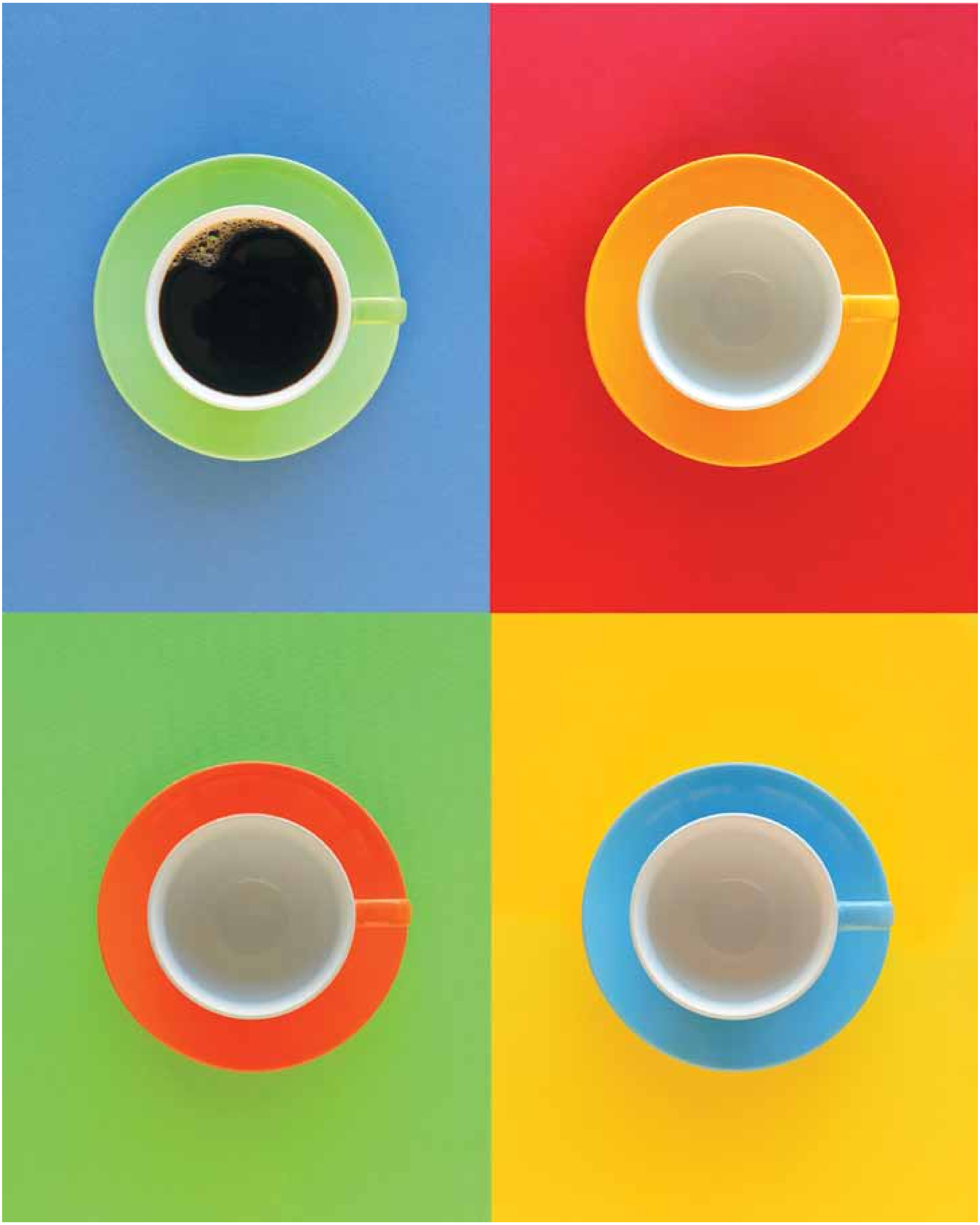
reasons to say good things about Best Buy and go into the store.

Peppers: Best Buy's policies of trustability are probably the best possible defense mechanism against the technological threat to their business model. People feel as though Best Buy is really on their side. Our guy who bought from Amazon has empathy for Best Buy; he really regrets having to do business with somebody else purely because he wanted to save money.

As we said earlier, a trustworthy company creates customer loyalty by having a loyalty program, doing churn reduction, and so forth. A *trustable* company creates customer loyalty because people *want* the company to succeed. Our guy wants both Best Buy *and* Amazon to succeed. For him, they're both friends.

It's a lot better to be like Best Buy than like AOL, to have customers that care about your staying in business.

Rogers: This shows the difference between a relationship and a transaction. For that transaction, he went to Amazon, but he still considers himself to have a relationship with Best Buy. When he can, he'll go back there. When he can, he'll say good things about the company. ■



DICK MARTIN is the author of, most recently, *OtherWise: The Wisdom You Need to Succeed in a Diverse and Divisive World*. Previously, he spent thirty-two years with AT&T, including five as executive VP of PR, employee communications, and brand management. His last feature written for the magazine was "Your Good Name: Before You Lose It," in the Nov/Dec 2004 issue.

NOTHING IN COMMON

HOW TO DO BUSINESS IN A WORLD OF DIFFERENCE.

BY DICK MARTIN

"NEVER BEFORE, PERHAPS, HAS A CULTURE BEEN SO FRAGMENTED INTO GROUPS, EACH FULL OF ITS OWN VIRTUE, EACH ANNOYED AND IRRITATED AT THE OTHERS." HISTORIAN DANIEL J. BOORSTIN WROTE THOSE WORDS IN 1960. WHAT WOULD HE MAKE OF US TODAY?

Today, many of us feel surrounded by groups so different in behavior and belief we can't see what we have in common. To one another, we are totally Other.

To pundits on the left, we are polarized economically, with the rich getting richer and middle class stagnating. To those on the right, we are polarized culturally, with secular sybarites on the two coasts and God-fearing, respectable people in the heartland.

In the United States, the sexual revolution of the 1960s still reverberates in the changing structures of the nation's families, workforce, and social mores. Historic levels of immigration are changing not only the country's complexion but also its culture. And in reaction, many people increasingly seek comfort in an ancient, visceral instinct—tribalism. America seems to be shattering along deep fault lines into tribes that occasionally touch but seldom mix. The social distance between people of different incomes and educations has never been greater. They live in different worlds. They don't shop in the same stores, go to the same movies, or play the same sports. They don't call, email, Tweet, or friend each other on Facebook. If they sat next to each other at a wedding reception, they'd probably have trouble striking up a conversation. If one were forced on them, they'd probably need an interpreter.

Globally, the world's wealth is moving from the northern hemisphere to the southern and from west to east, as the population of developed countries ages and the developing world gives birth to a new middle class. Growth is "over there," in unfamiliar countries with idiosyncratic tastes and customs.

At first, these issues may seem to belong, at best, on the margins of a businessperson's ambit—something worthy of an hour on the agenda of an executive retreat, or perhaps a paragraph or two in a speech to the local Rotary Club. But acquiring the wisdom of dealing with these new tribes is not touchy-feely stuff—it's a hardcore operational capability. Understanding the ways and whys of people unlike yourself is key to winning and keeping customers, managing today's workforce, and relating to all the third-party activists who have an increasingly influential voice in where and how a company does business.

NEW VOICES, NEW PUBLICS

Being "OtherWise" sounds like good, old-fashioned public relations. But it actually turns the practice, as commonly understood, on its head. To many businesspeople, "good PR" is measured in buzz—the room tone of the modern marketplace. Good buzz is the pleasant melody of excited murmurs and swelling applause. Bad buzz is discordant, distracting, and disturbing noise. Managing buzz is a matter of clever orchestration—piping an agreeable tune into the marketplace and burying static under it.

As good as that sounds, there's less to buzz than meets the ear. Fragmented audiences don't reverberate to a single tune. Digital media have transformed people from passive observers into conductors and composers in their own right. Good PR no longer goes to those who can toot their horn the loudest but, rather, to those who can *listen* the closest. These fractious times call for greater attention to the quiet side of public relations: the listening and analysis that enables companies to make the right decisions.

Companies have never been under greater third-party scrutiny. Businesses have no choice but to deal with these new publics, not only because they threaten a company's operating flexibility but also because they represent a new opportunity. The companies that learn how to engage them productively will gain a competitive edge in developing new markets and in creating products tailored to these publics' needs. Conversely, those executives that act on the comfortable assumption that everyone sees the world as they do are headed for disaster.

Most multinational companies have already discovered this in foreign markets. Successful companies have learned that globalization requires more than a passport, a Berlitz guide, and a local "fixer" to make introductions and set up appointments. They invest heavily in understanding the cultural values of the countries in which they do business.

P&G spent three years studying the consumer market in China before introducing its first product in 1988. Its initial plan was to manufacture Tide detergent at a state-run factory it had purchased. But when an expat sent to the country to test some ads talked to actual consumers, she discovered the Chinese had low expectations of laundry detergents—getting clothes whiter or brighter was a low priority. On the other hand, concern about dandruff gave them high expectations of shampoo. Based on those insights, the company shifted production to Head & Shoulders.

Eventually, P&G sent people to live with typical Chinese families to observe how they went about their daily tasks, brushing their teeth, changing the baby, doing the wash, etc. The first toothpaste it introduced to the Chinese market had the flavor of jasmine tea because many local consumers consider tea a natural cure for bad breath and jasmine is the most popular flavor. Today, P&G not only has the best-selling toothpaste and shampoo in China—it is the country's leading consumer-products company, with revenue of more than $1 billion.

YOUR FRIENDS AND NEIGHBORS?

The challenge of adapting to market idiosyncrasies is no longer unique to foreign lands. The United States itself will soon be as foreign as China to most American executives. America is going through demographic change unlike any since the baby-boomer generation upended everything from

nursery and schoolhouse to marketplace and Congress. In 2010, for the first time, more than half of all U.S. births were to Hispanic, black, or Asian mothers. In fact, ethnic minority groups currently account for more than 90 percent of the country's population growth. Four states and dozens of the country's largest metropolitan areas—including the twenty-three counties that constitute the New York metro area—already have majority-minority populations.

According to the Selig Center at the University of Georgia, the purchasing power of so-called "multicultural communities" will exceed $2.5 trillion by 2015, accounting for nearly one of every four dollars American consumers spend. Indeed, America is already the world's second-largest Hispanic country, after Mexico. And as the boomer generation retires over the next two decades, American employers will increasingly depend on immigrants to staff new jobs.

Speaking of baby boomers, for the first time in recent history, the oldest segment of the U.S. population is the fastest-growing, adding three to four million people to its ranks every year. Boomers already account for half of U.S. consumer

ETHNIC MINORITY GROUPS CURRENTLY ACCOUNT FOR MORE THAN 90 PERCENT OF THE COUNTRY'S POPULATION GROWTH.

spending, and, with longer life expectancies, that share is almost sure to increase. In fact, younger boomers—people from 47 to 64 years old—are already a more attractive market than their kids, with higher rates of employment and income.

Also for the first time in history, the majority of American householders (what used to be called "heads of household") are women. Part of the reason is that a record number of unmarried women are having children; in 2009, 41 percent of all births were to unmarried women. Married couples account for less than half of American households; married couples with children constitute just a fifth. Finally, the leading edge of Generation Y—the current crop of 15-to-34-year-olds—numbers just 85 million and is unlikely to feed as much growth as the boomers did. "Marketers can no longer count on sheer demography for growth," demographer Peter Francese warns. "What growth they see will have to come from product innovation and differentiated value."

But differentiated value depends on superior understanding of an increasingly complex market with no "standard" household type. The United States is fast becoming a minority-majority, multiracial, multicultural, multigenerational society. "More than anything," Francese warns, "chief marketing officers need to understand that their customers will never be like their friends and neighbors. They will not be like the people they see every day. Nothing like it." To many marketers, they will be Other.

Times like these call for more than an adjustment in advertising techniques—they require a whole new definition of marketing: a radical reorientation from upstream activities such as promotions to downstream functions such as product conceptualization and development. Marketing must be more than selling. It must become the engine of discovering and fulfilling customers' deepest needs, values, and aspirations. And that, of course, must start by understanding who the customer is.

EMBRACE THE OTHER

The sweet spot in marketing is the break point between individual and culture, where needs, values, and aspirations coalesce. Harvard Business School professor Ted Levitt used to tell his students that no customer wants a quarter-inch drill—they want a quarter-inch hole. People buy products to accomplish particular jobs. That job may be functional (a quarter-inch hole), social (fitting in on the job site), emotional (impressing your spouse), or aspirational (feeling like Norm Abram of *This Old House*). In most cases, it will be a combination. And in almost every case, a person's cultural heritage will contribute to shaping that need.

For example, General Mills' ethnographic research revealed that many first and second-generation Hispanic women consider the preparation of family meals a particularly big part of being a "good mom." They invest a lot of time and energy in it because they believe that every mother should have her own individual recipes. This attitude is markedly different from the general American market, coming as it does from their country of origin where food was a magnet for gathering, managing, and nurturing multigenerational families.

As General Mills CMO Mark Addicks told me, "To the general American market, a brand like Hamburger Helper is about convenience and great taste in minutes [and] on a budget. In marketing Hamburger Helper to newly arrived Hispanic-American mothers, we still emphasize the convenience, taste and value, but position the brand as the first step to dinner where you add your own special ingredients and ideas." To many Hispanic mothers, Hamburger Helper is a recipe element, a base on which they can build a meal.

> **"FOR A COMPANY THAT IS DEDICATED TO STAYING "FOREVER YOUNG," KEEPING IN TOUCH WITH TREND-SETTING MULTICULTURAL CUSTOMERS IS A NO-BRAINER.**

America's growing diversity is giving birth to an entirely new culture. McDonald's, for example, discovered that its ethnic customers are trend-setters. A menu item developed specifically for Hispanics did well not only in the Latino neighborhoods of Los Angeles, but also in the chain's restaurants in Laguna Beach, a predominantly white area. When the same thing happened with Asian menu items and African-American promotions, McDonald's looked up from its cash-register receipts and realized it was on to something. As a result, the company's mainstream menu and advertising have become more black, Hispanic, and Asian. McDonald's calls it "leading with ethnic insights." The restaurant chain is motivated by more than the opportunity of the ethnic market—it's big enough that it could run ad campaigns tailored to every ethnic group if it wanted to. But for a company that is dedicated to staying "forever young," keeping in touch with trend-setting multicultural customers is a no-brainer. Indeed, multicultural marketing is becoming the new mainstream.

In that sense, marketers are a canary in the mineshaft for all businesspeople, whatever the title on our business cards. Whether recruiting or managing our own employees, or interacting with customers, suppliers, and communities, we need to be sensitive to needs, aspirations, and values that may at first seem different, if not peculiar.

The Other is not only the immigrant at home and the stranger abroad. He or she is also the product of the strange, and somewhat paradoxical, times in which we live. While most Americans are pretty close to the center on specific social issues, the relatively small numbers at the vocal fringes often set the beat and melody of public discourse. The proportion of the U.S. population born elsewhere is smaller than in many other countries or even in previous periods of our own history, yet a recent Pew Research Center survey identified "immigration" as one of the top two sources of conflict in society, closely following tensions between rich and poor. And the largest political faction in the United States is the majority that doesn't vote at all.

Still, people seem to be stumbling over fissures right and left. Part of this perplexing fragmentation is the unintended consequence of new communications technologies. Digital technologies that promised to bring us together by making the world smaller have made *us* smaller by allowing us to create our own private worlds. The Internet is not only collapsing distance—it is folding geography in on itself, like a digital black hole from which nothing can escape. We can each program our own, unique information stream. With the right filters, we can avoid thoughts or beliefs we don't like. The global village is fast becoming a series of tightly wound personal cocoons, tailored to their occupants' personal tastes and opinions and connected only to others of like mind and passion.

Back in the olden days—the early 1990s—most Americans still got their news from three big broadcast networks. It was a fairly predictable, consistent news diet. For all its shortcomings, it fostered a collective intelligence and set the agenda for conversation around the dinner table and the water cooler. But with the advent of talk radio, cable TV, and especially the Internet, that has all changed. Digital technology has given people more choice in the news and information they consume. To differentiate themselves, the purveyors of news and information have tailored their content to specific audiences with clearly defined beliefs and values.

Like it or not, businesses operate within that environment of sharply polarized beliefs. The whole Tea Party movement was kicked off on the CNBC business network, when the guy who covers the Chicago Commodities Exchange ranted about the government's plans to "bail out" "losers" who had defaulted on their mortgages. That led to a heated discussion about the lending practices of banks and other financial firms, followed by outrage at their outsized compensation, which ultimately spawned the Occupy Wall Street movement.

Indeed, pretty much every discussion these days can be characterized as heated. Every argument devolves into a battle between good and evil. In the middle of an endless and insoluble debate on the relative culpability of government and business, people on both sides of the aisle wish a pox on both, an attitude with a tangible impact on all kinds of institutions.

John Gilfeather has been doing market research for more than four decades and has worked with some of the world's leading companies. In the summer of 2010, he helped design and test a research instrument that probed people's feelings about companies in the context of the political and social issues roiling the country. Instead of asking for the presence or absence of the usual favorable attitudes—"well managed," "trustworthy," "caring," and the like—the questionnaire intentionally confronted the negative attitudes that everyone knew were on people's minds. For example, the survey asked, "Does this company have executives who are more concerned about how much money they make than the long term health of their company?" It went so far as to probe for negative attributes such as "greedy," "arrogant," and "secretive." In a last-minute, "what the hell" moment of inspiration, Gilfeather added "idiots" to the list.

The survey examined fifty-four companies, a mix of some with sterling reputations in other surveys—e.g., Johnson & Johnson and Kraft—and some Gilfeather likes to call "the villains *du jour*," such as Halliburton, Goldman Sachs, and BP. The results were unlike anything he had seen in more than four decades of plumbing the public's psyche. When respondents' opinions were averaged across all fifty-four companies, nearly a third agreed that executives were more interested in their personal compensation than their companies' long-term health. Nearly a third said the companies were "greedy." More than a quarter said they were "arrogant" and "secretive." And one out of five found "idiots" to be an accurate description.

Naturally, the villains had more negatives; more than half of respondents said BP's executives were looking out only for themselves. But even the heroes had tarnished crowns. Nearly one out of five felt the same way about Kraft and J&J, which were the companies people held in highest esteem. This wasn't simply a few outliers bringing the average down for everyone. "I've never seen so much free-floating anger," Gilfeather says. "And it appears that it will attach itself to any company, even those that have had great reputations in the past. It's not just an erosion of positives—it's a rise in distinct negatives. Companies aren't dealing with neutral audiences anymore."

Those "audiences" are no longer passive either. Richard Haass, president of the Council on Foreign Relations, believes that companies' operating environment is fundamentally different than it was just a generation ago. "Increasingly, business leaders have to contend with people who can't be told what to do, and, at best, they can only try to persuade," he

told me. "Whether it's union officials, government officials, regulators, the media, or special interest groups, suddenly they're dealing with people who have a degree of independence and an even greater say in what businesses can do."

Indeed, there's a Wild West quality to today's business environment. Business leaders never know from which direction to expect the next volley of criticism. The Internet has given everyone a printing press with literally global reach that can even exceed the influence of people who buy ink by the barrel. *The New York Times* reported on "lean finely textured beef" in 2009, but it didn't blossom into the "pink slime" controversy until people began tweeting about it in 2012.

OUTSIDE THE COMPANY WALLS

All that free-floating anger is coalescing into deep alienation. A 2011 Gallup survey showed that a majority of Americans have confidence in only three institutions: the military, small businesses, and the police. (One might assume it's a coincidence that two out of three carry guns.) Less than a quarter of people expressed confidence in newspapers, banks, TV news, organized labor, big business, health insurers, and Congress (which scored 12 percent). Even organized religion, the medical system, and the U.S. Supreme Court failed to inspire confidence in a majority of Americans.

Interestingly, white people express greater alienation than minorities, even though, by most measures, the economic downturn has been tougher on people of color. A recent poll found that African-Americans and Hispanics were twice as likely as whites to believe that "today's children" will have

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A DEEP UNDERSTANDING OF PEOPLE UNLIKE OURSELVES MUST INFORM EVERY EXECUTIVE DECISION, FROM HIRING TO PROMOTING, FROM INVESTMENT AND DEVELOPMENT TO MARKETING AND SALES.

more, rather than less, opportunity to get ahead than they do. Part of the reason for the difference is that African-Americans and Hispanics start so much further back than their white neighbors. Part of the reason is that many whites believe that overcoming racism is a zero-sum game they are losing. Whatever the reason, as evidenced by a November 2011 *Time* cover asking, "Can You Still Move Up in America?", many people believe that the American dream has become a fantasy, a cheery story they don't expect to come true. As *National Journal*'s Ron Brownstein put it, there is "a widely shared conviction that the country's public and private leadership is protecting its own interest at the expense of average (and even comfortable) Americans."

Such disillusionment is toxic to the market growth that business needs to move forward. And it's not all rooted in misperception. For example, according to a 2008 study, the United States is the only developed country in which young adults are less well-educated than their parents, with all the negative implications for jobs and income. One million students drop out of high school each year, qualifying them for only the most menial tasks. They lack the skills to be productive employees, and they will probably never have the incomes to be good customers. But those dropouts almost certainly will contribute to the growing culture of failure and hopelessness that poisons the business environment.

Investing in tomorrow's workforce and customer base by improving local schools is not only doing good—it ensures that companies will continue to do well. But it won't happen without business leaders who are better attuned to the world outside the four walls of their company. In our increasingly diverse and divided society, becoming OtherWise—understanding of and responsive to different kinds of people—is the essence of leadership. A deep understanding of people unlike ourselves must inform every executive decision, from hiring to promoting, from investment and development to marketing and sales.

OTHERWISE ENGAGED

Why acquire the wisdom of relating to the Other? Not because it's the nice—or even right—thing to do but, rather, to be more effective in our increasingly fragmented and global society, as businesspeople and as citizens. You, not to mention your company, can't hope to flourish in this new environment without an attitudinal change entailing intellectual, as well as emotional, development.

Today, every large company is global. If most of its customers don't live in other countries, they soon will. Odds are most suppliers already do. Business leaders know they need to expand their managers' knowledge of other countries, including their histories, cultures, and religions. The days when such understanding could be delegated to a small cadre in the "international division" are over.

The same can be said of the world's biggest, most advanced market. America is no longer a massive, homogenous bazaar—fissures based on sexual orientation, education, and political beliefs crisscross the traditional fracture lines of religion, race, and ethnicity. Doing business across the gaps at home also requires greater literacy in the catalog of differences. But the real challenge both at home and abroad lies at a deeper level than memorizing a few cultural tips or hiring a native guide. It is the challenge of developing an attitude that doesn't just tolerate difference but understands and welcomes it.

The opposite of intolerance is not tolerance—it's hospitality. When our primordial ancestors dropped from the trees and started walking across the African savannah on two legs, survival favored those who had an innate ability to work in small groups, as well as a deep hostility toward anyone not of the group. Those characteristics were so critical that, over a number of generations, they became the norm. And they survive to this day. But in the second decade of the twenty-first century, instinctual suspicion is shortsighted and dangerous. There are more strangers in our lives than ever before, no it's no surprise that, at a personal level, our sense of identity and security feels threatened. But the real threat lies in our inability—or unwillingness—to see beyond differences to what we have in common.

The secret to success in this new environment is to develop business leaders who can understand and relate to others unlike themselves. Such leaders have keen self-awareness, challenging their own assumptions and biases about people who are different than themselves. They are knowledgeable about differences—and even more eager to learn. They have a history of engaging with people outside their immediate circle of friends in meaningful ways. They not only understand other points of view but are highly attuned to others' feelings.

Technical knowledge, creativity, and managerial excellence will always be in great demand. But tomorrow's business leaders will have a unique skill—they will be OtherWise. They'll literally think different. ■

LANCE HAUN is editor of SourceCon. After seven years in the recruiting and HR business, he moved to ERE Media in 2010, where he started as community director and then became a contributing editor for HR publication TLNT. Adapted from Life Between the Brackets, at http://lancehaun.com.

ARE *YOUR* OPINIONS REALLY *YOUR OWN*?

BEYOND DISCLAIMERS.

"OPINIONS ARE MY OWN."

It's a standard disclaimer on many of the Twitter accounts I see out there. After the umpteenth time you hear at a conference or in some publication that you should get on Twitter, you sign up—and one of two things happens:

1. You create an account without checking with HR and assume that putting that disclaimer there protects you and your company.
2. You check first, and your boss or PR person requires you to put the disclaimer on there, somehow protecting the company.

I'll tell you what that disclaimer means in the real world: *jack squat*. Let me lay out the various scenarios and why each one doesn't warrant the use of any sort of disclaimer:

You couldn't conceivably represent the company. Look, all the rage these days in the HR/social-media world is about using employees as mini-external brand advocates. But the number of employees this encompasses is a small population of the overall employee population. There are millions of blue-collar workers, both union and non-union, who have no intention of being your brand advocate, ever. There are also millions of white-collar workers in the same boat.

Some of these people are on Facebook, setting up a page for their all-female Journey tribute band Just Some Small Town Girls (and if that's an actual tribute band name, I apologize). Others are on news sites, forums, or blogs, commenting about Obama's birth certificate, explaining why a Mormon shouldn't be elected president,

BY LANCE HAUN


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YOU PROBABLY DON'T HAVE A DISCLAIMER POSTED, AND IF YOU EVER SAID ON THE INTERNET ANYTHING BAD ENOUGH TO WARRANT A DISCLAIMER, ON MONDAY MORNING YOU'D LIKELY FIND YOURSELF IN A POSITION OF EVEN LESS PUBLIC RESPONSIBILITY AND ACCOUNTABILITY.

or debating whether or not Kobe is better than Jordan. In other words, personal reasons. Probably more personal than most HR people care about.

You probably don't have a disclaimer posted, and if you ever said on the Internet anything bad enough to warrant a disclaimer, on Monday morning you'd likely find yourself in a position of even less public responsibility and accountability. Try to keep your nose clean and at least a little hard to trace, and it probably doesn't matter.

You could possibly represent the company. If you're in a higher-level client- or candidate-facing position, or you're a part of company leadership, there's a good chance that at least some people will recognize you and possibly snoop beyond your professional profile. If all you have out there is a professional LinkedIn profile and an innocuous, private Facebook account, you don't have to do anything.

But if you want to tweet or blog or do other fun things like that, there are two steps beyond that: disclosure and self-moderation.

Disclosure is pretty simple: What do you have out there that someone else can find that might be less than innocuous? If there's something more controversial than a Michael Bolton fan page, you probably want that information coming from you, not from an angry client or a snoopy shareholder.

This is where the manager or PR person is going to tell you to get that disclaimer up, stat. And this is where you should resist, promising self-moderation. If you have established accounts, show them how you've handled them responsibly. Tell them that most people don't assume you are speaking for the company unless you say so. Tell them that the people mostly likely to be outraged won't care about your stupid disclaimer anyway. Nobody reads a disclaimer and says, "OK, never mind."

But if you have something more personal or risqué online—and it can possibly be traced to you—then it is time to assess where you, your personal life, and the company stand. If you're in one of those positions, somebody will eventually discover your online presence, and someone somewhere will surely take offense.

And, again, no one will care whether you have a disclaimer stuck somewhere on your personal pages or social-media accounts declaring that your views are your own and unaffiliated with your employer. Some of them will associate anything you do with your employer; others won't. If you say something really bad (or you run a site that is really taboo), some people will ask your employer why you're working there. If someone decides to make a public stink, there is a whole other world of pain.

It's a question each company has to be comfortable answering on its own. And if there is a good chance you'll represent the company in some less-than-minor capacity, you should push that to them so you have an opportunity to make a decision for yourself with time to do a cool-headed evaluation. Nobody said it's fair, but at least to some segment of the population, you'll represent the company.

You most definitely represent the company. No amount of disclaiming or get-out-of-jail-free cards will get you out of anything. If you are a C-level exec, founder, partner, PR firm, or PR lead, or any official social channel of the company, you are speaking for the company 24/7. If you say stupid things, they *will* become associated with your company.

So: What if the company says I must have that stupid disclaimer? You reasoned with the unreasonable, but they are still saying that you should definitely have the disclaimer that nobody reads or cares about, no matter what level you are in the organization. Lay out a hypothetical: You have the disclaimer, prominently posted, and you openly mock the fact that your company makes you put a disclaimer in your bio. What is their reaction? Do they:

1. Not care. You aren't an official voice for the company, so every reader will see that disclaimer and go about his day.
2. Freak out and make you take it down, just like management would have done if you bad-mouthed anything else they had done publicly.

If the answer is 2, then their attitude is that you must behave as though you are representing the company, disclaimer or not. They have to either get comfortable with you being out there, train you to be better at what you do online, or not allow it. And yes, that last option is a real one.

If the answer is 1, though, have fun. It might be the only time that a disclaimer actually does any good. ■


MOMMA TRIED
COLTON HARRIS-MOORE

LAURENCE VINCENT is head of The Brand Studio at United Talent Agency. Adapted from *Brand Real: How Smart Companies Live Their Brand Promise and Inspire Fierce Customer Loyalty* (AMACOM). ©2012

BY LAURENCE VINCENT

YOU'D NEVER GUESS THAT THE GREEN-EYED TEENAGER IN THE PHOTO WAS A FUGITIVE. The boy in the self-portrait that buzzed around the world's media that day in 2009 stared up at you wearing Apple earbuds, resting his head on a knapsack in a patch of brush. You could have easily mistaken him for a Boy Scout. This was Colton Harris-Moore, an 18-year-old runaway who eluded authorities for over two years when he embarked on an adventurous crime spree that resulted in over one hundred cases of theft, burglary, and criminal trespassing. The world knew him as "the Barefoot Bandit," a name he earned after a surveillance video caught him pilfering without shoes. He must have approved of the brand name because he began drawing chalk footprints on the floors of his victims.

Like many people, I became fascinated with the Barefoot Bandit because his story seemed like something only Hollywood could invent. He ran away from home, survived on his own in the woods for weeks at a time, burglarized affluent communities, flaunted legal authorities using a catchy alter ego, and stole a few planes to venture from the remotest corner of the Pacific Northwest to a tropical island in the Caribbean. But not everyone loved Harris-Moore. The residents of the towns and communities where he committed his crimes despised him. Harris-Moore damaged property, robbed people of their valuables, and violated a lot of people's sense of security. Some who knew him when he was young pitied him, describing him as a socially challenged kid from a battered home who loved animals and was infatuated with airplanes.

Then there were the millions of people around the world who made the Barefoot Bandit into a folk hero. A Facebook fan page created about him attracted nearly fifty thousand followers, with fans likening him to a modern-day Jesse James. "He's the right criminal at the right time," said Zack Sestak, the self-appointed head of Harris-Moore's fan club. "Executives are getting billion-dollar bonuses, and . . . the normal people, everyday people, people who are struggling to pay their bills—they see someone like Colton taking on the system, and they say 'All right!'"

OUR BRANDS, OURSELVES

THE POWER OF ATTACHMENT.

I found it a little odd that so many people identified with Harris-Moore. A cottage business developed with entrepreneurs selling T-shirts and novelty items bearing his likeness. Music videos appeared on YouTube celebrating his adventure and urging him to "fly on." It seemed especially odd because there was no indication that Harris-Moore would have approved of any of it. After he was captured, he refused to grant interviews, appeared shy in front of news cameras, and frequently asked the media to go away. He is said to have sold the rights to his life story only as a means to repay his victims.

It struck me that the Barefoot Bandit was an interesting example of a force that gives branding so much potential power: *attachment*. When people become attached to brands, their attachment changes their behavior. Though I can't say for sure that Colton Harris-Moore began his life of crime because he was attached to brands, his story is littered with some of the most prestigious brands in our culture.

There's more to it than that, however. The story of the Barefoot Bandit provides a compelling glimpse at why there's a growing backlash against brands. Looking at Harris-Moore and the people who were drawn to his story during his run from the law, it's tempting to suggest that branding has led us completely astray from moral values. Indeed, this has been the central argument of Adbusters, the anticonsumerist organization of activists who stage demonstrations and mount campaigns to convince the public to reject advertising and media because they lead people to focus too much on using external rewards to develop a sense of personal identity. I believe there is ample truth in their argument: Branding, marketing, and media are often misused in irresponsible and unsustainable ways—ways that overpromise on the value that can actually be delivered; ways that manipulate by appealing to our most shallow, image-driven vulnerabilities; and ways that define brands as substitutes for human relationships.

BRAND ATTACHMENT MEASURES HOW MUCH CONSUMERS (OR ANY MEMBERS OF A BRAND AUDIENCE, FOR THAT MATTER) VIEW THE BRAND AS AN EXTENSION OF THEMSELVES.

That said, I believe that brands can play a valuable role in our culture—and that those of us who have the privilege of guiding brands have a responsibility to understand the impact they can exert on a consumer's individual identity.

HOW J. CREW DO YOU LOOK?

Brand attachment measures how much consumers (or any members of a brand audience, for that matter) view the brand as an extension of themselves. This differs quite a bit from measures of brand attitudes. When we measure attitudes, we mostly aim to gauge how much people like a brand. In contrast, attachment measures how much people will say that a brand is like them—they identify with a brand because it reflects their values and resembles the way they see themselves.

Harley-Davidson loyalists wouldn't be caught dead on another bike. While they'll certainly tell you they like the Harley brand, their loyalty runs deeper than their attitudes. They're loyal because Harley is as much a part of their identity as their body—maybe more so.

I've known Hollywood agents who don't feel they're legitimate until they own a genuine Armani suit and drive a luxury German car. There are guitar players who will sacrifice all their worldly possessions in pursuit of becoming a rock star, except for one: their Gibson Les Paul solid-body guitar. I've met auto mechanics who don't feel they can do their job as well without access to Snap-on tools, and chefs who carry their own Wüsthof knives from job to job. In each instance, the possessions and the brands that make them special are part of the consumer's self-concept.

We can measure brand attachment in two ways. First, we can measure the degree to which a brand reflects a person's self-concept, whether it's "like me" or "the opposite of me." You have to measure more than self-concept, though. After all, even though a particular brand skews toward my sense of self, it might not be relevant to me at this moment in time. For example, I might tell you that a TAG Heuer watch is a lot like me, but I don't think about TAG Heuer watches much. I don't own one, and I don't intend to buy one anytime soon. Although I find the watches beautiful and I'm inspired by their craftsmanship, I'm in no hurry to spend that much money on a timepiece. It's not as relevant as other needs.

Relevance, then, determines how much your audience actually has use for your brand. It determines how prominent the brand is in daily life. When you hear someone say, "I want to look very J. Crew tomorrow," the brand is being employed in speech in a way that makes it useful and instrumental to our thinking. These are the prominent brands.

The brands that are truly extensions of us are the most relevant and the most connected to our self-concept; we go to great lengths to keep them in our lives. In contrast, there are brands for which we have nothing but disdain; instead of being sacred, these brands are profane. I had a colleague who could not stand Ed Hardy apparel. What I found ironic about his behavior was how often he referenced Ed Hardy in his conversations. If we met someone on the street who seemed a little too flashy, my friend would say something like, "Can you believe that Ed Hardy hipster?" The brand even showed up in a client presentation he delivered about what *not* to do with a brand. Ed Hardy was so prominent in my friend's thoughts that he regularly introduced it as a point of reference even though it was the antithesis of his identity.

And most brands—including many of those we come across daily—just don't factor into our decision process much. We neither think of them all that much nor do we really see them as a reflection of ourselves. Our behavior around them is mostly a force of habit, a consequence of price sensitivities, or a matter of convenience.

It's worth our time to understand how consumers collectively attach a brand to their self-concept because that attachment proves to be one of the best drivers of relevance. Relevance is strongly correlated to brand preference. While it's commonplace for companies to measure preference—how much consumers prefer their brand to competitive alternatives—they should invest as much energy explaining *why* consumers prefer their brand.

WHAT WE WANT TO BE

Brand attachment doesn't materialize in a vacuum, of course—history is often a factor, though many advertisers consider nostalgia a dangerous third rail. Brands such as Coca-Cola and Ford have more than a century of rich history that can provoke strong affections and positive feelings. The danger is that a consumer will think the brand is dated if it is too closely associated with the past. Would an association with Ford's Model T really help more consumers create a stronger attachment to today's Mustang? Probably not. However, Chrysler launched a very effective rebranding campaign in 2011 that struck a great balance. When "Imported from Detroit" debuted during the Super Bowl, with rapper Eminem (a Detroit native) driving a newly designed Chrysler 200 against images of the Motor City, the brand tapped its history and its present day to create strong, authentic attachment.

But while our history undoubtedly influences our sense of self, most of us are predisposed to look forward, not back. Nearly two out of three people say they think about themselves "in the future a great deal of the time or all the time." And when thinking of themselves in the future, people say that they more often imagine a positive outcome than a negative one by a ratio of four to one. Our hopes and dreams live in the domain of our possible selves; most of us believe we can become whoever we want to be.

The trouble starts when we allow nagging probabilities to temper our aspirations. The dreamer inside us constantly wrestles with the realist, and that gap between what we *aspire* to be and what we think we'll *probably* be influences our brand behavior. In fact, we become so attached to many of our possessions and brands because they create the illusion that our aspirations are one step closer to reality.

Let me illustrate with a puzzling phenomenon. When economic times are tough, why do consumers skimp on staples like diapers and spend a little more on brand-name cosmetics? Many makers of luxury goods such as handbags, shoes, and cosmetics have posted record sales while consumer staples such as batteries, bleach, and diapers have suffered staggering declines. I think that the trend reveals the influential power of our possible selves: We want to have brands in our life that connect us with our aspirations in spite of the probabilities. We might never be able to afford a $10,000 necklace from Tiffany, but for

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CAN YOU BELIEVE THAT ED HARDY HIPSTER?

$175 we can carry a Tiffany keychain with us everywhere we go.

According to his mother, when Colton Harris-Moore was about 15 and living in a dilapidated trailer on the outskirts of town, he made collages of things he wished to be or to have. A 2010 CBS profile showed one of these collages, filled with brand names such as Cadillac, Armani, and Discover Card alongside photos of airplanes. The planes drew most viewers' attention: Growing up, Harris-Moore had said that he wanted to be a pilot—and he got his wish. During his time as a fugitive, he stole and piloted five planes; investigators believe he learned how to fly by watching an instructional DVD purchased with a stolen credit card and by studying a flight manual stolen from an unlocked aircraft. His first time in the sky was the day he took off in a stolen single-engine plane from an airfield on Washington state's Orcas Island. He flew through harrowingly gusty winds over the Cascade mountain range before crash-landing in a field. Miraculously, he walked away—and repeated this crazy stunt four more times. To say that he was driven by aspiration seems an understatement.

When Harris-Moore flew those planes, they were important instruments in bringing his possible self to life. Aspiration is a powerful force. While you may be unwilling to risk your life in such a daring way to accomplish your own aspirational goals, you probably are prepared to take risks and invest in selected activities that give you a sense that you are making your aspirations a reality. Some of the brands to which we are most strongly attached are the ones that we literally use as instruments in our activities to fulfill aspirational goals.

Sales of prestige cooking appliances such as Viking ranges and KitchenAid mixers have steadily risen in correlation with the growth of the Food Network. There are millions of aspiring home chefs all around the world who are willing to pay a premium for a Viking range because it authentically serves their aspirations to be great cooks. It doesn't matter that many of them never prepare anything more difficult than macaroni and cheese. Once they have this brand in their life, they don't want to be separated from it. Many Viking owners insist on taking them along when they buy a new home. The act of using this brand brings an aspiration to life because of its instrumental value.

Indeed, you can tell a lot about the degree to which consumers are attached to a brand by taking it away from them. Although we're willing to suffer a substitute for an ordinary brand on occasion, we can experience separation anxiety when denied a brand to which we're genuinely attached. Early in my career, I worked with an executive who drank Diet Coke, and only Diet Coke, all day long. When she was scheduled to travel to Paris for a meeting, she brought a six-pack of Diet Coke in her carry-on bag because she feared Air France wouldn't serve it. That's separation anxiety.

When we are truly attached to a brand, we're willing to make compromises in our other consumer behaviors

SOME OF THE BRANDS TO WHICH WE ARE MOST STRONGLY ATTACHED ARE THE ONES THAT WE LITERALLY USE AS INSTRUMENTS IN OUR ACTIVITIES TO FULFILL ASPIRATIONAL GOALS.

in order to keep that brand in our life. I met a talented young photographer who had moved out of his parents' house for the first time to live on his own. He worked a lot of unrelated jobs to pay his rent and ate ramen and spaghetti for just about every meal. He spent most of his money on his camera gear. He was a Nikon shooter, and he owned a professional-level camera body and a few expensive lenses. Yet Nikon wasn't his top brand attachment, as I realized when I asked if his expensive Beats by Dr. Dre studio headphones had been a gift. He told me he had just bought them. In fact, they were his second pair—he had forfeited savings designated for upgrading his camera kit so that he could buy the new headphones. Music inspired his photography, he told me, and he couldn't imagine listening to music on anything other than his Beats.

COMFORT FROM CLOSENESS

In the same way that you can measure brand attachment by how anxious a consumer becomes when the brand is taken away, we can measure how much comfort and satisfaction consumers report as a result of having the brand in their possession or in close proximity. The more consumers view the brand as an extension of their own identity, the more they want the brand nearby.

You might not have the budget to stock your wine shelf with Opus One, but having one bottle in the collection is enough to validate your aspiration that you are a wine connoisseur. You might purposefully put off opening that bottle because it's worth more to you on your shelf than in your belly.

The recent reemergence of the Moleskine brand of high-end journals and day planners is another example. The brand goes to market as the notebook used by "Vincent van Gogh, Pablo Picasso, Ernest Hemingway, and Bruce Chatwin." It is a brand that had faded into obscurity until reimagined as more than a pad of paper. Today, it is used by many professionals who keep it close because it is one of many "indispensable creative tools that help define who we are, identifying us wherever we are in the world."

Which brings me back to the Barefoot Bandit. It's dangerous to play armchair psychologist and speculate on Colton Harris-Moore's motives. But I found the nature of many of his crimes striking. Most burglars break into a home, steal what they can sell, and leave as quickly as they can. Harris-Moore broke into homes and then

made himself comfortable—he took showers, ate meals, and slept in the empty beds. While many of Harris-Moore's suspected crimes included theft of cash and illegal use of credit cards, he is also believed to have kept some of the items he stole. In his now-famous self-portrait, he is wearing a Mercedes-Benz branded polo shirt. When he was captured in the Bahamas, he was carrying a Walther PPK handgun in his backpack. It's not the greatest weapon for a fugitive, but it was the gun that James Bond used. Living on the run, Harris-Moore couldn't take a lot with him, but the few things he did take seemed to have brand significance. Perhaps they provided a sense of comfort; perhaps the mere possession of the brands made the risk-taking worthwhile.

Regardless of Harris-Moore's deeds and motives, humans have a history of imbuing possessions with so much meaning that we want them close at all times. Whether it's the lucky rabbit's foot we must have in our pocket or the personal artifacts we find buried with the ancients, it's in our nature to view some of our possessions as essential parts of ourselves. What's changed is how we've transferred that meaning from objects to brands. After working on various smartphone branding projects, I've noticed a clear dividing line in early adopters. There is always a segment who must have the latest gadget, regardless of the brand affiliation. For them, the comfort comes from the newness of the device itself. In fact, these fickle early adopters are also known as "first droppers," because they are usually the first segment to move on to a new technology. But there's another, growing segment

THE LOYAL OPPOSITION

When attachment to a brand is particularly strong, we often find consumers with strong oppositional loyalty, which is a tendency to develop an adversarial view toward rival brands. The contempt that hardcore Apple loyalists felt toward Microsoft led to the "Get a Mac" campaign, in which actor Justin Long personified Mac and author/omedian John Hodgman portrayed PC. The campaign was so successful that Microsoft eventually responded with a derivative campaign of its own: "I'm a PC." The kind of vitriol that surfaces in discussions between Apple and Microsoft loyalists is emblematic of strong brand attachment. The more consumers view the brand as part of their own identity, the more they're willing to defend it and attack anything that threatens it. Threats to the brand are like personal threats to the brand loyalist.

Strong oppositional loyalty can create a stronger brand community, where the most attached consumers feel compelled to bond with others who are as strongly attached. They use the opposition as a focal point for their relationships. Brands with strong oppositional loyalty enjoy a consumer base that is willing to work far more on the brand's behalf than it might for other brands. These consumers are more likely to promote the brand on their own in social media. They'll also go to great lengths to see that the brand succeeds, even if it means buying products and services from the brand that they don't need or wouldn't otherwise buy. —L.V.

who wants the newest device from their preferred brand. This segment even defends and rationalizes poorly designed devices—to them, it's the brand in their pocket, not the object itself.

ON DISPLAY

There is perhaps no stronger sign of attachment than consumers' willingness to show off a brand. When a brand connects strongly with our self-concept, we often want to use it as a way to signal who we are to the rest of the world. Historically, the degree to which we're willing to wear brands comes in waves. During the 1980s, brand display was critical to conspicuous consumption; people enjoyed draping themselves with brand identities, creating odd tapestries reminiscent of NASCAR uniforms. Around the millennium, distaste for displaying labels spawned a backlash movement. But the wearable brand never went away completely—it simply became more discreet. Whether used to show others you have status and style, as you might when carrying a signature Louis Vuitton handbag, or to display your commitment to quality, as you might with a Montblanc pen, we're often attached to brands because they help us project our identity to the rest of the world.

> **WHEN CONSUMERS USE BRANDS TO DISPLAY THEIR SENSE OF SELF, THEY MAKE A STATEMENT ABOUT THEIR RELATIONSHIP WITH THE REST OF THE WORLD.**

Sometimes this leads to problems for the brand's maker. A colleague recently told me that fashion brand Bebe was considering whether to discontinue production of its logo T-shirts, available online and in most stores for about $20 to $30. It was rumored that some Bebe executives were troubled to see housekeepers and nannies in local neighborhoods wearing Bebe T-shirts in the performance of their duties. They were worried that the brand would be perceived as less special because it was so accessible that you might find it on someone who was pushing a stroller or cleaning windows.

CEO Manny Mashouf had publicly stated that his goal was to position Bebe as a fashion icon worthy of premium pricing. In an investor call in 2010, he cited this goal as his rationale for partnering with public personalities such as Kim Kardashian, who he believed provided the brand with celebrity cachet. Many of the women wearing the Bebe logo T-shirt might indeed identify with the brand's sex-object image. Unfortunately, while many of these women consider themselves stylish, sexy, and sophisticated, they probably can't afford many of the products in Bebe's line. The comfortably priced logo T-shirt allows them to possess the Bebe brand and present themselves to the world as part of its culture.

When consumers use brands to display their sense of self, they make a statement about their relationship with the rest of the world. A brand can help consumers demonstrate how much they wish to fit in (as in the Bebe example), or it can help them signal how much they want to stand out.

THE SEMANTICS OF BRANDING

BY JONATHAN SALEM BASKIN

Have you ever thought about how people *talk* about brands? The brand stands for something. The brand does this or that. The brand value is whatever. The brand has a conversation with people. The brand tells stories.

Guess what? There's no such thing as "the brand." It has no consciousness or personality. It can't do things. It simply *isn't*.

There are businesses run by people who make decisions and take actions. Awareness, opinions, and feelings among people are driven by those actions.

Brands are the aggregation of those perceptions and emotions. They're fluid because the aggregation changes moment-to-moment. A due host of inputs affect those moments, most of which are environmental, circumstantial, and quite often unpredictable.

Consumers don't "own" brands any more than companies do. Brands are mirrors. Narratives with many authors. Topics that people talk *about*. Mental constructions that reveal themselves through description, however imperfectly, and through purchase and other experiences, more directly.

GUESS WHAT?

THERE'S NO SUCH THING AS "THE BRAND."

Many marketers think otherwise. It's why so much marketing presumes to describe or stay true to brands. It's why lots of branding is introspective, intended to get people to think or do things that are relevant back to brands. It's why the world gets evermore amounts of branded content, conversations, and communities.

And it's why so much of the stuff fails. Nobody cares about it. Worse, few people believe much of it. Semantics matter, and the definition of brand as "a thing" is as outdated as it is ineffective and costly.

Instead, marketers could focus on finding and sharing the truths upon which awareness, opinions, and feelings are based. Approach their work as guardians of those truths, and act as the creative souls who make them accessible and reliable for everyone else. Make a point of knowing and addressing people's needs and interests versus serving their own requirements.

Stop trying to control what people think or their experiences. Simply contribute uniquely truthful substance to their lives, and let their interpretation and use define the brand.

Our technologies have changed. So has our culture, and the economics that underpin the markets in which businesses compete. Isn't it time we changed our definition of brands, too?

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When your consumer audience celebrates interdependence—that we're all connected and that the more we work with others, the higher the benefit—your brand serves as a common bond. However, some consumers attach themselves to a brand because they see it as a symbol of disruption; they see it and themselves as iconoclasts out to overturn traditions. The brand demonstrates how they don't follow anyone's rules, nor do they care whether they are accepted into the mainstream. When Alexander McQueen's fashion lines first debuted, they shocked the fashion elite. McQueen built a name for himself by creating provocative styles such as low-rise pants, dubbed "bumsters," and staged fashion shows with controversial names such as "Highland Rape." The early followers of McQueen's fashion lines wanted to stand out. They took delight in his creative approaches to design, and they saw his brand as a form of rebellion—an opportunity to signal their autonomy and fierce independence.

DO YOU DRIVE A BENTLEY?

It may not be so surprising that consumers buy and use brands to shape their self-concepts. But can a brand be part of a consumer's identity when the consumer doesn't even possess it? The answer, of course, is yes. It's common to find consumers who identify with brands they have never owned or used. Think of the number of car aficionados who identify with the Ferrari, Maserati, or Bentley brands. Most of them haven't even sat in one of those vehicles, let alone owned one. The same is

true for fashionistas who identify with Chanel, Prada, and Dolce & Gabbana.

When brands that resonate with our identity are hard to possess, we compensate in other ways. In the real world, it is often true that we are what we buy. Online, we are what we post. And on social-media sites such as Facebook, Tumblr, YouTube, and Twitter, all you have to do is click the "Like" button or tell people you're following a brand. There's almost no risk. Every time you include a brand in your social stream, you're signaling to your world that this is what you stand for.

Which brings me back again to the Barefoot Bandit. Why would thousands of people choose to identify with a notorious fugitive and an alleged criminal? The easy answer to the question is that our culture has a history of glorifying outlaws. We've had naughty brands (*Playboy*), irreverent brands (Virgin), tricksters (AXE), and outright hostile characters (think of Apple's sometimes-maddening, sometimes-endearing "take it or leave it" approach to new product introduction). But dismissing Harris-Moore's Facebook fan base as nothing more than a love of antiheroes misses the point.

Consumers who liked the Barefoot Bandit on Facebook were engaged in at least one identity-affirming activity. Some clicked the "Like" button because when they came across Harris-Moore's story, something inside them identified with him. Whether they admired his flagrant challenge to law enforcement or saw him as the free spirit they'd like to be, they said, "That's great. Fly on!"

The other possibility is that they liked his fan page because they wanted to signal to their circle of friends and acquaintances that their own personal brand is aligned with the brand of the Barefoot Bandit. Aidin Stephens, an entrepreneur who profited from Harris-Moore's run from the law by selling T-shirts bearing his likeness, said he rooted for the Barefoot Bandit because "being good doesn't really get you very far. It's a kind of a sucker's swindle. . . . [W]hether he's a mastermind or not, he was obviously never going to have the kind of opportunities that some people might have to have a Mercedes or to be a pilot." Stevens proved his argument every time someone paid him $15 for a "Momma Tried: Colton Harris-Moore" T-shirt.

BRANDS ARE A PART OF THE CONSUMER NARRATIVE, AND YOU MUST STRIVE TO UNDERSTAND WHAT IT MEANS THEMATICALLY TO THE NARRATIVE YOUR CONSUMERS ARE TRYING TO ACTIVATE.

The story of the Barefoot Bandit (who, in January, was sentenced to six and a half years in prison) is an allegory about the pervasiveness of brands in our lives. It is possible that Colton Harris-Moore attached so much meaning to brands that he elected to possess them the only way he knew how—to steal them. It seems likely that the meaning of some of those brands emboldened him to engage in extraordinarily risky behavior, literally putting his life on the line. Along the way, he defined a brand of his own, creating a brand mark and establishing an identity that influenced others. And in perhaps the most striking lesson, his brand became a link to people all over the world—people disinclined to criminality. Instead, they saw a part of themselves in his brand, and they used a nonrisky channel (the online universe) to associate with his equity.

Brands are a part of the consumer narrative, and you must strive to understand what it means thematically to the narrative your consumers are trying to activate. For many of the great brands, this meaning was accidental at best. As we attach more and more meaning to our brands, it's worth your time to understand the compelling context your brand provides to the consumers who will make it their own.

When celebrities fall from grace, as they do from time to time, they often say that they never asked to be role models. But whether it's a star, an athlete, or a politician, the public is rarely sympathetic to this argument. The fact of the matter is that once you enjoy the benefits of celebrity, you have an obligation to serve your fans if you want to sustain your relationship with them. Increasingly, those fans want you to be a role model. They want you to prove them right for aspiring to be like you and for attaching you to a part of themselves.

Brands must live by the same obligation. It is simply insufficient to ignore this new social contract. If your brand enjoys high levels of attachment, you have an obligation to live up to what you promise. If not, you risk becoming irrelevant or—even worse—reviled and outcast. ■

BY MICHAEL E. RAYNOR

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MANAGEMENT BY IMITATION

To replicate Steve Jobs's success, do as he did, right? Maybe not.

WALTER ISAACSON'S BIOGRAPHY *STEVE JOBS* HAS BEEN DESERVEDLY WIDELY PRAISED. It does a masterful job of making you feel as though you have had a chance to appreciate the demons and angels of its subject's character and how those spirits, malicious and munificent, made Jobs one of the few to "dent the universe." Isaacson describes the behaviors that gave rise to what has been characterized as arrogance and insensitivity; we see the experiences that shaped Jobs's unique ability to place the capabilities of technology into the service of humanity's needs; we begin to accept that great achievement can sometimes demand an unwillingness to ever admit that any vision other than your own is worthwhile.

So far, so good.

In the April issue of *Harvard Business Review*, Isaacson wrote an article entitled "The Real Leadership Lessons of Steve Jobs." "Real" wasn't italicized, but you could almost see it pulsing on the magazine's cover. By the second paragraph, you knew why: In the wake of the biography, Isaacson reports, many commentators have attempted to extract general principles of effective leadership—except that Isaacson says they have drawn the wrong conclusions.

He then goes about setting the record straight, identifying fourteen essential attributes that were the "keys" to the Apple CEO's success. The article's conceptual summary of what the book describes in detail is an enormously helpful contribution to our collective understanding of a businessperson worth studying—someone who had not only a first, second, and third act, but in each case topped his own previous and remarkable accomplishments.

So far, so good.

Then it gets worrisome, for I fear that Isaacson falls victim to the same flaw that bedevils those he criticizes. Specifically, my worry is that we are, all of us, in danger of making too little of this biography's signal achievement and too much of what we wish it had instead accomplished.

For example, Isaacson says that the general principles he distilled from Jobs's experience are available for *every* CEO to try to—though *should* is the invited inference—emulate. Repeatedly throughout the article, Isaacson states explicitly that what drove his subject's success is useful to others pursuing their own.

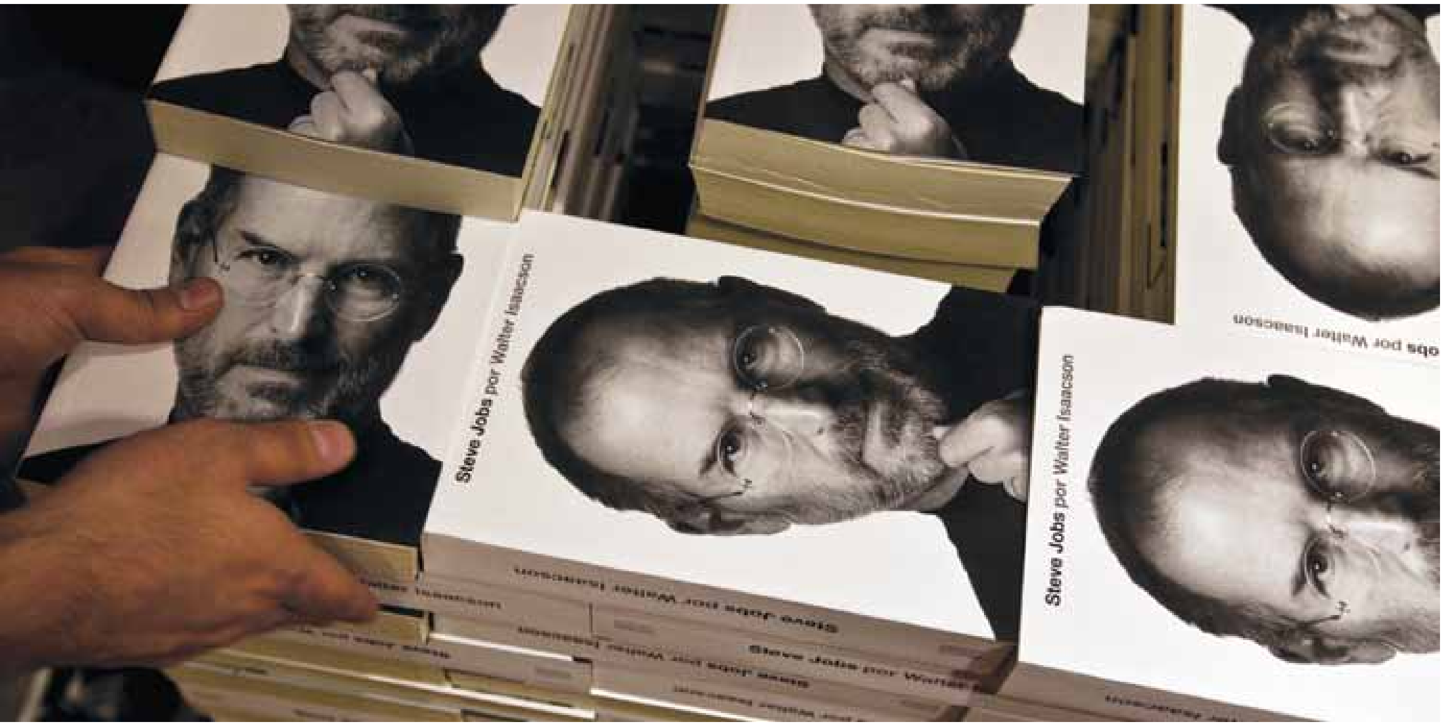
I think this goes much too far. The compelling narrative of the biography is simply not sufficient data to justify such general claims. Jobs, for all his impact, was still only one person. In extracting general principles from his career as a whole, we have precisely one data point with which to work. And you can draw any line you want through a single data point.

More importantly, the "question" the biography really tackles is not, "What made Jobs great?" but, rather, "What made Jobs Jobs?". Isaacson uses the tools of the expert biographer to answer that question. These tools include a highly nuanced and contextualized examination of specific events and particular relationships, a careful weeding out of extraneous events, focusing only on those that, with the benefit of hindsight, turn out to have been formative or definitive and provide deeper understanding of the outcomes we have decided matter most.

(To illustrate the contrast, Isaacson could have written about how Jobs's business experiences shaped his relationships, but he tells the story in the other direction. That focus must have altered the narrative that emerged.)

What matters more than anything in a great biography is getting as complete a picture as possible of a single life. And to make sense of Jobs, Isaacson weaves together as many different strands as his storytelling skill permits to impressive and revealing effect.

Rigorous social science, however, plays by very different rules, because it has very different objectives. Science seeks not merely to explain but to predict, a topic I've tackled before in this space. It demands that we make painful tradeoffs between the number of explanatory variables in our model and the predictive power of the model thanks to an unfortunate fact: The interpolation of data to account



for current outcomes gives you a great "fit" but undermines your ability to predict with any confidence what will happen next. In addition, the more complicated the model, the more difficult it becomes to use it effectively for prediction, since every new variable introduces opportunities for error, and those errors compound.

It really starts to get hairy when we try to address a deeply complex phenomenon because there is a necessary correspondence between the complexity of what we are trying to understand and the tools suitable to its investigation. To paraphrase Noam Chomsky, it looks something like this: When the problem is simple—atoms or smaller—physicists can cope quite well with their particle accelerators and the standard model of quarks, lepton, and muons. Put too many atoms in play, and you need chemistry to make sense of it all. Spirocyclic alkenes, molecular chirality, and ionic and covalent bonds all feature prominently. (Don't be too impressed—I've been watching *Breaking Bad* on Netflix and took the examples from there.)

When those molecules become living organisms, you need biologists to weigh in, and they invoke a whole new set of concepts to capture the complexity for which chemists simply cannot account. When those biological organisms become self-aware, you need psychologists. When they start cooperating in groups, you need sociologists, and so on.

Even all these disciplines together still leave us with a vast uncharted territory. For example, we know that emotional states are governed—indeed are equivalent to—the action of hormones and neurotransmitters such as oxytocin, dopamine, and serotonin. But our explanations of emotional states in terms of these constructs are entirely unsatisfactory. So we still need concepts like love and sadness and anger and joy, which, for all their usefulness, mean different things to each of us. In fact, these terms draw much of their power from their intensely personal meanings. That is why their use is the province of novelists and songwriters and poets . . . and biographers.

We are all complex, multidimensional beings, and books are a linear medium, subject to their defining constraints. A complete depiction of an entire life in a biography is impossible; the best we can hope for is a crude outline of the most prominent features hacked with a stone chisel. With that, we can perhaps gain some insight into ourselves, a deeper appreciation of what makes us tick. Whatever we believe it might tell us about ourselves or others must be carefully examined in the context of our own experiences and applied, if at all, with extreme care. Such lessons apply to many of us only in the way that many dimensions of the human experience can be simultaneously intensely personal yet utterly common.

Science, by comparison, uses a scalpel to dissect many nearly identical specimens in order to create imperfect but powerful generalizations. Its lessons apply broadly by design, not by coincidence.

When you combine the biographer's project—the explanation of a life—and the tools that must perforce be used, it does not fall to someone else to tell us what are the real lessons of Jobs's life. Rather, it falls to each of us to learn what we can. ■

BY ALISON MAITLAND

ALISON MAITLAND is co-author of *Future Work* and *Why Women Mean Business*. A former longtime writer and editor for the *Financial Times*, she directs The Conference Board's Council for Diversity in Business and is a senior visiting fellow at Cass Business School, London. She can be reached via alisonmaitland.com.

THE FIVE TYPES OF TRUST

Building credibility beyond the usual tone-at-the-top approach.

THERE'S A LACK OF TRUST IN SENIOR LEADERS, WHICH SHOULD COME AS NO SURPRISE SINCE CRITICS HAVE BEEN SAYING THIS FOR YEARS NOW. AND YET.

The credibility of chief executives continues to erode, according to a survey earlier this year conducted by global PR giant Edelman. The firm's 2012 Trust Barometer revealed that only 38 percent of thirty thousand respondents said they could rely on a CEO to provide credible or very credible information about a company, down 12 points from the previous year—the barometer's biggest drop ever in CEO credibility.

Trust in business leaders is more than ever in need of repair. Can we finally do something about it?

Many organizations are making the effort, struggling vainly to rebuild trust. Where can they look for instructive examples? An auto-components maker in the industrial Midlands of England might not seem the obvious place to start, but Metal Assemblies Ltd. is a small firm that prides itself on a culture of trust between management and workers that has seen it through dark times.

The firm employs about one hundred people using fifty different working arrangements that adjust as the needs of individuals and the business change. This innovative setup relies on frequent, honest, two-way dialogue, which paid off when the firm had to shift to a four-day workweek and put employees on 80 percent pay for three months during the recession. "When we told [workers] these were extraordinary circumstances and things were bad, they really understood that it was serious and necessary and believed that we were telling the truth," said owner Stuart Fell.

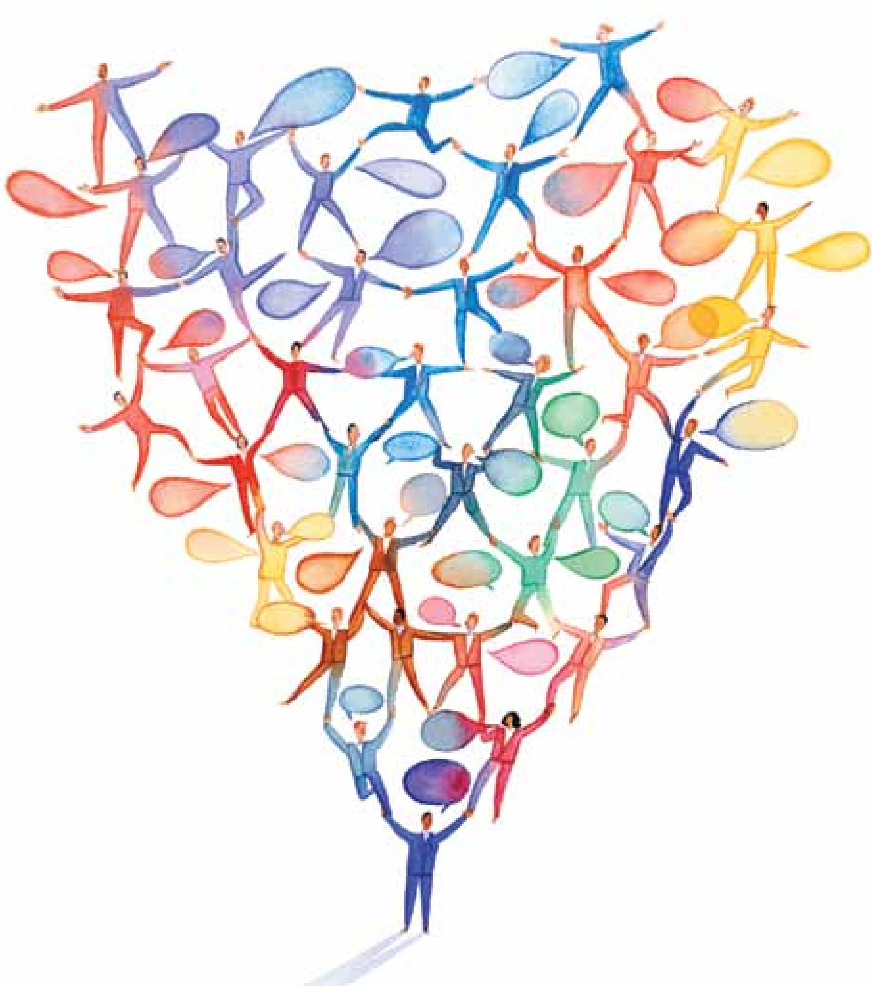
It's quite an achievement just to maintain such trust amid cutbacks. Cost-cutting often leads to a downward spiral of suspicion and resentment, especially if the people at the top continue to reap big bonuses. However, a new study by the U.K.-based Chartered Institute of Personnel and Development (CIPD) finds that some organizations actually manage to *increase* trust in tough times.

Cass Business School strategic HR professor Veronica Hope-Hailey, who directed the research for the CIPD report, says leaders often talk about trust and engagement in vague terms. "There's lots of rhetoric," she says, "and absolutely nothing happens." However, in the report, she identifies five different types of trust relationships within organizations: ❶ general trust among all workers to maintain positive relationships with each other and various stakeholders; ❷ employee trust in senior leaders; ❸ trust in the organization, where individual leaders are less important than the company and its purpose as a whole; ❹ trust in external relations with customers, suppliers, and others outside the company; and ❺ trust between employees and their direct line managers.

Hope-Hailey points out that such categorization helps leaders to identify where their main focus should be at any given time. It's like having a series of bank accounts, she explains. All have different reserves, and so the question becomes: Which one are you going to build up? One financial firm, for example, decided to prioritize rebuilding trust with its customers, hugely damaged by the financial crisis—otherwise it would have failed. Judging by the growing shareholder revolts against excessive executive payouts on both sides of the Atlantic, many companies need to rebuild trust with their investors as well.

The study also points out that a particularly important trust relationship, when it works, is the one between employees and their direct managers. Nonetheless, were a manager to lose faith in senior leaders and take the side of her team, for example against a restructuring, that can undermine the strategic goals of the organization.

My best-ever boss not only led from the front but also had loads of empathy. I suspect we would have followed him to the ends of the earth, or to the barricades, if he had fallen out with his superiors. It never happened in my case,



but there are plenty of examples of team leaders jumping ship and whole teams following, leaving a massive hole as they head into a competitor's welcoming arms. All of which indicates that while trust in line managers is important, companies should not neglect the other four categories.

For example, while it's tempting to focus exclusively on trust in senior leaders, that's dangerous because top executives may move on, fall ill, or have their integrity called into question. Likewise, an overreliance on external trust can leave too little attention to relationships inside the organization, potentially stifling innovation and future growth. And depending too heavily on trust in the organization, which can happen at institutions considered to have an important social or moral purpose, is also risky if that purpose changes or comes under attack.

Ultimately, organizations that are most effective at maintaining trust through turbulent times are those that have built positive relationships in good times. Using Hope-Hailey's banking analogy, when all the accounts have a healthy balance, if one account starts to lose trust, the company can use reserves from the others to carry the organization through a downturn.

A business that has done this is the John Lewis Partnership, a leading British department-store chain owned by its employees. Over the past two years, the company went through a major restructuring, losing some jobs in the process. Yet staff told researchers that the operation was carried out with such transparency and humanity that they ended up trusting the organization more than ever.

Another case is international law firm Norton Rose, which watched other legal practices cutting jobs in the financial crisis and decided doing so would be incompatible with its values. The chief executive, working with HR, asked staff if they would agree to reduce their hours and take a 15 percent pay cut to get through the crisis. In a vote, 97 percent of employees said yes.

So what are the dos and don'ts for leaders in building or repairing trust in difficult times?

First, recognize that you have a choice about how to act. You can't just shrug it off by saying "bad stuff happens." The way you behave can make or break whatever trust exists in the organization. Be open and honest, don't use spin, and own up to mistakes. How often do Western CEOs actually apologize to their employees? It's a common part of business culture in Japan, and some of that humility would not go amiss among executives in the United States and Europe.

Second, understand that trust is dynamic and that downward trust encourages upward trust. Consult and listen to middle managers who have direct relationships with their teams. Discourage them from micromanaging, a default mode to which they often revert in tough times. As Hope-Hailey underlines, excessive monitoring not only wastes time and money but also damages trust further because it sends employees the message, "We don't trust you to do your job." In one public-sector organization, senior managers realized that they needed to reduce the level of checking and controlling. "As they did that," she recalls, "people would say, 'We're beginning to feel trusted more, and we will now reciprocate and trust those senior managers.'"

Third, stay connected with all the people in your firm and share the pain. One senior manager at John Lewis told CIPD researchers: "As a leader, I am serving them." Too many executives today see their job—and their remuneration—as an entitlement rather than a service to employees and customers. That disconnection is immensely destructive of trust. ■

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JONES VS. ANASTASIJEVIC

Guess which employee with one of these last names is likelier to receive preferential treatment.

I LIVE WITH A DARK SECRET: I TOOK MY HUSBAND'S DIFFICULT-TO-PRONOUNCE SURNAME—PRONOUNCED ROO-TA-MAN—BECAUSE OF MY ORGANIZATION'S PAYROLL SYSTEM. When I got married a decade ago, I wanted to embrace my 1990s version of Lilith Fair feminism and hyphenate our names; however, at the time, the payroll-services firm that my company used allowed for only fifteen characters. With a hyphen and my own ethnic last name, I was coming out at sixteen characters—never mind too many vowels.

It turns out that I was potentially screwing myself regardless of which option I would have chosen, according to a new research paper published in the *Journal of Experimental Social Psychology*. The article finds that people whose names are easier than mine to say occupy higher-status positions in law firms. This phenomenon is called the "name-pronunciation effect." The study also finds that we more positively evaluate easy-to-pronounce names—and the people who bear them.

That's right. If your last name is Jones or Williamson, you are golden. If it is Matyczyn or Gumescheimer, your supervisors and colleagues may be biased against you, which can impact your earnings and your opportunities in both the short and long terms. (Unfortunately, the study makes no reference whether having a relatively odd-sounding name affects one's own partiality.)

What's interesting is that the study's results are consistent and have nothing to do with length, unusualness, typicality, foreignness, and orthographic regularity. That's right: You can be black, white, or beige, from Montana, Mongolia, or Mars, and it won't matter. It's all about how your name rolls off the tongue. So if your last name is Johnson, Novak, or Tanaka, you probably breeze through life with champagne wishes and caviar dreams. If your last name is Anastasijevic, Papadopoulos, or Akunyili, you probably trudge through life saying things like, "Yeah, I know it's a big last name. Just call me Judy."

Poor Judy Akunyili-Anastasijevic. She'll be filing TPS reports for the rest of her life while her counterpart, Jennifer Novak, will be running for Congress by the age of 35.

That doesn't mean that David Gonzalez will fare well in his career simply because your eyes didn't pause long while reading his name. Race-based name discrimination and bias also exist, particularly for Muslim, Arab, and Persian applicants in a post-9/11 environment. Many of us who work in the world of human resources and lead diversity initiatives have seen plenty of anecdotal evidence to support the claim that non-white job-seekers suffer widespread prejudice throughout all sectors of the economy.

There's also proof.

Just as various groups hire secret shoppers to test the skills and friendliness of workers at fast-food restaurants, others use undercover job hunters to create false identities and send résumés to employers. In the United Kingdom, the National Centre for Social Research conducted an experiment in which it sent fake résumés responding to 987 jobs, using three false names—Nazia Mahmood, Mariam Namagembe, and Alison Taylor. The results were stunning. According to an article in *The Guardian*, "They found that an applicant who appeared to be white would send nine applications before receiving a positive response of either an invitation to an interview or an encouraging telephone call. Minority candidates with the same qualifications and experience had to send 16 applications before receiving a similar response."

Freakonomics authors Steven Levitt and Stephen Dubner have written extensively on baby names, and they have a different theory about implied bias. In America, it is common for minority communities to crown their children with highly differentiated and distinctive names. White Americans may name their daughters Vanessa while some girls in the African-American community bear a variation such as Vonessia.

“THE DATA SHOWS THAT A PERSON WITH A DISTINCTIVELY BLACK NAME FARES WORSE IN LIFE THAN SOMEONE WITH A WHITE-SOUNDING NAME SUCH AS MOLLY OR JAKE.

According to Levitt and Dubner, the data shows that a person with a distinctively black name fares worse in life than someone with a white-sounding name such as Molly or Jake. But, Levitt argues, “It isn’t the fault of his or her name. If two black boys, Jake Williams and DeShawn Williams, are born in the same neighborhood and into the same familial and economic circumstances, they would likely have similar life outcomes. But the kind of parents who name their son Jake don’t tend to live in the same neighborhoods or share economic circumstances with the kind of parents who name their son DeShawn. And that’s why, on average, a boy named Jake will tend to earn more money and get more education than a boy named DeShawn. DeShawn’s name is an indicator—but not a cause—of his life path.”

As a leader, I wonder what assumptions you make about the knowledge, skills, and potential of an employee named Terry Greenberg. Is Terry a woman or a man? Is she an accountant or is he a consultant? How about Vincent Castelletti? When Vince’s résumé comes across your desk, do you first assume he’s applying for a job in sales or IT? Is Lakeesha Jones your next chief medical officer or chief diversity officer?

And, if we think back to the bigger issue of likability and the name-pronunciation effect, I wonder whether you’d enjoy working with Stephanie Piotroski-Tomaszewski as much as you’d enjoy working with Mark Mitchell.

Carmen Hudson, a leading recruiter who spent her career at companies such as Yahoo! and Amazon, says that technology can help to remove initial bias in the recruiting process. Many companies have invested in comprehensive human-capital management modules as part of a broader resource-planning system. Hudson says, “I have long thought that applicant-tracking systems should obscure names, demographic information, and even information such as ZIP codes and area codes until skills have been reviewed.”

The job market is tremendously complex and unscientific. It’s where data meets emotion. Knowing what we know about the subtle and implicit biases related to names, some job-seekers might follow the path of early immigrants to Ellis Island and choose to change their names to improve their future employment opportunities. Google executive chairman Eric Schmidt predicts that every young person will one day consider—and possibly feel entitled to—changing her name due to youthful shenanigans and perceived biases.

Nevertheless, Hudson argues that name-related bias at work and in life is unacceptable and that society should evolve. She advises, “Mothers, name your child whatever you want. Employers, hiring managers, voters, corporate board members, and merchants—you are on notice. Do not make decisions and take actions based on a first or last name. You will be held accountable.”

Simon Laham, a co-author of the name-pronunciation-effect study, agrees. In an interview with *Medical News Today*, he was optimistic that the results of his study would be helpful in the workforce. “Such an appreciation may help us de-bias our thinking, leading to fairer, more objective treatment of others.” ■

SIGHTINGS

AN INDUSTRY STEELING ITSELF

STEEL WORKERS IN RUSSIA ARE NERVOUS. Now that Vladimir Putin is back in the Kremlin, some may be wondering: Will I have to resort to growing my own potatoes? Again?

The economic crisis hit Russia hard in 2009. So hard, in fact, that Magnitogorsk Iron and Steel Works, a leading steel manufacturer, offered one thousand plots of land around the nation's biggest steel plant for employees to grow potatoes as compensation for forced unpaid leave. The company even provided free transportation to the fields and around-the-clock security. It's not clear how many workers accepted the offer three years ago, but today, thankfully, employment in the steel industry is up. And many of its workers can afford to buy potatoes at the market. For now.

While steelworkers, like the one pictured above at Chusovoy Metallurgical Works, in the nation's Perm region, continue to process iron, some fear that Putin may wield his iron fist to bend the industry to his will.

During his presidential campaign, Putin promised to increase funding for affordable housing, higher pensions, and greater salaries for state employees. Given the regime's stated aim to cut taxes further for the nation's largest industry—oil—it must find rubles somewhere to pay for all those homes and retirement plans. Some experts speculate that the metals sector is a prime target. As the industry continues to grow—Russia is the world's fifth-largest steel producer, manufacturing almost 70 million tons (China, which puts out ten times that, is the leader)—the government feels that steel is strong enough to withstand the extra taxation. Only time will tell whether the industry's potential losses become the potato industry's gains. —VADIM LIBERMAN