

Speaking your Mind

TELLING THE TRUTH ON THE JOB DOESN'T JUST KEEP YOU OUT OF JAIL AND PREVENT YOUR COMPANY FROM BECOMING THE NEXT ENRON, IT ALSO MAKES YOU SUCCESSFUL.

BY CHRIS WARREN

As a longtime executive at the computer chip and software manufacturing company Intel, Gary Raetz had no lack of responsibilities: There was a seemingly never-ending stream of meetings to attend, presentations to assemble, employees to manage, and products to help develop. Of course, it was a pretty standard menu of tasks for someone at a hard-charging Silicon Valley outfit - and myriad other American companies, to be sure. But one task that Raetz had at Intel (he has since left to become vice president of customer services at a smaller tech company, Webridge) that was certainly unique in corporate America was to teach a class to fellow workers on constructive confrontation.

Constructive confrontation? To many in the business world, that's an oxymoron; employees need to learn how to be nice and work together as a team, the thinking goes, not how to cross-examine one another and shoot down each other's ideas. Isn't that why you spend all sorts of time and money on seemingly silly team-building exercises, like white-water rafting or going on a scavenger hunt? Sure, working as a cohesive unit is still important, but today, so too is having a culture that values open, honest communication, one where subordinates feel comfortable telling their boss that an idea simply won't work, that a deadline just can't be met, or that an assignment just might land the company in legal trouble. Just ask executives at WorldCom or Adelphia whether they wish people expressed qualms with their plans.

LET'S BE FRANK

That was the point, Raetz recalls, of the Intel class: to get people comfortable with speaking frankly, though not abusively, to one another at all times - or, as he calls it,

"attacking the problem and not the person" (see "Cultivating Honesty" on page 52 for tips on fostering a culture of honesty). "Confrontation is important because if you avoid confrontation and if you clam up and you try to be too nice, you don't deal with the real issues and you're doing a disservice to the business," recalls Raetz, who says everybody at Intel was required to take the course.

"Somehow the perception is that being nice is valued over the result. If that pervades the organization, you'll have a nice happy organization that doesn't get results." There's also the alternative, of course, where honesty is squelched because leaders throw conniption fits whenever they receive information not to their liking.

Either way, the costs of a less-than-forthright workplace are steep, while the benefits of openness can be felt at all levels of a company. "There are so many positives," says David Logan, associate dean and executive director of executive development at the University of Southern California's Marshall School of Business. "You'll get a more productive company, and you'll have much less social friction. The company moves faster.

People know where they stand; when they're told something positive, they believe it. When they're told something negative, they take it to heart a little more."

TOUGH TALK FROM THE TOP

Perhaps the biggest benefit of a company committed to honesty comes to those in leadership positions. Think about it: Today's fast-moving business world is utterly dependent on information - be it about a changing market dynamic or the specific need or dissatisfaction of a client - and it is literally impossible for management to know everything they need to know in order to avoid making stupid, or even illegal, decisions. That's why employees at every level, says Larry Johnson, co-author of *Absolute HoneAty: Building a Corporate Culture that Values Straight Talk and Rewards Integrity*, need to be encouraged to share information, even when they know it will be unpopular with their superiors. "You'll [sometimes] have information coming in from the sales force, saying our customers are saying this particular aspect of this chip sucks," he says. "If that particular chip happens to be someone's sacred cow, there has to be a culture where that lowly sales-

SIX LAWS OF ABSOLUTE HONESTY

1. **TELL THE TRUTH:** Should be clear enough.
2. **TACKLE THE PROBLEM:** Don't ignore tough issues. Take them on and deal with them.
3. **DISAGREE AND COMMIT:** Let everyone have a say about an issue, but once a decision is made, get behind it.
4. **WELCOME HONESTY:** Don't get angry or abusive when someone tells the truth - no matter how unpleasant.
5. **REWARD THE MESSENGER:** Avoid any obvious or subtle retribution for people who tell you bad news; in fact, try to reward it.
6. **BUILD A PLATFORM OF INTEGRITY:** Create unequivocal ethical guidelines of how you expect people to behave in your organization.

from *Absolute Honesty: Building a Corporate Culture that Values Straight Talk and Rewards Integrity* by Larry Johnson and Bob Phillips (Amacom Books)

person can come back and say that, and can take a look at that sacred cow without fear or intimidation." That's just the kind of culture that pervades Harley-Davidson, the motorcycle manufacturer, according to Benny Suggs, the company's director of dealer training. "I've never seen someone chastised for having a differing opinion," he says. The result, Suggs says, is a business that has tremendous worker loyalty, a low attrition rate, and, perhaps most importantly, a business environment that seems to generate an enormous number of new ideas on a consistent basis. "Everybody is expected to contribute, and since they know they can do it freely, they do," he says.

Executives also benefit from this sort of free flow of truth because they don't waste time acting on faulty or incomplete information, says Bob Phillips, co-author of *Absolute Honesty*. "Think about the amount of time people spend chasing problems and issues when in fact someone hasn't given them all the information, someone hasn't given them all of the data," he says. "And what you spend time doing is going down one path, when if I had given you all the information, I would have cut down your time to do this project by half."

KEEPING IT REAL

While a culture of honesty certainly is of great benefit to leaders trying to make quick and informed decisions, it is also a big plus for workers at all levels of a company. Why? For one thing, it takes away the anxiety of not knowing how co-workers and bosses are viewing your job performance, says USC's Logan. "If you don't have a culture of truth-telling, there are all of these horrendous consequences. One of them is people never know where they stand. Even if they are told something positive, and they're told it sincerely, it has no value for them," he says.

Logan gives the example of a company he recently worked with where a senior executive was fired. The firing was acrimonious, yet the company decided to not even acknowledge that the executive was being terminated, saying instead that he was leaving to pursue "personal challenges." "Everyone knew he had been fired," says Logan. "The fact that it was handled that way called every piece of positive feedback that has ever been given in the company into question."

Just as important, when a company isn't geared toward giving straightforward feedback - both positive and negative - to employees, whenever a criticism is offered it comes across as harsh. "If a company rarely gives negative feedback, they don't tell the truth, the rare instances when they do feel extreme," says Logan.

While fostering a company where open communication is not only encouraged but also rewarded is clearly a boon to morale, productivity, and cohesiveness, Logan warns that leaders need to be sure not to create an environment where people feel free to abuse one another. "On the one hand, you have to be culturally sensitive and sensitive to people's feelings, but on the other hand you have to be respectful of their intelligence," he says. "You want to tell the truth but not to excess. Anyone who has ever been in a romantic relationship knows that if you voice every passing thought that occurs to you, whether you mean it or not, it ends up hurting the relationship." ©

CULTIVATING HONESTY

How do you create an organization that is open and truthful? To Bob Phillips, co-author of *Absolute Honesty*, it all starts at the top. "Leadership creates the environment," he says. And as a leader, Phillips says, there are things you can do to cultivate that open, honest culture. Here are a few:

- **LEAD BY EXAMPLE:** Understand that people will always be watching and listening to you as a leader, looking for signs about what you value. Make sure that what you say and do corresponds with your desire for an open, honest company.
- **INSIST ON CANDOR:** In everything from speeches to water-cooler banter, repeat your insistence for honesty. And just so there's no confusion, let them know what you expect from them in terms of honesty and openness.
- **CREATE DEBATE GROUPS AND REVERSE ROLES:** Try to take away some of the hesitation people have in speaking up by making disagreements more of a game. A good way to get people to understand different sides of an issue is to have them reverse roles and argue both sides.
- **SEND A MESSAGE IT MATTERS:** Create a committee that will meet quarterly to oversee a company's ethics program. Be sure the committee includes employees, a representative from legal, and especially some top leaders to send the message that honesty is as important as profits.
- **RESTRAIN YOUR OWN BRILLIANCE:** Often, people rise to leadership positions because they are smart and eloquent. Be sure not to intimidate others into silence by constantly showing off.

-C.W.

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