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Subject: Week 130 learnings - What is the Cost of Lies?

Dear All

A big fallout of the whole corona pandemic is the news, fake news, truth and lies that are going around.

A movie on the Chernobyl disaster released last year opens by asking this question – what is the cost of lies?

It's a powerful set of words:

What is the cost of lies?

The cost is that we could mistake it for the truth.

The cost is that if we hear enough lies, we may never be able to see the truth

Every lie is a debt to the truth

Let's look at it from two angles – what happens to lies in a society and in a company.

In society, we go through many lies, especially when it concerns politicians talking about the economy, unemployment, about trade relations etc.

When people sense lies on the society stage, then we look at a few institutions that can save us – the media, the judiciary etc. So when we see lies in society, we tend to read the alternate view in media, we tend to take the body of lies to court. This was the old days. In the old media, the editor took responsibility for fact check.

The new days are about social media. President Trump tweeted something which was not fully truthful and twitter flagged that off as a suspect tweet. President Trump went after Twitter with a vengeance. The team at Facebook is facing the ire of advertisers like Coca Cola, Unilever, P and G, Hershey etc. who are all asking for significantly tighter rules against the lies whether they are hate or racial in nature. Facebook has lost a lot of value in the last few days and I think the coming days will play out differently on this topic.

In a social media world, who takes accountability to fact check?

Let's look at what happens in organizations – the first step is there is nothing called lies in an organization. In a company, I have seen the following:

- a. Intellectual dishonesty
- b. Gossip
- c. Pulling down people when they aren't around by spreading misinformation

Let's look at each of them.

I have seen a certain amount of intellectual dishonesty(economical with the truth) in many leaders. When I say intellectual dishonesty, it is like glossing over the facts and providing an alternate set of facts that weren't 100 % right but they are not 100 % wrong either. A good example is the competition prices, volume in the market, inventory with distributors, these are verifiable but people tend to give out the wrong numbers.

This happens because deep down many leaders only want to show the positive side of what they are doing and they tend to brush the negatives under the carpet. I always advocate my teams to spell it out as it is so that there is no grief later on. People in a meeting know when there is intellectual dishonesty in the room, but no one has any incentive to speak the truth or call the lies. In fact they complicity support it. Leaders play an important role in seeking and clarifying the truth and pushing people to do the right things, the right way.

Gossip is a common form of organizational lies. People tend to gossip about various things in the organization. The funny thing about gossip is that if it's not nipped in the bud, the it tends to take on monstrous proportions and goes off gear and have severe implications in an organization. Gossip is invariably about money matters and relationships.

Talking ill of people when they are not around is a common set of lies that happens in every organization. Cowards tend to do this, people who are confident will confront the issue.

Here's the difference between an organization and society. In society you can take recourse to libel action, you can write an article in a newspaper, you can go to court to clarify. In an organization, you can do little except to bring it to the notice of people who matter and even then the people who construct these lies will flatly deny it.

So, what is the cost of lies in an organization?

The cost of lies impacts TRUST, PERFORMANCE, and CULTURE. It also seriously damages relationships.

So, what can we do in organizations which are not fitted with processes or procedures to manage the cost of lies?

I turn to a sports analogy, which you might say is utopian. Golf is a great game, a game where the individual player calls the rules on himself. When he is on doubt, he calls the referee, but he applies the rules on himself and that's how people keep golf as a game where everyone trusts the other. There will be rogue golfers but the game and the way its constricted relies on self-regulation and application of these gentleman code.

What if every manager in a company tried to actually do the same?

Will we have a different type of company where the cost of lies do not hurt?

I don't know, but I thought its good for us to think about it.

I will end by saying that no legacy is built on lies, a legacy built on lies crumbles much like Enron, much like what's happened in many Indian banks.

Feedback welcome

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