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# COMMUNICATIONS +

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Briefing Note

## CEOs and the Attack of Conscience

November 2019



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**MONTIETH & COMPANY**



At a global PR industry conference I attended recently, one of the panels tackled the perennial issue of how urgent it is for marketing communications to prove its value to the C-Suite. The discussion focused on doing that through data-driven measurement to demonstrate ROI, especially to the CFO.

An audience member stood up and asked how to measure marcom's value when the company gets in trouble, especially when its CEO is in the crosshairs? He recited some of the day's negative news, starting with the resignation of Nike's CEO. Without missing a beat, the panel's moderator asserted that the Chief Communications Officer "can't be the conscience of the organization."

A day later Mark Zuckerberg asserted in testimony before Congress that lying in political advertising is defensible. Within hours, he was reminded in a tweet by a daughter of Martin Luther King Jr. that disinformation about her father's civil rights struggle was routinely spread by politicians. Her message: lying, even in politics, is not a good thing and tolerating it as a major company CEO is a commercially grounded Faustian bargain.

That lying is wrong is not subject to debate. However, that any one person in an organization should

be its "conscience" is worth thought. Exercising conscience, after all, is the essence of human agency.

#### Who Owns Conscience?

Conscience is defined as acting as a guide to the rightness, or wrongness, of behavior. When the CEO demonstrates bad behavior, whose "job" is it to do something about it? And just what is it that needs to be done?

One answer to those questions is found in the profile of Dick's Sporting Goods CEO Ed Stack in

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the October 27 New York Times. Mr. Stack decided to stop selling assault-style rifles and high-capacity magazines after the Stoneman Douglas High School mass shooting. We're sure many of his customers were unhappy about that. When he was asked in the piece what he tells other business leaders who don't want to get political, he replied: "If you have ideas about how to solve certain problems, I think it's your responsibility as business leaders to speak up."

Sometimes it's as simple as that. CEOs after all do have it in their power to do what's socially, and culturally, right whatever the perceived political cost. And if they need to course-correct their own behavior or the conduct of the organization, they have the power to do that too.

#### Hard Yards for CEOs

It shouldn't be such hard yards for so many of today's CEOs to step into the "higher self" that Mr. Stack occupied and also to take the organization with them. That it seems so difficult for so many high-profile corporate leaders points to the challenges of figuring out just where the conscience of the organization resides.

The company can decide, as Mr. Zuckerberg discovered. A week after his testimony, hundreds of employees sent a letter criticizing his defense of lying in political advertising. Those employees became the collective conscience of Facebook.

Which brings us back to what part of the conscience of the organization is owned by the Chief Communications Officer. If the CEO has made solid purchase on corporate conscience, and walks the walk, the Chief Communications Officer (CCO), and everyone else in the C-Suite, has a much easier time following suit.



If the CEO doesn't, it is the rare CCO who can be the conscience of the organization if that means challenging an errant CEO. Those CCOs are not likely to keep their jobs for very long.

As much as everything in our gut says no one senior executive should be let off the hook when confronted with the responsibility of exercising their conscience, we know as a practical matter how difficult that can sometimes be. In our crisis and litigation work we've seen, well, everything. Taking leadership, in any area of corporate life, can be hard.

### The Icarus CEO

That's especially the case when up against what I call the Icarus CEO aka the "visionary CEO" like WeWork's Adam Neumann. A November 3 New York Times profile about his "failing up" recounts a long list of behaviors that individually, let alone in sum, should have sounded the alarm bells for colleagues, employees, investors and its Board of Directors long ago. That it didn't and billions of dollars were invested in his vision shows how easily the cult of personality can overcome simple common sense.

The fact, then, is we can turn to the village. As Facebook's employees demonstrated, conscience in an organization of any size can be collective. We'd like to say that begins with modeling by the CEO but clearly that didn't happen in Facebook's case, nor in WeWork's. What's interesting, however, is that there is something about Facebook's culture where people felt empowered to speak up, collectively, while at WeWork this doesn't yet exist. The difference might just be corporate maturity. Facebook is no longer a startup. Given its scale, nor would WeWork seem to be but in a sense, under Mr. Neumann, culturally it never really matured into adulthood.

That would be easier to do for an organization if it thinks more in terms of principles than rules. American companies publish a Code of Conduct and expect people to follow these clearly stated rules. Some companies enforce those rules rigorously and some don't. Europeans take more of a principles approach to business ethics. This posits that by engaging in business with someone you have implicitly agreed to abide by certain ethical principles. There's an expectation that you will be your higher self because you have already agreed to do that: this is ethics lived in existential terms.

All of which still means we need to always leave room for individuals to do heroic things and remind us that we all, individually, have the power to effect important change. Witness Jack Dorsey's decision this past week to stop taking political ads on Twitter. Sometimes it's as simple as that. A person stepping boldly into individual human agency.

### Additional Resources

- [+ In an Era of Easy Outrage, When Should Brands Take a Stand?](#) (Kellogg Insight)
- [+ Fisher Investments' Damage Control](#) (Barron's)
- [+ Ethical Principles vs. Ethical Rules: The Moderating Effect of Moral Development on Audit Independence](#) (Eighth Symposium on Ethics in Accounting)
- [+ The C.E.O. Taking On the Gun Lobby](#) (The New York Times)

## Core Communications Learnings

As a rule, the stronger the personality of the CEO the stronger should be the experience and abilities of the Chief Communications Officer. The personality types, however, should have one key difference: outsized CEO personalities tend to be “Mr. Outside” types who don’t want to competition from within for public attention. The CCO should be a “Mr. Inside” personality.

In rules-driven jurisdictions, like the U.S., and increasingly the U.K. post-Great Financial Crisis, the role and responsibilities of the Chief Compliance Officer have greatly expanded. As the compliance function has found its footing in the organization it has grown to work closely with the General Counsel. But it should be working just as closely with the communications leaders as well. That should be supported by the CEO.

Adam Neumann’s failing is the same thing as saying WeWork’s Board of Directors failed. Any board of a company with WeWork’s public profile and CEO personality type should be routinely “auditing” the corporate reputation and conducting scenario planning meltdowns. If WeWork’s board had done that the company might not be in the situation it is today.

### Montieth M. Illingworth, CEO, Montieth & Company

Montieth began his career as a journalist and became a PR professional in 1995. He has worked in leadership positions at a variety of global agencies and founded Montieth & Company in 2007. Montieth has advised clients on a wide range of corporate initiatives and special situations. He has expertise counseling leadership and management teams across multiple sectors. Montieth travels frequently throughout the world’s key money and media center markets in North America, the U.K. and Europe.



### About Montieth & Company

Montieth & Company is a global specialist communications consultancy, dedicated to enabling organizations to seize opportunity and meet their greatest challenges. M&Co operates through six practice groups: Marketing Communications, Corporate and Financial Communications, Litigation Communications, Issues and Crisis Management, Global Content Services, and Public Affairs. Montieth & Company has offices in New York City, Washington D.C., London, Frankfurt, Paris, Madrid, and Hong Kong and projects solutions into multiple money and media center markets throughout North and South America, Europe, the Middle East, Africa, and the Asia-Pacific.

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