

REFLECTIONS ON MANAGEMENT

WITH TOM GALVIN

AUDIO TRANSCRIPT



On Power and Communication (Social Contract, Part 3)

Season 6, Episode 3 – originally released 23 March 2021

Please note: This transcript has been edited for clarity.

In parts one and two of the series on the social contract, I presented some background and talked a lot about the impacts of competition and how it contributes to possible conditions of unfairness, the idea being that the nature and character of competition is not just about who wins, but who has the ability to set the rules. It is this point that I wish to discuss more the ability to influence the arena in which competition takes place, which in turn influences who is better able to compete. Moreover, in the contemporary environment where misinformation and disinformation are very strong, not only does control over the rules of the game matter, but also who has control over the narrative. And the question is what kind of narrative?

My name is Tom Galvin and these are my Reflections on Management.

It's very, very difficult for people to differentiate the nature of the competition from its character, what is the enduring nature of competition, whether it's political or social or economic competition, as opposed to the character of the particular competition that you're in? And as I'm going to show, sometimes we conflate the two because the nature is relatively simple to articulate in comparison to the character of a particular competitive situation. I think it causes confusion because people will see the outcomes of a competitive situation and naturally expect that this it represents the system as a whole. It may, but it may not.

I'm going to draw on a YouTube video. Actually, there is a lot of good YouTube channels out there that use very simple animation techniques to convey some pretty complex ideas. And there is one that I came across or a couple of years ago, which I which I recently read, watched. And it's by a YouTuber by the name of CGP Grey. And it's titled "Rules for Rulers." This is a video that he did that is based on a book called *The Dictators Handbook: Why Bad Behavior is Always Good Politics*. That book was by Bruce Bueno de Mesquita and Alistair Smith. What this video conveys is basically trying to break down in simplistic terms how one can gain and sustain power through the use of managing stakeholder interests and controlling the flow of resources.

There's three rules. One is about keeping the stakeholders loyal. One is about the management of resources. And the other is basically trying to control one's sphere of influence, keep it tighter in order to preclude rivals from coming in and take over. That's a very oversimplified description of what is a pretty awesome video. So much so that there's been video commentaries by other YouTubers talking about it. There's been parody videos done and I think the video itself had like 10 million views. But

what this kind of shows is a very, very clear and simplistic view of power, which is based on self-interest and incentives.

Now, I want to be clear. I'm using the Merriam-Webster definition of *power*, which I think is consistent to what that particular video is using, which is the possession of control, authority or influence over others. And so if you think about power from largely an economic lens, then this video is pretty much for you the ability to keep stakeholders loyal--it shows it basically says that if you want to keep your stakeholders loyal, then you have to ensure that they are taking care of; which is to say that they have continue to have access to the resources, reliable access to the resources. The more the better. You know, in a way, it sort of talks about how loyalty can be bought, which perhaps is a bit cynical.

But one of the other things about the video, which I think was very helpful, is that it sort of applied the same rules not just to dictators or authoritarian figures, but also showed how they apply, albeit differently, to democratic societies, such that the ... stakeholders simply increase in number. One may not have the same control over those stakeholders, and also the access to the treasure or the resources is a little bit more indirect because of the checks and balances and the bureaucratic process that might not always be friendly to your interests. But even still, there is a game to be played, a competition for control over those resources or the ability to access them, and simply a larger number of stakeholders to deal with.

So there's a lot to be said about the consistency in terms of what it takes to maintain or sustain a position of power, according to this view. This is a very appealing kind of a story. There are a lot of others that are like it because it is kind of appealing in this particular video is also very amusing, which also helps with the popularity of it, I'm sure. But there really is more to the story. And I want to go back to a criticism I brought forth in Part 2 about the risks of personalizing a complex situation--that is taking the perspective of a single individual and what it is that individual has experienced or can control. And the same criticism applies to, say, this type of conversation where we're really focused on the individual leader--the agency that the individual leader has--because [it] basically narrows the competitive environment down to those aspects of the system of competition that led to the person going into the leadership role. And it doesn't account for the broader system of competition, which is far less tangible--the system of rules and the various competitive actions that play at various levels. [It] can certainly be explained. I mean, the idea that stakeholder management and rewards, incentives, distribution of resources are very, very tangible.

But it doesn't account for many other things, especially in a democratic environment where a lot of what we consider to be straightforward issues are divided between different worldviews. And looking at it from, say, the political left and the political right. [That there are only] those two distinct worldviews is really too simplistic. There's a whole spectrum in between.

I want to try to get at this system of competition and add the complexity back in recognizing that stakeholder management and resource management are still, you know, they're they are legitimate aspects. But to think about what I've talked about so far is more made of rules, the "nature" of

competition, and get into those things that can help us think through more of the "character" of *a* competition. And for this, I'm actually going to draw from a chapter from a book written by three U.S. Army War College professors, Andrew Hill, Doug Douds and Dale Watson, who wrote a chapter on "competitive strategy" in the book *The Strategic Leadership Primer*, which is available at the War College publication site. What the what the chapter opens is with an idea that really there are no reliable rules regarding strategic competition. There really is no reliable set of rules that apply. The character of the competition is very, very context dependent. So again, what I've described previously may very well work as meta-rules. There's a whole another layer to it that we have to consider in strategic competition (and I'm going to quote from the chapter), "involves the construction of a narrative that is essential to sustaining competitive advantage. And strategic leaders do not wholly control this narrative."

This is a very powerful statement. And it gets to one aspect that is really critical in thinking about competition nowadays--the control of information. And it's important to recognize that the leaders, even though from an organizational standpoint, they do have a responsibility to steward the narrative. That is, if you're in a leadership position, then the organization that you are leading, you know, has a pre-existing narrative and it is your responsibility to uphold it or to change it and also defend the organization against attacks on the narrative. That is to say that when opposing entities attack your organization in the media or whatever, you're the one who is looked upon as the one to provide the response. It doesn't mean that the leader is [always] the one behind the microphone, but the leader is the one determining what that message is and may decide to delegate responsibility for the organization to defend itself through words or actions. So there is a lot that leaders do control, but the leaders do not control all aspects of the narrative. And I've talked about how in an intense media environment, you know, information is really critical and it's very easy for an opponent to generate thousands upon thousands of messages and keep an organizational leader extremely busy.

Hill, Douds, and Watson talk in this chapter about various competitive strategies. It takes many, many different forms. I'm going to lay out the three dimensions that they they talk about and then show that some of them we seem to latch on in our quest for simplifying the complex. One is the difference which they drew from Mintzberg, by the way, the difference between *deliberate* and *emergent* strategies. Where the deliberate is clearly defined and controlled, the leader assumes more control over the narrative or at least claims it. Then there is the emergent where the leaders are much less directly personally involved. It's about setting conditions favorable to organizational learning. The leader may very well say, you know, this is kind of what I want, but leaves it to the organization to figure out how to achieve what the leader wants. OK, so we have deliberate and emergent.

Then there's *direct* and *indirect*. Direct is confrontation. Fight the enemy basically going after opponents or competitors, you know. That sort of a thing, and then interact is one where essentially you're breaking the will of the opponents and in essence, your strategy is about undermining the opponent such that it appears that the opponent's actions are their own undoing as opposed to anything that you are doing. So you have delivered an emergent, direct and indirect.

And then there are strategies of *quality* or *quantity*. What's the path to winning? Is it through overwhelming capability using the newest technologies or the latest methods or using technology and methods more efficiently? Or is it through greater capacity to basically flood the information environment with your message and overwhelm the opponents? Not necessarily efficient, but more effective, perhaps mass over capability?

Now, if we were to take these three dimensions of strategy and overlay it on what we might prefer to do to simplify what is a complex environment, certain dimensions become rather attractive. First, deliberate because we as followers would want to be able to pin responsibility on someone or something. This gets back to the early parts of this whole series where the challenge of the social contract is complex--that there is a strong desire to be able to pin responsibility for the leaders to guide us through the complexity or to blame opponents for creating or adding to our complexity or our disadvantage. Second is that followers want to believe that leaders have control over the competitive environment and in particular the greater appeal to those who confront adversity rather than those who take a more indirect approach to things. So there's a preference for direct strategies. And then third, followers are naturally busy themselves and would not prefer to get involved in a matter of competitive strategy. If they don't have to, they would rather leave that in the leadership's hands. So the general preference is qualitative. This is the followers look to the leaders to not only develop but also implement the strategy using the best available tools and doing so efficiently so that it allows the individual members the freedom to be able to pursue their own interests or address their own concerns.

Now, the quest for simplicity in terms of a competitive strategy belies the inherent complexity of the social contract itself. And this is where problems can arise. So, for example, let's say that there are some critical services that the people or the members of the organization need and they're looking to the leaders to provide it. Well, in the simple view, we pin the responsibility on the leader and then we want there to be some sort of a plan that assures us that the service is going to be provided, even if it's at some future date, and that the leader has the tools and has the willingness to use them in order to do so with minimum impact on the membership. But the complexity comes in that because there are such important competing interests and critical stakeholders that the leadership leaders must contend with, the leader may have to exercise in direct actions, which of course makes it potentially look like the leaders not doing very much may have to exercise a more emersion plan because the ways and means of being able to deliver the service may not be clear. And as a result, it doesn't look like so much is being done, which is frustrating to the people and the members. And it may very well be justified.

Especially when we consider that there are these competing worldviews where no matter what plan that a leader comes up with, it is not going to be unassailable. There will be criticism against it because it is going to challenge one or the other worldview. It is very, very easy to take a detail in a given plan and nitpick at it. You know, basically say that "This is wrong. This is wrong, this is wrong. This is wrong," then to actually go ahead and construct an alternative when we know full well that the alternative plans are going to be equally assailable.

And this is what happens when counternarratives dominate the discourse. The opponents are viewed as having a deliberate plan which is more deliberate than yours. And the only thing we perceive is that their plan is to undermine you. Whether or not that's true, that's a different matter. And you're powerless to stop them unless you band together. And, you know, in essence, we need more to rail up against the opponent. So in essence, we respond to their capability of undermining us through mass. But to a certain extent, this is reluctant. I mean, we would band together, confront the threat, and then get back to putting the leader responsible for the original strategy that the leader should be pursuing. What this speaks to is not just the importance for the leader to have a strategy for providing the vital service, but also to have an information strategy that attempts to control the narrative as much as possible, given the ease of which that the opponents can use misinformation and disinformation to counter the leader, while at the same time the leader uses information which may include misinformation and disinformation of a different kind to compete against the opponents strategy.

Now to reference back to the CGP Grey video. If information is your currency, then loyalty is more curated than bought. How? What a group identifies themselves and perceives the threat. There's definitely a lot of incentive for misinformation or disinformation because in this context, these are really, really easy to produce. They're low risk and it's highly effective. It's it's very, very easy to just simply dismiss a disconfirming view as somebody else's disinformation. Now, never mind that your opponents may be doing the same thing which you perceive as truth they may perceive as your disinformation aimed at them. I mean, I'm covering it pretty simply, but I want to highlight the work of a colleague, Mari Eder, who has published a number of articles that show how basically misinformation and disinformation have eroded away trust in key institutions who we rely on for the rational truth. But this environment is showing how we're finding ourselves attracted to narratives, especially counter narratives, because we find them more compelling, more tangible than, say, a clear, unassailable, direct plan which may not be possible to create because of invisibility or unacceptability to all parties.

With this all sort of comes to is the idea that not only is the system of competition very, very complex and seems to be working against us, it also provides a significant avenue by which controversy can thrive because it highlights the growing uncertainty about the rules of the game or the rules of the competition. And that uncertainty leads to acting on the fear of being on the quote unquote, losing side. And what makes this, I think, interesting, especially when we consider the diversity of perspectives that we have in democratic societies, is that all sides can act on the same view of the fear of losing, whether that is having something denied to us or taken away from us, or that our ability to voice or have influence over the situation is diminished.

And so long as the counter narratives of of treating the other side as adversarial than real solutions that balance the competing interests of all parties and all perspectives will become that much more difficult to develop. The question is going to be, how do we start rebuilding the trust? Well, what I'm going to do in Part 4 is ratchet things back down to the local perspective and start thinking about where is trust broken and how can we rebuild it. I hope you'll join me.

... And that's all for now. The views expressed are my own and do not necessary reflect the United States Army War College, the United States Army or the Department of Defense. Thank you for listening and have a great day.

ALL THE BEST!

TOM GALVIN