

## 6 . BE ACCOUNTABLE

### *Only the Truth Sounds Like the Truth*

Turn your fear into faith.

—RAY KROC

The word *truth* is loaded. Everybody has their own concept of what it means. The human experience is grounded in perception. There is telling the truth, as in not telling a lie. There is telling the truth by articulating an opinion, even if there is a risk in doing so. Then there is what I think is the purest truth: self-truth. The essence of self-truth is knowing who you are, why you're here, and acting accordingly. To me *truth* is synonymous with *accountability*.

One of the biggest mistakes leaders make is to withhold the truth and avoid accountability with their own people. Even when there is no official communication, the need for information does not go away. Something will fill the vacuum. There will be huddles in the hallways, private conversations behind closed office doors, or e-mail flurries that never do the company any good.

There's no way around it. Only the truth sounds like the truth. Plus, people are always smarter than organizations give them credit for; they can

always smell a dead fish before management does. Even when it is not explicitly stated, your customers know the truth, your people in the organization know the truth, and your suppliers and business partners know the truth.

Harold Geneen, the CEO of ITT who grew an \$800-million company into a \$28-billion global conglomerate, demanded real facts, not details disguised as facts, in order to keep on top of his far-flung empire. In explaining his obsession with the truth, he said: “I believe it is an immutable law in business that words are words, explanations are explanations, promises are promises—but only performance is reality. Performance alone is the best measure of your confidence, competence, and courage. Only performance will give you the freedom to grow yourself.”

If you’re truthful and accountable to the truth, everyone around you knows. When faced with uncertainty, honesty and accountability trump everything else. Performance is the truth to measure yourself by.

## **Layoff Truths**

When I was in one of my first significant leadership jobs, it was my responsibility to orchestrate a round of layoffs. It was one of the toughest moments in my relatively young life as a manager, so you can just imagine how I felt when I heard that a member of the management team had accidentally left the list of people to be laid off on the copy machine. I can’t even describe what it felt like. I sat down and thought to myself, “Oh s\_\_\_\_,” and then, “Oh s\_\_\_\_” again, “I don’t want to have to deal with this!” So there I was with a knot in my stomach, struggling with how to handle the situation, when my assistant looked at me and said, “Howard, only the truth sounds like the truth.”

She was right. Even though ignoring the mistake and pretending it hadn’t happened would have seemed much easier, I realized that the only thing I could do with a clear conscience was to tell the truth. I called a full company meeting for the next morning. We sat down in a room filled with a couple hundred people and talked about the state of the business, the

situation we faced, and why we thought the layoffs were necessary. Why hide anything? We had everything to gain and nothing to lose.

Taking the nerve-racking but simple step of being honest with everyone in the company made a huge difference in the way people handled that difficult situation. What was the result of this honesty? Well, to my surprise, it was more honesty and more communication, and it made a difficult time a lot easier to deal with. Instead of people looking around for the bogeyman, they participated in the process.

I committed to daily briefings and kept people updated along the way, which helped everyone deal with how they were feeling. People can handle more than we think. We all want to know the truth, so we can make our own judgment about it. We still had to lay off those people, but they were a lot more prepared for it because we had communicated with them honestly and openly throughout the process. One person's big mistake turned out to be one of my most important business and life lessons.

In this era of ethics scandals and an environment of overall lack of trust in leadership, telling the truth—and telling it with care—becomes more important than ever. But too many times that care is missing. Recently, a leading electronics retailer, either afraid of or unwilling to deal directly with the truth, made the wrong kind of headlines when they laid off several hundred employees via e-mail. How could that possibly build trust in an organization? Such lack of care affects not only the people who are let go but all of the people who are still there, who have to wonder if they are going to be treated the same way.

The inability to deal with the truth in a straight-up way has ramifications beyond the immediate situation. A culture of caring and honesty is the backbone of an ethical and productive organization. When that culture is eroded, it can be a monumental task to rebuild it. The inescapable reality is that when a sense of caring ends, the sense of trust and shared purpose ends with it.

## **Language Matters**

The best thing you can do to communicate clearly and honestly is to call things the way they really are. When you do speak, be sure to be real. This can be hard to do in a business world overflowing with jargon. Words like *brand*, *employees*, *assets*, and *leverage* are empty abstractions. Language really does matter. But it will seem like a silly corporate initiative, or worse, if you don't make language reflect your intent *and* put authentic, tangible actions behind it.

At Starbucks, all employees are called *partners*. Every person who works there is called a partner. One reason is because everyone who works there has the opportunity to have stock in the company. But even more, we use the term *partner* because that's how we want one another to feel and how we want to treat one another. The idea is not to fabricate an idea but to remind us that we are all partners in a collective dream.

We don't have a "headquarters," we have a "support center." This isn't something that happened when we got big; it's something that was important to us early on. In our retail business, we see our stores as the center of our universe—you can get our coffee in a lot of places, but the stores are where the service experience takes place. It's where our retail customers are, and it's where all the human interaction occurs. Everyone who is not in a store is here to support that interaction with the people we serve. We are here to support our store partners and make their lives better. When we serve one another, we enable our partners to serve others and keep us all connected to the bigger dream.

It makes me happy to see and learn from other companies who work to instill similar language and philosophy. I have nothing but respect for those who do it sincerely, because it represents who they are and what they believe, rather than repeating some hollow slogan from a book or consultant on how to create a kinder and gentler company. Don't use words to try to mask or inflate. And don't promise something you don't intend to deliver. Make sure that what you say reflects what you mean and who you really are.

Even if you haven't consciously thought about language as a way to shape the culture and identity of your organization, it's possible to start at any time, if you keep it honest and sincere and true to who you are.

## **The Half-Truth of Good Intentions**

Most everyone starts with good intentions. We want to speak the truth to our boss, to be a change agent in the organization, to meet the real needs of the people we serve. But when we encounter conflicts within the system, we can begin to compromise.

It starts in subtle ways. We might take on a project we don't believe in, without voicing our concerns, or we might choose not to correct someone else's false assumption, because we think it makes us look good or makes our job easier. We might be intentionally vague and disguise our true meaning with jargon.

Little by little, we start compromising where we shouldn't. We stop telling the truth as we see it. We might tell half-truths to half of the people, and before we know it, we've broken trust a thousand little times. Small choices can ladder up to your demise or, even worse, an ethics problem. The fear of the truth can lead to the pain of untruth, because the truth always comes out. Untruths break down the fabric of the organization and make the cause meaningless.

Most public companies find this out sooner rather than later. At Starbucks, living up to our word is so much a part of our culture and identity that an erosion of that trust always has measurable effects. We have always believed in living up to our word, whether it's with Wall Street or Main Street.

Once, as we neared the end of the last month of a quarter, we were struggling to make our numbers. We were pretty sure we could make the outside numbers, but we were doubtful we could pay the bonuses that we felt our people deserved. To quickly improve our results and our ability to pay out bonuses, we devised a plan to tighten up our expenses.

Starbucks always gives away an extra cup, extra coffee stamps for the kids, and other similar requests. We never said no. So, seemingly out of the blue, we decided to cut back on extra cups, extra coffee stamps, even extra cleaning supplies, in an attempt to save money. And we did it without consulting with our people working in the stores every day.

We could have asked what each person could do to help tighten expenditures without doing any damage to our customer relationships. We could have gotten their support by explaining that we might not be able to pay bonuses but we were going to do the right thing.

In the end we did the opposite of what we should have: We broke trust—the heart of the work we do—and we hurt our business. We had to work hard to regain the trust we had lost.

Telling the truth is being truthful with yourself first, and then with others. Make your intention and your behavior one. There is no “truth of omission.” Avoiding the truth always makes problems worse and everyone loses. When you define “telling the truth” this way, you see how high the bar really is.

### **Trust = Truth = Accountability**

Most important business decisions are made by consensus. A group of intelligent, committed people sitting around a conference table can be a great thing, a meeting of the minds, but it can also take on a life of its own. Sometimes an idea or solution is suggested that sends the momentum of the group off in a particular direction. When that happens, even in situations in which you disagree with the consensus direction, it is easier to go with the flow and not speak up than it is to voice your opinion.

However, when the herd surrounds you and the group starts bounding down a trail that you aren't comfortable with, it's more important than ever to speak up. Perhaps others will agree, perhaps they won't, but the combination of truth, fact, genuine caring, and passion has remarkable power to move a conversation or decision.

In fact, academics who study group dynamics have determined that trust is the key ingredient that leads to positive cultures of open dissent and effective decision making. Social scientists commonly make a distinction between good decision-making groups that engage in “task conflict” and stay focused on the content of what is being debated versus bad decision-making groups that engage in “relationship conflict” and attribute

disagreements to the personalities, characters, and motivations of the participants. But it turns out that these types of group conflicts are not as distinct as we might think.

In a study of seventy top management groups, two Cornell professors found that teams that engage in task conflict often experience relationship conflict as well. However, there was one factor the researchers identified that allowed groups to stay focused on the task conflict without resorting to relationship conflict. It was trust. They found that the greater the trust among participants, the more willing and able they were to push through the issues without fighting. By extension, if you want to have an honest exchange and deal with the truth, you have to create an atmosphere of trust.

In any group setting, from a team meeting to a department meeting to a companywide meeting, ask yourself, What do we stand for? What are we doing here? What do I need to contribute? Say what is bothering you, and do it often. As a mentor of mine once said, people can hire hands and heads anywhere. You're paid for your opinions. You have a voice; use it.

Work to build trust with your staff and team members. Show you care, listen, encourage independent thinking. A basis of trust will create a culture of honesty and accountability.

---

**Take a minute:**

**Look at your goals.**

**Look at your performance.**

**See if your behavior matches your goals.**

—KENNETH H. BLANCHARD AND SPENCER JOHNSON,

*The One Minute Manager*

---

## **Sustainable Trade**

The bigger the company, the more it happens. You become a magnet for other people's truth and sometimes untruth. But the same dynamic holds when speaking to people outside the company. Truth and accountability are the goals and trust is the bridge that will get you there. At Starbucks that's always the starting and ending point. We use truth telling as a guide—it's our beacon when we face a challenge.

As a fast-growing, global, and highly visible company, we garner constant scrutiny, both good and bad. In the early days of dealing with questions of sustainable trade, we weren't aware of all the issues and debates. At one point, we received a letter from a group, and unfortunately we didn't respond quickly. We heard from the group again, and of course their demands increased, and things started to get heated. I remember talking to Dave Olsen, who at that time was the head of all our coffee sourcing, buying, and roasting, and we said to each other, "Why don't we just invite them in. We'll talk to them about anything. We'll share any information they want."

We set up a meeting with a couple of leaders of the organization and listened to their issues. We asked straight out, "What exactly do you want to know?" We answered all their questions openly and honestly. Some questions dealt with what we sold the coffee for. Other questions dealt with how much profit we made. We were totally transparent. Their assumption was that Starbucks tried to pay the least amount possible. That was not the truth. As we explained and demonstrated with the details we shared, our aim was, and has always been, to get the best-quality coffee. If it cost more, so be it. At the end of the conversation, we had created grounds for trust about the coffee we buy and the coffee we sell. We were able to build a relationship with an organization that could have become an adversary.

At Starbucks, there's an equilibrium that takes place. The goal isn't cheapest. That's why we've always tried to pay above minimum wage. That's why we pay for premium coffee beans. We want the most committed people who really care about what they do, and we want the highest-quality products to sell.



When individuals or groups of individuals want to confront companies with concerns of wrongdoing, lack of responsibility, or any other matter, it's easier to take aim at the company as a whole. The fact is, corporations aren't good or bad, people are. Corporations aren't honest or dishonest. People are. If you want to have an organization that speaks the truth to one another, then you better be speaking truth to everybody. That requires some vulnerability, and it requires values that are built into the organization's DNA.

## **Own It**

There is nothing more important to me than the idea of *owning it* when *it* is the truth. No matter how much self-loathing or fear of rejection you experience, it's necessary to say, "I was wrong, I own it, I did that, it's my responsibility." But you have to do it like you mean it. The goal is not only to take responsibility for the situation, it is to show others that you can make a mistake and go on.

When poor decisions are made, it isn't someone else's fault, it's yours. You are part of the herd, too. No matter how difficult it is to do, it is important to take responsibility for the problems as well as the successes. *Me* is always *we*. The Torah says, "Thou shalt not stand idly by." We all have a part to play. When things are wrong, the leader takes the responsibility; when things are right, the leader gives credit to others.

## **Your Job or Your Hat?**

Self-truth is the most important kind of truth. You know in your heart if you believe in your company's mission and the role you play in making it happen. You know if you trust the leadership and the people you work with every day. You know if the words your company uses match the actions of its people. If your trust in the organization or your sense of the rightness of the work you're doing isn't there, you owe it to yourself to honestly assess the situation and take steps to change it.

Whether it's out of fear or misguided priorities, if you place a higher priority on the security of your job than on telling the truth, especially to yourself, you will lose sight of your purpose and the passion that drives you and lets you do your best work. It's important to stand up to the pressure to be less than honest. Refuse to let your hat blow away. Stay focused on the truth. The minute you are bound to any other master—including the one who pays your salary—you've lost.

If you're in an environment where trust is selectively given and where fear is a constant, it is nearly impossible to do your best work. If you're always looking over your shoulder, think about the amount of time you're spending worried about the ghost that's coming after you. You can't possibly be productive. As a human being, you have enough anxiety and worry without the fear that pervades some organizations and groups.

No matter how real the fear and how great your responsibilities, when you use truth as your guide, you'll discover solutions right in front of you, and you'll believe that new opportunities are possible. You need to find ways to remember your goals and your larger purpose. That focus and self-truth will give you the strength you need to change your situation—either where you are, or where you may need to go. Look at your fear with the eyes of truth and see what you can do to break it down, break through it, or break away from it.

---

**As we are liberated from our own fear, our presence automatically liberates others.**

—NELSON MANDELA

---

## **Let Faith Replace Fear**

A man was in the car with his three young children and his indulging aunt right before dinnertime. The aunt turned around in the car and gave each of the children a piece of chocolate and said, "Don't tell your mom." The man

pulled the car over, turned around and said, “You can have the chocolate, but don’t let it spoil your appetites. And never, ever be afraid to tell your mother anything.”

When the truth is left behind, it is usually because of fear. Fear that if we are honest, we’ll be rejected. When the layoff list was left in the copy machine, I wasn’t just embarrassed, annoyed, and sad. I was afraid. What would people think? Would they like me less? If you can’t communicate openly and honestly with your girlfriend, boyfriend, or spouse without fear, what kind of life is that? How can you possibly have a good relationship? In the same way, if you can’t have open, honest communication with your colleagues, your boss, or those who run the company, what kind of life is that? How can you possibly have a good experience? How can that make a great company?

Ray Kroc, the founder of McDonald’s, used to say, “Turn your fear into faith.” I love that. Fear blocks the doorway to the future, the place where possibility begins. What we fear controls us. What we face frees us. Always tell the truth, even when it meets with disapproval.

---

### **EXTRA SHOTS: Be Accountable**

- How well do you tell the truth to the people around you?
- Do you fudge the truth to yourself with explanations, blame, or feigning ignorance? What haven’t you been honest about—to yourself? To your family and friends? To your staff and colleagues? Make a plan to deal with it.
- Is there an issue in your area or organization that has gone unaddressed? How can you get the issue out into the open so it can be dealt with?
- What words do you use to describe your work and your relationships with one another? Are these words accurate?

Are there different words that would better reflect where you want to go as an organization?

- How can you create more trust in your group? On your team?
  - Is there a truth you need to “own”? What steps can you take now? In the future?
  - Is there fear in your life, in your organization? How can you get rid of it?
-