2021 C-Suite Awareness—From Privacy to Misinformation to Diversity, Inclusion, and Equality

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Last time I presented an Executive Education "course" for C-Suiters.[1] This time let us discuss their 2021 "technology awareness quotient." Some of these areas have already occupied some of their time, but it is helpful to step back and list them as part of an ongoing awareness campaign. They should also be approached differently in 2021 and for the foreseeable future since many of them have finally—and appropriately—achieved their own stature in the C-Suite.

Some of these areas are technology based and some extend well beyond technology. Some reflect awareness of the macro technology trends that will define their business models and some reflect how executives and managers manage within and beyond their technology teams. But many of them can no longer receive only passing attention: they are now mainstays of life in the C-suite. Note that all of them influence the probability of success—or failure.

Here is the list:

› privacy and surveillance;
› misinformation, disinformation, and distortion;
› innovation;
› oligarchy;
› talent management;
› projects and programs;
› cybersecurity;
› AI, machine learning, and automation;
› diversity, inclusion, and equality.

PRIVACY AND SURVEILLANCE

While the US needs to pass the equivalent of the general data privacy regulation (GDPR), C-Suiters also need to think carefully about the tension between their business models and the monetization of customer data. This will likely lead nowhere for companies who make their money from the data they collect from customers and monetize in a variety of ways, but many companies can still rethink their commitment to privacy. At the very least, companies can try to better understand how their customers feel about privacy, as Redman and Waitman[5] ask directly: *"do you care about privacy as much as your customers do?"* Their research suggests a new category of customers they call "privacy actives":

"THIS GROUP SAYS THEY CARE ABOUT PRIVACY, ARE WILLING TO ACT, AND HAVE DONE SO BY SWITCHING COMPANIES OR PROVIDERS OVER DATA OR DATA SHARING POLICIES. BY UNDERSTANDING THIS UNIQUE GROUP OF INDIVIDUALS, COMPANIES CAN SHAPE THEIR OWN DATA AND CUSTOMER PRIVACY PRACTICES AND BETTER ENGAGE, RETAIN, AND WORK WITH THESE CUSTOMERS."

C-Suiters also need to address the growing surveillance culture: the "surveillance economy" is now in full swing.[3] Are they collecting information about their employees, vendors, suppliers, and customers in ways that should worry them? While data privacy is about data monetization, surveillance is about the collection of data. Where are the cameras, the digital eavesdroppers and systems monitors? Remember that *"monitoring can erode trust, harm job satisfaction, and increase stress in an already fraught moment".*[2] Have companies considered that even "process mining"—a practice intended to surveil work processes to determine inefficiencies—can be

perceived as invasive? Should companies deploy facial recognition technology? These are complex questions that should not be passed through just a single filter called "profitability."

MISINFORMATION, DISINFORMATION, AND "POLITICAL CORRECTNESS"

The need for regulation in the area of misinformation is screaming from every broadcast tower in the country. The problem, of course—again—are business models that depend upon misinformation (or worse), such as media that win by attracting as many participants as possible. Companies should be aware that their words, policies, and actions may contribute to misinformation, disinformation, and distortion. Companies should be extremely careful about the "sides" they choose. Who wants to appear in Wikipedia like this?

> "MY PILLOW, INC. HAS BEEN FINED AND HAS SETTLED MULTIPLE LAWSUITS RELATED TO MISLEADING ADVERTISING. THE COMPANY HAS MADE SCIENTIFICALLY UNSUPPORTED CLAIMS THAT ITS PILLOWS COULD TREAT AND CURE DISEASE, INCLUDING MULTIPLE SCLEROSIS AND CEREBRAL PALSY."

Or boycotted for political reasons (Semenov, 2021)?[6]

> "'SOME RETAILERS ARE DROPPING MYPILLOW PRODUCTS FROM THEIR STORES,' MYPILLOW CEO MIKE LINDELL TOLD FOX 9. THIS COMES FOLLOWING THE CEO'S REPEATED CLAIMS OF FRAUD IN THE 2020 PRESIDENTIAL ELECTION . . . LINDELL TOLD FOX 9 BED BATH AND BEYOND, KOHL'S, WAYFAIR AND HEB HAVE ALL DROPPED MYPILLOW BECAUSE OF PUBLIC PRESSURE ON SOCIAL MEDIA HE CLAIMS IS BEING PERPETRATED BY 'LEFTIST GROUPS.'"

> "CHICK-FIL-A . . . WAS THE SUBJECT OF A 2012 BOYCOTT AFTER ITS CHIEF EXECUTIVE MADE COMMENTS DISPARAGING SAME-SEX MARRIAGE. AT THE TIME, THE FAST-FOOD CHAIN WAS EXPANDING INTO NEW MARKETS FROM ITS STRONGHOLD IN THE SOUTH, AND THE BOYCOTT LED THE MAYORS OF CHICAGO, SAN FRANCISCO AND BOSTON TO TELL CHICK-FIL-A IT WASN'T WELCOME."[†]

Companies should be acutely aware that the words and actions of C-Suiters have consequences. While this should seem obvious, companies continue to engage in behavior that threatens their revenue streams, their brand and, ultimately, their profitability.

INNOVATION

C-Suiters have a special responsibility to understand and appreciate the importance of innovation to the survival of their companies. They also have a responsibility to acknowledge how many innovation efforts fail and find the right methods, tools, and techniques that will work in their companies. Awareness here includes searching for unconventional approaches to innovation such as outsourcing major parts of the innovation mission. The usefulness of business models like *Innocentive* and *NineSigma* should be reassessed. Might they represent a different way to spread innovation dollars? Separating innovators from the rest of the corporate rank-and-file is always a good idea well beyond the creation of "innovation labs" relocated in some distant land (i.e., away from headquarters, like Silicon Valley). As always, success depends on internal and external talent assigned innovation.

Awareness also includes full commitment to multiple investments made with the assumption that many of them will stall or fail outright. Innovation is by definition uncertain and unpredictable and to a huge extent dependent upon what others do, such as competitors and technologists. The innovation failures research also tells us the lack of executive support is one of the

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[†]E. Heil, "The Goya Boycott Could Impact the Brand, Experts Say — Just Not the Way You Think," *The Washington Post*, July 28.

major predictors of innovation failure. Awareness of this relationship is especially important in the C-Suite.

OLIGARCHY

It is well known that Amazon owns about half of the e-commerce market. Four companies (Amazon Web Services, Microsoft, IBM, and Google) own 75% of the cloud infrastructure market, and three providers—AWS, Microsoft, and Google—own more than half of the overall cloud market. Google owns the Internet search market. Facebook dominates social media. Uber and Lyft own nearly three-quarters of the ride-sharing market.

C-Suite awareness here starts with the acknowledgement that a clear technology oligarchy exists and that oligarchy in all of its forms chokes competition, as aptly described by David Wessel,[7] writing in the Harvard Business Review, is clear:

"DESPITE THEIR UNDENIABLE POPULARITY, APPLE, AMAZON, GOOGLE, AND FACEBOOK ARE DRAWING INCREASING SCRUTINY FROM ECONOMISTS, LEGAL SCHOLARS, POLITICIANS, AND POLICY WONKS, WHO ACCUSE THESE FIRMS OF USING THEIR SIZE AND STRENGTH TO CRUSH POTENTIAL COMPETITORS. TECHNOLOGY GIANTS POSE UNIQUE CHALLENGES, BUT THEY ALSO REPRESENT JUST ONE PIECE OF A BROADER STORY: A TROUBLING PHENOMENON OF TOO LITTLE COMPETITION THROUGHOUT THE US ECONOMY."

While there is no denying the US economy—especially consumers—suffers at the hands of oligarchs, "awareness" depends on where one sits along the oligarchy continuum. Awareness at Amazon and Google is quite different from awareness at start-ups trying to innovate their way to a market willing and able to accept their products and services. Mid-sized companies trying to service oligarchic markets have a difficult challenge too. Large companies trying to penetrate the already "full" marketplace have a more difficult challenge since small acquisitions are more likely to occur than big ones. But both kinds of companies live in fear of being crushed. It may be that the only way to reduce the number and reach of oligarchies is through antitrust legislation. Companies should be aware that their market positioning will depend on how oligarchs are treated by the US Department of Justice.

TALENT MANAGEMENT

There is no more important foundational step C-Suiters can take to improve the positioning of their companies than recruiting and retaining the most talented professionals in their industry. But how many C-Suiters are even aware of their talent requirements and gaps? How many have developed talent requirements matrices to measure their capabilities and gaps going forward? How many are objective about their teams? Research suggests that companies have an extremely difficult time assessing their people objectively or consistently. C-Suiters should serve as an example here and stop rewarding friends over high performers—which the research describes as an unfortunate, repeatable practice across industries. Ongoing investments in talent are also essential, especially those designed to keep the talent pool fresh and incentivized. If executives fail to replenish and revitalize their companies will lose market share. Awareness here is as important as it has ever been.

PROJECTS AND PROGRAMS

Awareness here—like talent awareness—also requires objectivity. C-Suiters who run technology companies and companies that sell and service technology-enabled products should be especially aware of how likely it is that their major technology projects and programs—like digital transformation—will fail. Are the right teams in place? How deep does project and program management leadership go? What is the failure rate? C-Suite awareness includes all this and more since the lifeblood of their companies is operational, tactical, and strategic projects and larger programs like digital transformation, compliance, research and development, and strategic planning. Executives must be aware *and active* here since without their support projects and programs are much more likely to fail than succeed.

CYBERSECURITY

The US digital infrastructure is leaky, to put it ridiculously, embarrassingly mildly. Just as dangerous, the digital infrastructure and the most popular applications—such as social media—are vulnerable to manipulation by terrorists, hackers, adversaries, and

software bots. Executives who underestimate the risks here are irresponsible—and there are lots of them. Massive ongoing investments are necessary. It is time for the C-Suite to reassess and redouble its efforts to address cyber risks.

AI, MACHINE LEARNING, AND AUTOMATION

Artificial intelligence and machine learning are enormous competitive engines. Companies cannot shortchange their investments here. C-Suiters should immediately heighten their awareness of the applications potential of AI and machine learning. Awareness about disruptive technologies is one of the major responsibilities of executives, who should understand just how transformative AI and machine learning are to their companies (and their national and global competitors). They should also understand their role in managing the power of their intelligent systems by investing in "explainable AI," especially because it helps increase the likelihood that ethical AI systems will be deployed.

DIVERSITY, INCLUSION, AND EQUALITY

Awareness here is crucial to success in several ways. Frist, there is the power of diversity, inclusion, and equality (DEI) simply because it enables perspective and creativity—commodities always in short supply. DEI is also a good business practice for internal harmony and external brand management. Worse, ignoring DEI can have serious consequences that C-Suiters

must respect. Said differently, DEI provides opportunities for companies to compete.

AWARENESS SHOULD TRANSLATE

Awareness is necessary for action. C-Suiters should remain aware of the above nine areas so they can develop response plans. The areas discussed here are immediate and likely to remain so for years. But there will be others. Life in the C-Suite requires a different kind of awareness of the issues—an executive kind—that can translate into general and specific responses that become an overarching operating philosophy.

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