Post Truth, Post Trust, Post PR:
The crisis of trust is a crisis of leadership

The following article is an edited version of a talk given at the Rotterdam School of Management, Erasmus University on 20th October 2016.

In less than three years, many theories and ideas I explored in my book have now been brought to life. Post Truth, post Trust and post PR is today’s reality. Where does this leave communications?

The Post Truth world is one where lies have become “facts”, and where “facts” and “experts” are often rejected out of hand. We see this in the US Presidential election. We saw it during the EU referendum – when unsubstantiated claims on immigration and funding for the Health Service were dressed-up as truths by men whose lies were rewarded with a seat in government. These deliberate falsehoods led to seismic political change.

In response to the death of Osama Bin Laden, author and WSJ columnist Peggy Noonan wrote: “We live in a time of dis-belief. People believe nothing. They believe everything is spin and lies. When people believe nothing, they believe everything.” Now is our time of dis-belief. This is an obvious concern. The “post truth” in politics and business has created a “post trust” environment also. It reflects an ideological vacuum that threatens our security and wellbeing. And it determines both who and how we trust.

The good news is that there is hope and optimism amid gloom and despair. There are better, new models for both leadership and comms.

Having been researching and writing about truth and trust for over a decade – first as UK and then EMEA CEO of Edelman, the world’s largest Public Relations firm, where I co-authored the famed Trust Barometer, and subsequently with Jericho Chambers – I firmly believe that the crisis of trust is a crisis of leadership. The crisis became even more acute in the years following the 2008 Financial Crash, and this crisis of trust is now defining our times.

I quit Edelman for two reasons. First, because I believed the business model was broken and that organisations, including my own, were selling bureaucracy and compliance over best advice. This was in itself a breach of trust.

I identified five existential threats to the PR agency model. By ignoring them, I argued, Edelman, like others, was sleepwalking over a cliff. As the world’s largest PR firm, we had a responsibility to do better. But the firm was not prepared to act – it would, apparently, be “too expensive, too time-consuming, too disruptive”. This was the context:
1. We were woefully under-prepared for “data”
2. We still sought to impose the control of hierarchies, rather than harness the freedom and energy of networks
3. We obsessed about outputs, rather than thinking strategically in terms of outcomes
4. We struggled to deliver campaigns of genuine global scale
5. We were short on talent and consistently under-invested in talent development, strangling future growth.

By failing to be honest with ourselves, how could we claim to be honest and trustworthy with our clients?

My second issue was in some ways more profound. Communications – once considered the answer to every problem – had itself become a fundamental part of the problem.

Clever communications was being used to prop-up bad leadership in business and politics – thereby fuelling the crisis of leadership and, in turn, the crisis of trust. We thought we could spin our way out of everything, even if that spin was only lightly or innocently applied. I began to think about new models of trusted leadership to replace the out-dated model of Public Relations. I arrived at Public Leadership and Public Value. There were a number of trigger-points on my journey.

First, the seminal Cluetrain Manifesto. I had worked with one of Cluetrain’s authors, Harvard’s David Weinberger, on the early Edelman models of Public Engagement. Markets, he argued, were conversations. Networks transformed everything.

Then, the anthem of Occupy – we are the 99% – became a warning shot to the world.

As I wrote at the time, and as The Economist now acknowledges, it was obvious that business and political elites continued to ignore the grievances and activism of the dis-advantaged at their peril. And so the crisis deepened – manifesting in the likes of Donald Trump, Marine Le Pen, Jeremy Corbyn, Nigel Farage and “Brexit” – plus Lux Leaks and the Panama Papers – all in less than five years.

The failure of business and political leaders to change behaviours and act responsibly and progressively in 2008 and its aftermath – and their continued dependence on carefully crafted “messages” and “responses” – hastened the arrival of the Post Truth age. This, in turn, held inevitable consequences for an already fragile state of trust.

Related to this, another influence on my thinking was the CEO of one of the UK’s Big Six energy companies. In the depths of the “heating versus eating” winter of 2012/13, as I was researching my book, Vincent de Rivaz made one of the worst speeches on trust I have ever heard.
His keynote was full of nonsense platitudes – why EDF should trust its customers; why customers should trust EDF; why employees should trust employers and so on. Chances are, he did not even write his own material. In forty painful minutes, without ever confronting the big issues at hand – pricing & cost – Vincent exposed the three great myths of trust:

- **Myth number one:** trust is a message. It isn’t. It is an outcome. It is deeply Behavioural. It is what you do, not what you say that counts. However many times Vincent used the trust word, no one believed him.

- **Myth number two:** there is a magic wand that you wave to restore broken trust. You can’t. Trust is now forever fragile – hard-fought, hard-earned, every day.

- **Myth number three:** there can be a return to “old” trust. There can’t. “Old” trust relied on the imposition of hierarchy and belongs in a time of command and control.

“Old” trust needed “old” PR. This lies at the heart of the problem.

Vincent de Rivaz is one of many CEOs who – led by PR messaging and surrounded by lawyers – continue to devalue the ‘t’ word in business … and then wonder why no one trusts them at all.

It is not that trust, per se, has evaporated, but it has changed in shape and nature. It is now vested within different communities and networks. Against this backdrop, concrete actions and new norms of corporate behaviour are the only ways to build a more trusting environment for businesses and brands. Trust is a behavioural challenge, not a communications one.

Our “Golden Age of Security” has passed. Deference has disappeared. No-one is in control any longer – neither politicians nor CEOs. This makes trust unstable and unpredictable. Leaders should recognise this instability, give up any pretence of control and positively embrace the chaos that ensues. An asymmetrical world needs asymmetrical leadership.

Some may argue that the likes of Donald Trump offer precisely this asymmetrical leadership – because they don’t operate on the same axis as traditional leaders. As writer Seth Godin puts it: “the words no longer matter for Trump, as it is (all about) the sub-text, the intent, the emotion.” Some see this as “pure” PR. But we should see it for what it is: pure lies. We should not confuse the two.

Truth and Trust are two sides of the same coin. This is why the 20th century practice of PR is no longer fit for purpose.

Legend has it that modern Public Relations emerged nearly a century ago, courtesy of one of Sigmund Freud’s nephews. Edward Bernays called it “propaganda”. He championed propaganda because he did not trust the democratic judgement of
everyday people. 100 years later, we live in the time of Edward Snowden, not Edward Bernays. Transparency is our default setting. The democratic voice Bernays sought to suppress is screaming to be heard. Donald Trump’s pure political vandalism – post-truth politics in extremis – is a manifestation of the rage of the suppressed voice of the people. Justin King, former CEO of UK retailer Sainsbury’s – likewise accused the Brexiteers of economic vandalism … but it has similar roots.

Both sharply illustrate Post Truth PR and Noonan’s “age of disbelief”. We see Post Truth PR brought to life in the rejection and ridiculing of once-trusted “expertise” and “elites”. We see Post Truth PR in the deliberate distortion of reality – from Mexican “rapists” to “extreme vetting” for Muslims or contempt for NATO, the IMF, the World Bank, the Bank of England, the European Union, the US electoral system – take your pick. We see it brought to life in the rising tide of popular anger and militancy, even violence.

But we must also understand that much of this is of our own making. Members of our own comms. community accelerated the onset of the Post Truth, Post PR age. It is the angry product of decades of half-truths, spin and naked deceits – piled on social exclusion and injustice; crippling austerity; excessive pay ratios; and, overall, a nasty dis-regard for the have-nots. We watched it happen. We pretended there could be a happier ending, when there really couldn’t. We failed to act or intervene.

Rolling Stone magazine, citing shocking average life expectancy and falling median incomes in blue-collar America, put it neatly: “America made Trump” – just as decades of RBS and Volkswagen scandals have inadvertently made the Post Trust age in business our inevitable reality.

The Panama Papers and retrospective action against Apple on Tax demonstrate that injustice and inequality have consequences beyond politics. Business – and global multinationals in particular – stands charged in the court of public opinion and often found guilty of civil, societal and public trust misdemeanours. Furthermore, in Big Business, politicians now think they have at last found people less popular than themselves – so demonise them and corrode public trust further still. This is wholly irresponsible and counter-productive to common good. But it is happening now.

The 2013 model of Public Leadership was an inevitable truth: a way forward, framed by global trends that have been challenging, if not extreme. Public Leadership rests on four pillars. It is activist and co-produced; citizen-centric and society-first. The activist point is central.

In an increasingly febrile world, activist citizens (employees, customers, stakeholders) need to be met head-on with activist leadership and therefore activist comms. The corporation of the future should look less like a traditional hierarchy and more like a social movement, within which the CEO needs to think and behave like a social activist. In politics, we now see the term “social movement” being used to quickly supplant traditional organisational frameworks. Those who some might see as extremists have
filled the vacuum we created and seized momentum, while many in the centre struggle to find workable new theories of social democracy. It is an uncomfortable truth, for example, that UKIP has succeeded as a social movement where it “failed” as a conventional, parliamentary-based political party. It helped secure “Brexit”. Business leaders need to understand this model and find ways for social movement thinking to work for them, too. They need to embrace social democracy in the workplace – social impact as well as social networks; voice and participation.

Public Leadership places “common good” front and centre of corporate thinking. This means being citizen-centric and society-first, re-setting the consumption fetish of the late 20th and early 21st century. The activist Public Leader negotiates and enables – and does not impose. Aristotelian values of Truth, Wisdom, Justice and, above all, Courage prevail.

I have long argued for the ascendancy of profit optimisation over profit maximisation and for a longer-term focus on purpose and not just profit – challenging Milton Friedman and his Thatcher/Reagan disciples, where the only responsibility of business is to maximise profit for a small group of shareholders. We need to mutualise more. Achieving this also demands activist business leadership.

In the course of my research, I encountered a FTSE 100 CEO who famously used to open every Board meeting with the same question: “who do we fuck today?” and a Bank CEO who wanted to lead a “good, trusted, and ethical bank”. The ‘ethical’ CEO was all in favour of publicly adopting ethical principles but was not prepared to translate these into a single ethical behaviour. Principles without behaviours mean nothing. The corporate world is littered with cultures of “who do we fuck today?” - from Enron to RBS, Thomas Cook and Volkswagen to BHS – and now Wells Fargo. A failure to act ethically – while still peddling trust as a message – de-bases public trust still further.

People often dismiss “purpose” as an abstract, liberal notion or, still worse, think they can buy it off-the-shelf from an advertising agency. But Public Leadership is not an abstract or utopian model, nor is it anti-profit or anti-capitalist. Understanding purpose is critical for delivering common good, especially as Millennials and Generation Z dominate the future workplace. Purpose, for them, is as important as profit.

Neither is CSR the answer to either higher purpose or greater trust. As Edelman CEO, I took a call from the CEO of a major global brand who’s Chairman, he said, was being difficult. 24 hours after a tragic factory fire in Dhaka, Bangladesh, the Chairman was demanding to know why his organisation was not “better flaunting its CSR credentials” to divert attention from the fact that 100 female factory workers had just burned to death in one of its factories. Bullshit CSR is not the answer to greater trust.

Some organisations –perhaps Unilever is the most frequently cited example – are already making it real, just as they are bringing to life the accompanying model of
“Public Value” – which again speaks to common good; optimisation over maximisation; accountability over measurement.

Unilever is not alone: think about Sweden’s Handelsbanken or the Netherlands’ Triodos bank; the UK’s John Lewis Partnership; the engineering firm Arup; the Brazilian regional authority of Porto Alegre, famous for its participatory budgeting model. Buurtzorg, the Dutch nursing network, has demonstrated that it is possible to dismantle traditional structures and improve effective patient care while also significantly reducing costs – by changing the model. Semco, the Brazilian industrial conglomerate, has inverted the old pyramid of management and placed decision-making in the hands of employees.

Spain’s Mondragon proves that it is possible to co-operativise at scale. In this new world, community building – not measurement and control – is central to supporting a better bottom-line. Changing the model changes the nature of communications, as well as leadership.

The measurement point is an important one. As my colleague Margaret Heffernan says: “we measure everything except what counts”. Compliance-led cultures and an obsession with obeying rules and KPIs de-humanises business and castrates thinking about values and leadership. This, in turn, has a corrosive impact on trust. Comms. has to stop obsessing about measurement. It is a useless cul-de-sac. Think about accountability instead.

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Trust is at heart human and personal. It cannot be automated or just counted up or down. Even disagreements, which are part of the human condition, can be trust-builders. Dissent is A Good Thing – especially in the Boardroom. Public Leadership and Public Value offer relatively simple frameworks, within which we can be honest and transparent, collaborative and humane – and support social inclusion, productivity and sustainable growth.

In the three years since developing the initial thinking around Public Leadership and Public Value, my views have radicalised. This is partly because of the exceptional political times in which we now live; partly because of the mega-trends still at play (globalisation, financialisation, digitisation, individual empowerment); partly because of a drama-hungry, fragmented media; and partly because of the bigger questions some clients are (rightly) now asking.

Costless communications, the march of technology, a 24/7 media and access to any number of networks mean people can now organise, mobilise and act faster and more effectively than ever before – destroying any last pretences of control. This is a scary concept for leaders to grasp – but it should encourage accountability. “Do the right thing” or they will get you – from whistleblowers to citizen journalists. I believe that whistleblowers actually help companies – there’s no choice, no turning back and, critically, nowhere to hide.
I can also draw learnings from the Responsible Tax project Jericho Chambers has been running with KPMG, the Future of Work is Human initiative with CIPD, and programmes in areas from banking to the built environment. Instead of imposing comms. ‘solutions’ to difficult questions, we have built broad coalitions of multiple stakeholders – bringing together activist campaigners and NGOs with the corporate world, along with policy-makers and politicians from all sides; media sceptics, academics and experts. We have grown stakeholder groups organically from within – initially small clusters have determined who should then join the conversation and coalition. We have moved from an old, distributive dialogue model to new, generative conversations.

The Responsible Tax movement started with 14 KPMG partners and grew to over 700 participants within eighteen months. All sides of the argument are equally and fairly represented and no-one is in control. 100 are actively involved. The Responsible Tax programme is now being rolled out globally. In building coalitions such as these, we have defied convention. Instead of shying from dissent, we have actively welcomed and encouraged it – in a safe, open and positive environment. We have never dictated “terms”.

As a result, very different conversations are emerging with much richer and more realistic discourse.

The Future of Work Community likewise started as a group of 16 in October 2015. It is now over 600-strong – and last week, over 200 met in Central London for a “wise crowd” conversation on key themes that are shaping government policy and thinking on work and skills, education, power and diversity. This, like Tax, is a radical take on conventional stakeholder engagement and communications modelling.

These activist and co-produced approaches, even from major corporations and FTSE CEOs, are proving to be trust-builders – demonstrating vulnerability, embracing dissent and convening “wise crowds” as part of the co-production process. This is leading to better decision-making... for the common good.

Reciprocal vulnerability is in my mind perhaps the most important trust-builder of all – alongside honesty, competence and reliability. Saying “you don’t know” is preferable to imposing a pre-determined, false outcome.

However, we may actually want to stop searching for “more trust” altogether. Philosopher Onora O’Neill points out that aiming for “more trust” is a meaningless aim. We would not, for example, seek “more trust” from the likes of Bernie Madoff or Donald Trump, nor would we even trust our best friend to post a letter if we knew they had a history of unreliability or forgetfulness. We may be better off thinking about trust-worthiness instead: intelligently placed and intelligently refused trust. Trustworthiness based on honesty, competence and reliability. Trustworthiness based on reciprocal vulnerability – where the CEO and the organisation makes themselves as open and as vulnerable to their stakeholders (employees, customers regulators etc) as their stakeholders have traditionally been to them. This means giving up control;
saying you don’t know or don’t have all the answers; apologising unreservedly when you are wrong.

Jericho’s work on responsible tax speaks to the heart of reciprocal vulnerability thinking. We call it Standing Naked.

We need to think long and hard about workplace activism, too, and its impact on employee engagement and trust. Management guru Charles Handy shares a statistic that neatly sums-up the Post Trust age. In any organisation, 80% of the workforce is dis-enfranchised and doesn’t care. 25% of the 80% would actively sabotage the organisation for which they work. At Jericho, we have extensively studied Generation Z – those born between 1995 and 2000. Levels of trust in authority/ establishment organisations among this demographic fall to as low as 6% – compared to figures as high as 60%, among Millenials. They are fragile and anxious and they are reluctant to trust. Institute of Ideas’ Clare Fox calls them “Generation Snowflake”. Economist Noreena Hertz calls them “Generation K”, after Katniss Everdeen in The Hunger Games.

Finally, as the gig economy takes hold and old workplace certainties diminish; as the hundred-year life becomes real and re-shapes conventional assumptions; and as we begin to debate whether humans are really little more than “bad robots” and the human vs. automation schism widens, so the nature of the workplace, skills, work and growth will change more dramatically still. Given all this, fragility in the Post Trust age in business will only intensify.

The good news is that we can do better than simply accept the threatening, ugly downsides of the Post Truth, Post Trust, Post PR reality. We can seek renewal at the inter-section of business, politics and civil society. A better generation of Public Leaders will not be tainted by decades of division and decline. They will not belong to the “old guard”, or to closed tribes, in either politics or business. This is a different kind of diversity.

Public Leaders of the mid- 21st century will reject tribalism, careerism and self-interest in genuine pursuit of shared purpose and common good. They will assemble citizen-centric social movements and focus on the Things That Matter – dis-enfranchisement, poverty, the right to shelter, inequality and climate change. These movements will be open, adaptive – and creative. In politics, those able to step up and lead on this basis can re-energise a radical centre that is currently exhausted and invisible and seek something more than a discredited Third Way.

In business, these leaders will be rewarded with higher levels of engagement, productivity, workplace wellbeing and (as an outcome) public trust. They will communicate differently, more openly, more honestly.

None of us should pretend to have all the answers – this is why wise crowds and new coalitions are essential. We can, however, end decades of imaginative failure that have led us to this dangerous place.
This is a collective responsibility and will demand a collective effort. Radical honesty must prevail.

The darkness that has taken us into the Post Truth, Post Trust, Post PR age needs to be a “learning moment”, where we can listen hard and understand better, together. If we are to emerge any more un-bloodied, vision, hope and optimism must replace cynicism and despair. We need actions, not words.

Communications can no longer depend on old-form PR messaging or traditional approaches to stakeholder engagement – still less on “spin”. Trust cannot afford any more Fred Goodwin’s or Martin Winterkorn’s - just as Truth really does not want any more Nigel Farage’s or Donald Trump’s. We urgently need to convene a new model. We have a responsibility because we can see the future and we know it makes sense. That future – our future – is now.

Robert Phillips is the co-founder of Jericho Chambers and the author of Trust Me, PR is Dead (Unbound, 2015).