

READING IS FUNDAMENTAL AT WORK

BY ELEANOR BLOXHAM



“If you don’t read, you can’t lead,” former Secretary of Defense Jim Mattis said in a 2020 interview. And though a colleague may say, “I’m a words person, not a numbers person,” I’d argue that attention to both will determine the success of most work.

Think about the September 2003 New York Stock Exchange scandal caused by the decisions of its board, which included, among others, the co-founder of Home Depot, the CEO of BlackRock, the CEO of Bear Stearns, who remained in charge until Bear Stearns’ 2008 collapse, the CEO of Goldman Sachs, who went on to serve as secretary of the Treasury when the 2008 financial crisis hit, and the CEO of AOL Time Warner, who had spearheaded the failed merger of the two firms.

Attorneys investigating their decisions as board members noted the “detrimental effects” on NYSE’s finances, “brand and goodwill,” which stemmed from the failure over many years to read and fully comprehend the compensation programs they were authorizing in a CEO pay package totaling more than \$187 million for what was then a nonprofit corporation.

Or quelle surprise! Consider Enron — and less than a decade later, the worldwide financial crisis. “No one could have known,” people argued

at the time. But au contraire. Right under analysts’ and other readers’ noses, firms had been manipulating a regularly reported accounting metric called earnings, while publishing a figure called VaR (value at risk) that was blinking warning signals. What went wrong? The analysts and other readers were lazy, preferring to listen to management’s words rather than carefully reading and evaluating the numbers written in the reports.

The simple act of diligently reading internal and external reports about your workplace can alert you to problems before they snowball.

The Wells Fargo account fraud scandal is a cautionary example. There, for over a decade, board members hadn’t scrutinized reports warning the board about the sales culture — although *The Wall Street Journal* raised a flag in 2011, followed in 2013 by a major *Los Angeles Times* investigation into management’s pressure on employees to create fake customer accounts. The issues continued to escalate until, finally, the bank was

fined \$185 million by regulators in 2016, prompting revelations of the debacle’s full scope.

Reading helps connect the dots and improves performance.

Remember the BP oil spill? In 2010, while BP ads articulated concern for the environment, its annual report made clear that the company was pinning its hopes on its latest major oil discovery: Deepwater Gulf of Mexico. Reading carefully, you’d conclude the board should prioritize risk reviews related to that extraction. But instead, the board reported focusing elsewhere: on refinery risks due to a 2005 explosion.

Today, the importance of attentive reading has come to the fore in the pandemic. Health care and other workers who fail to diligently peruse the medical literature, instead inculcating false theories and harming themselves and others by remaining unvaccinated, can lose their jobs.

That drives home how important thorough reading is to keeping your job — and doing it well.



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