

Review of: "Revisiting Enron twenty years later: Eight executive blind spots worth remembering"

Sebastian Fritz-Morgenthal¹

¹ WHU Otto Beisheim School of Management

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In my view of the Enron case, an important element is the Groupthink within management. As far as I can see it, there was not healthy discussion at management level on the right strategy. It creates a toxic environment where the applied strategy might lead into failure. Part of that was certainly that Enron did not hire seniority, so that there seemed to be a disconnect between the executive management team and the organisation below. It might be worth for the author to cover that aspect as well.

On breaking the rules or rules do not apply to us, this is a very fundamental issue often seen in organisations that failed eventually. I would like to emphasize that that criterion alone can lead a company into difficulties.

On creating corporate myths like the Star Wars analogy used by Enron, that is not necessarily negative but can rather help to create a sense of belonging for employees. It is even better if the corporate history is based on own experiences rather than myths based on fiction, e.g. how a company survived a major crisis and what are the lessons learned codified in their own corporate governance.

I would also add another criterion that can help a company to survive. It is the continuous peer comparison, to understand who are the major competitors, what do they do and what do they do differently, is there a reason, can we learn something from that and adapt as well. All of that was missing at Enron and they viewed themselves invincible, because they thought they were so unique and without any competition. The counterargument is, that if nobody in the industry does it that way, there might be a reason for it.