

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

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Challenging Beliefs: Enron and its Myths

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I read with interest Jay Williams' essay 'Revisiting Enron twenty years later' and appreciate his examination of this company whose name today is a byword for all that is corrupt in our corporate world. Enron, the company that valued greed over social responsibility, unbridled ambition over cautious strategy, and self-interest over collective wellness. Enron, staffed with clever people who could circumvent rules while sailing close to the ambiguous and shifting winds of the tax system. Enron, leaders with bold ambitions taking risks that made outsiders envious and inspired fresh scholarship exploring new forms of leadership. For all its promise, Enron failed, and Williams offers a compelling diagnosis presenting insights that may avoid future disastrous collapses.

Williams explores artefacts: myths, legends, and physical properties to give account, but as I read, I pondered our *collective* responsibility for Enron's failures. Certainly, I am not a citizen of either the state or nation that hosted the company, yet I wonder whether I am somewhat implicated in perpetuating systems and structures that gave licence to Enron leaders, embodied in Ken Lay and Jeffrey Skilling, to take the company to the edge of the abyss and finally to push it over. I wonder, following Roland Barthes (1972), if there are second-order mythologies at work within our social systems that could see the dramatic rise and disastrous fall of another 'Enron,' and which we are perpetuating through our collective blind spots.

To be sure, and before exploring the structural underpinnings that could explain its collapse, the staff at Enron were "smart," as McLean and Elkind (2004) articulate. Jeffrey Skilling, educated at Harvard Business School, graduating with a MBA, having achieved results in the top 5% of his class, was an ambitious CEO who wanted to shake up the energy market and *do different*.

[Skilling] had little use for anything that smacked of a traditional energy company – calling companies like Exxon Mobil 'dinosaurs' – or even Enron's own projects, which included power plants and pipelines. 'We were doing great things,' he would later say. 'We were creating markets where markets didn't exist.' (CHRON, 2004)

If Enron had survived its meltdown and gone on to expand further, we would now be applauding Skilling for his derring-do. Such is our want for heroes who kick against the pricks of the establishment, that we ignore signs warning of danger ahead. Aside from the sheer hubris of Skilling's claim to be doing "great" things, his desire to *creatio ex nihilo* new markets, speaks of a metaphysical turn that was obscured by his supposed business acumen. He was a brave man, indeed, who could imagine flying like Icarus and survive, while outsmarting the Creator of the universe. The magnitude of his folly and the arrogance of his ambition are warnings to us who attempt to replicate such lofty goals. Perhaps we would be better advised to respond in kind and laugh with the same Higher Power (Psalm 2:4) Skilling attempted to outmanoeuvre.

My ruminations got me thinking about the often-unrecognisable mythologies with which we operate. For example, constructs like the 'market' and 'business' are mythological, existing in our language systems as uncontested norms, shaping how we think and behave. Eagleton (1991) termed these beliefs, 'ideologies,' and the belief systems that give them credence are ingrained within society. He wrote:

A dominant power may legitimate itself by *promoting* beliefs and values congenial to it; *naturalizing* and *universalizing* such beliefs so as to render them self-evident and apparently inevitable; *denigrating* ideas which may challenge it; *excluding* rival forms of thought, perhaps by some unspoken but systematic logic; and *obscuring* social reality in ways convenient to itself. (pp. 5–6, emphases in the original)

Had Enron weathered its storms, Jeffrey Skilling might now be a case study of how to progress from good to great, attributions which are more likely outside the business world, to be applied to a supreme being than a human being. The foolhardy quest to graduate from goodness to greatness is addressed in blunt rebuttal among members of 12-Step communities as they seek recovery from addictions, with the aphorism: "There is a God (Higher Power) and it's *not you!*"

Yet, as Eagleton (1991) noted there are ingrained beliefs and values which we accept as self-evident and rarely question, guiding our decision-making. It is to these forms of language that I now explore to seek to understand the second-order narratives at work in our business and social systems that underpin our ways of operating. These are in sequence, discussions of leadership, growth, and vision.

Williams ends his essay with a credo, that leaders are key influences in our social and business systems. Citing Johnson and Hackman (2018), he writes, "People everywhere want to believe in their leaders" (p. 14). Here writ large is an uncontested article of faith that leaders are necessary for our collective well-being. Despite the 20th-century marred by two global conflagrations which oversaw millions of deaths at the behest of totalitarian leaders, and a 21st-century that has continued to reify a construct that sits beneath corporate failures, we have not yet envisaged a world without this mythological figure, even to our detriment. Williams further quotes Johnson and Hackman, "[we] want to have faith and confidence in them as people," but is such faith and confidence misplaced?

Why has leadership become so much a fundamental part of our social fabric that we are unable to imagine a world without it? We leaders and followers are at best, along with Ken Lay and Jeffrey Skilling, ambiguous sinners. Putting our faith,

confidence, and belief in leaders demonstrates how much we are driven by mythologies which are no longer useful for us. Indeed, claims to goodness and greatness obfuscate and divert our attention away from the quotidian and ordinary, the stuff that is our regular working lives. However, finding productive alternatives is challenging.

A second mythology that underpins the Enron story is that growth and excellent leadership are comfortable companions. The 2000 to 2001 California energy crisis can be attributed to Enron's staff believing that growth is fundamental to an organisation's purpose in the world. Their [mis]management of that crisis demonstrates the lengths that people, in this case commodity traders, will go to fulfil the quest to grow. Never mind those who suffer through price gouging, fire, and loss of essential services; once growth has been achieved, the organisation is deemed a success.

Growth is another article of faith by which we live but rarely challenge. It is a second-order myth that underpins organisational design and strategy, because growth fulfils a concomitant goal to make profits. However, growth is killing us. It is an ambition that has brought us to the brink of a climate emergency and guarantees mutually assured destruction. It is surely MADness.

A final second-order idea and one that is more conceptual, is our perpetual focus on vision. Indeed, the subtitle of Williams' piece is 'Eight executive *blind spots* worth remembering.' Vision gives rise to insight. We believe that leaders are able to see beyond ordinary folks and with their superior insights will be able to communicate their vision to followers. Indeed, Williams remarks in the abstract "If an executive leadership team gets the culture right, ensuring that employees align their actions with the corporate vision, I believe that profit margins will take care of themselves." Culture, vision, profit is the sequence.

Sight – the ocular – has dominated our culture for several millennia says Levin (1993), leaving us, "more hard of hearing, less responsive" (p. 3). This cultural orientation hardened, claimed Marshall McLuhan (1962) and colleagues (Carpenter & McLuhan, 1960; Schafer, 1985), after the invention of the printing press and linear type-written text that now controls the gaze. Rarely do we question why sight is privileged over all the other senses, hearing in particular.

Schafer (1985) writes, "Sound is all centre and no margin" (p. 113) which subverts the hierarchy that sight privileges. Our acoustic world is vibrant and when we are released from the hegemony of sight, we are freed to engage with all our senses in a world that is full of colours, sounds, shapes, and smells.

When we get in touch with the acoustics of our world, we begin to realise how pared back, sterile, and inhuman was the world of Enron. That world with its Star Wars language demonstrates how far they grew from their environment. Disoriented, disassociated, divorced from reality, they created a Gnostic 'religion' whose articles of faith privileged gain over responsiveness, growth over responsibility, and so-called leadership over connection.

As I ponder my part in this, I am called to examine the universalising and naturalising language that guides me, and which I perpetuate in my classrooms. I am reminded that my role as an educator is to explore the myths and legends by which we live and do business, and in the process to demonstrate their uncontested dominance. A further myth we educators live by is the belief that a business education serves the interests of business leadership, growth, and vision. But am I in my prestigious university a credentialing agent, or a critic and conscience of society, teaching my students to be critic and

conscience in equal measure? Myths are challenging to expose because they are so basic to our world, but challenge then we must if we are to avoid further company collapses driven by leaders who proclaim their greatness.

Examinations of Enron's failures will and should continue, and I applaud Williams for bringing this case back to our attention. His analysis is detailed and his prescription replicable. I have another plea to add to his discussion: the mythologies which gave Enron its life are still present in our world and we need to be ever-alert to their impacts on the ways that we do business and society.

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