

Why You Should Never Dis Dissent

IN EARLY APRIL, disagreement in the Tyco trial jury room was front page news. The dissent of Juror No. 4 led to a hung jury, and it seemed clear to most of the world that improper corporate governance might go unpunished. Despite the general outcry against the contrary juror, one commentary in the *Financial Times* opined that “every organization needs its Juror No. 4.”

Some management styles and corporate cultures actively cultivate dissent. Others, through poor personnel evaluations or official indifference, subtly discourage it. Discouraging dissent is usually counterproductive, resulting in poor decisions, employee frustration, and suppression of creativity and good ideas.

One method of managing dissent is consensus-building, such as practiced by the Japanese, which implicitly incorporates at least an early period of criticism. But if it's not managed effectively, consensus can turn into inefficiency. In the interest of agreement, personal beliefs can be submerged. Thorough research may minimize errors, but at the cost of flexibility and innovative timely action.

In contrast, many effective organizations foster creative dissent. They encourage constructive challenges to assumptions and identification of risks but not by committee. They manage risks by developing alternatives, emphasizing action rather than simply bogging the decision-making process in endless committee referrals and analyses. A key element of such dissent in these organizations is that it's not meant to be taken personally.

I remember being on a board of directors with someone who was constantly pointing out problems with the board's actions. The president of the organization often expressed his irritation with this individual, possibly because many of the proposals were his in the first place. But the dissenter kept at it, usually offering creative solutions to the problems she raised. Though she wasn't always right, she was right often enough to gradually gain the respect of most of the rest of the board. Ultimately, she contributed a great many constructive ideas for improvement, and helped the organization move in a better direction.

It's one thing to disagree with your boss; it's another to disagree with the market or expert consensus. If the results of your pricing model diverge from prices in the market, are you automatically wrong? No, but it's a clear

signal to re-check your calculations and assumptions. You may need to reverse-engineer the competitors' products to determine what performance level is needed to justify their prices. If this divergence is expected, the

actuary should clearly disclose the assumptions made, the risks that might arise, and management strategies that are available in case your judgment doesn't turn out to be as good as the rest of the market.

Each person should think about how to be a creative dissenter. There are various styles to choose from: The rational dissenter uses the force of logic; the emotional dissenter is supported by the strength of conviction; and then there's the gadfly, who seems to disagree with everything, no matter what.

But it's important to distinguish between the gadfly, who may be inconvenient but is often right, and the contrarian, who simply disagrees with any position, possibly just because it wasn't his idea. The reasons for dissent and a problem's underlying assumptions should always be evaluated. In many cases, just

the fact that someone expresses concerns means the supporting argument or solution has not been well enough thought out.

When dissenting, think about how you would react if you were on the other side of the argument. Constructive dissent, dissent that carries with it alternatives or solutions to the problems identified, is always easier to take than simple fault-finding. In addition, sometimes you simply have to pick your battles, fighting the tide when there's something important at stake. In most cases, you don't want to be known as the contrarian.

Dissent is something to be treasured and encouraged in others, carefully planned and considered in oneself. Don't be a knee-jerk dissenter to everything, without reasons and without coming up with alternatives or enhancements. Immediately dismissing the concerns of others doesn't lead to a creative environment. It may be easy to point out risks, but without risk there's no reward. Harnessing creative dissent is an important part of managing risk, and it enables an organization to grow. ●



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