

**Wincott Foundation**  
**Business, Society and the Role of the Media**  
**Thursday 18 May 2017**

There is a regular item in one of our popular newspapers that – how should I say – exercises judgement over business leaders in the simplest of terms – hero or zero.

Hero – a rare event.

Zero – definitely a box to be avoided.

But in a long career – a fact of life that you may find yourself in one box or the other at some point – with the ambition that on balance the final score at retirement will be more hero than zero.

I live in hope!

Rough justice perhaps – but a classic example of both the power of the media and its vital role in holding to account those who wield power.

In my own career, spanning nearly 5 decades, I have watched parts of the business community move from hero to zero – and occasionally back again.

In the 1970s, the trade union movement slipped from its roots as a heroic saviour of the working man to the disruptive scourge of an industrial society. Scargill, Red Robbo were the front page stories of the time – and industry became a brake, rather than an accelerator of, prosperity.

The 80s and 90s chartered the ascendancy of business, entrepreneurism and finance – including the rise of the City of London as a pre-eminent global financial centre – and its bankers, the then ‘masters of the universe’.

Caught up in the Thatcher revolution, the media captured the zeitgeist: ‘greed was good’ in a ‘loads of money’ society.

It was an era when some became very wealthy, most got a little richer, few felt left out - and almost no one complained.

Capitalism had become the way to go – with share ownership growing from 7% of the population to 25% in just over a decade. Business was good for everyone.

And the media cheered it ever onwards and upwards.

But when it all went horribly wrong. The financial markets collapsed, the pendulum swung and the heroes of the city became the zeroes of the hour, or as Lord Myners put it when speaking in Parliament, misquoting Hunter S Thompson: *“banking was seen as a shallow money trench – where thieves and pimps run free and good men die like dogs.”*

Well you don't get more zero than that.

And as the wealth spreading ambition of 21<sup>st</sup> Century globalisation turned to dust, another era emerged.

Austerity for the masses, prosperity for the privileged: not a good recipe for social harmony – with the frightening spectre of job-eroding automation lurking over the horizon.

And there is no doubt that at the same time, complex executive remuneration schemes – created **and** authenticated by remuneration consultants; authorised by board committees; self-justified by international competition; and, ironically, greater transparency – propelled reward packages to new heights.

For society a line was crossed, and the issue of fairness became a lightning rod for social friction, political targeting, and media exposure – as the one per cent club looked increasingly estranged from the ninety nine.

In many respects the so-called ‘fourth estate’, the free and fair media, played its part in exposing social injustices and holding business and government to account – just as it should.

But the flames were also fanned by a new type of media revolutionised by technology – in the world where the speed of reporting and the competition to file first – not only the facts, but the highest impact version of the facts, became the challenge of social media and 24 hour rolling news.

Less scrupulous commentators, happy to use hyperbole, exaggeration, or at the extreme the now famous fake news, have made fact, truth and accuracy an increasingly rare commodity – and tarnished all journalism in the process.

Never has the aim of the Wincott Foundation – to support and encourage high quality economic, financial and business journalism – been more important.

For it is a combination of inappropriate behaviour by some in business, and irresponsible reporting by some in the media, that has contributed to a wedge being driven between business, the media and society as a whole.

The importance of a respected business community and a trusted media industry - one a wealth creator, the other a check and balance on the creators of wealth – cannot be overstated.

There is equally no doubt that if that fault line becomes a permanent fracture the value of business and the wealth it creates on which society depends is demeaned – and its ability to function for all our benefit impaired.

In today's world to attract talent – and be at one with society – organisations are not simply judged by how much money they make, but much more on *how* they make money. Reputation is all: for companies and their leaders; for media, and their moguls.

Ethics, social purpose, contribution to society are not optional extras but key criteria for access to talent, capital, customers and consumers – for the long-term future of any enterprise.

But whilst far from perfect it is important we all assess business today from the perspective of the material improvements made over the last half century.

At the start of my own career offices were choked by cigarette smoke. Drinks trolleys were standard in most board rooms, while the presence of women was anything but.

Accounting standards were lax, management grip was light, attitudes unthinkingly prejudiced – none of this was considered odd.

Little was reported – even less was done – and under lacklustre management and lagging productivity the UK drifted to become the sick man of Europe.

It was this behaviour that led to high-profile corporate scandals and provided the catalyst for change – initiated by the remarkable Sir Adrian Cadbury – supplemented by Greenbury, Turnbull and Higgs.

Which piece by piece evolved to become the Combined Code of today – a comply or explain regime that has fundamentally changed for the good the bulk of British business behaviour – adopted across the globe as the gold standard.

Today I believe we are at a tipping point – where if we fail to win trust, to earn respect, to re-establish the core values and recognition that business and media are good for society – we will all live to regret it.

The divisive challenges of globalisation are about to be amplified as the speed of technological change accelerates – intensifying global competition, deepening the gulf – as machine intelligence replaces previously privileged roles, and the pace of alternative work fails to fill the gap of economic returns or daily purpose that employment provides.

The pace of change is forcing society to ask old questions with new intensity.

‘Who guards the guardians? Who are the truth Tellers? When does technological disruption become social destruction? And is business the creator of wealth for the few or the engine of wealth creation for the many?’

It is the responsibility of an unbiased media to pose those questions and provide the public with informed commentary reflecting both sides of the argument.

It is our responsibility as business leaders to respond with credible answers to these reasonable questions – not just by what we say – but more importantly, what we do.

If we are to manage change in society in the future we must all intensify our efforts now – and for the UK the challenge will be greater as the economic truth and risks of Brexit hit hardest those that are most vulnerable.

Funding the needs of society as we exchange the certainty of a tariff free Europe for the brave new world of bilateral arrangements – in an increasingly protectionist global market – much will be demanded from business.

Better behaviour – in how we pay ourselves, and conduct ourselves to gain the support and engagement of the talent we need at home.  
Greater focus in how we innovate and seek to penetrate the new markets we need abroad.

Adherence to a strict code of ethics as we operate in markets with traditional standards of behaviour, different from our own.

Improved productivity in the workplace to hone our competitive edge. Broader diversity in the boardroom to sharpen our strategic thinking.

And last but not least – a deeper commitment to planning, training and educating those that work for us today to ensure they have the skills for employment with us tomorrow.

These are not issues for debate: they are items for action. We cannot rely on government to solve the challenges ahead. Its role is to set the climate for success. Only business can deliver the goods. If we are to thrive business must respond as an economic priority and social necessity.

And if we in business shoulder these responsibilities we would ask you in the media to remain vigilant in monitoring our progress.

Diligent in celebrating our successes. Disciplined in admonishing our failures. Committed to the facts. Certain of your beliefs in balance and determined in your duty to report fairly and accurately.

It is in no one's interest that the media is marginalised or business demonised – now more than ever we both must be performance driven but values led.

Thank you.