

The Trusted Executive

John Blakey





Interview with Ingrid Lorange, CEO Global Shared Services, Telenor Group, Norway

Telenor Group is one of the top three companies listed on the Norwegian stock exchange and one of the world's largest mobile telecoms companies with operations in Scandinavia, Eastern Europe and Asia (www.telenor.com).

JOHN: Why is trustworthiness an important topic for someone like you in a CEO role to focus upon?

INGRID: I think that as a CEO, and as any senior manager in a company, trustworthiness is about integrity. It's about setting the right example. And by doing that, ensuring that the direction is clear, that it is understandable, that it serves a purpose and that we're in it together. Integrity has also to do with ethics. And ethics is something that is important internally and externally. So that as a CEO you will be fronting and communicating and standing for something on behalf of your company towards your customers, towards other external stakeholders; those people need to see that there is an element of ethics and trustworthiness in what you provide and how you provide it.

JOHN: You mentioned that you've had the challenge of keeping trust in the stakeholders that you're working with on your project. Tell me more about that because it's an interesting example of how you've tried to build trust.

INGRID: First of all you could say that we haven't delivered service quality according to expectations, so our ability to deliver hasn't been good enough. So of course we have to do something about that ability. But just as important is really the issue of how we work with expectations and how we communicate. I think one of the important parts of both the CEO role and the leadership role is how you spend time in communicating transparently. It's back to ethics; are you transparent on seeing where the issues are and are you transparent and honest with regards to actually what is the situation and what you are doing about it? And are you creating the right expectations with regards to what will happen going forward? And then hopefully later on you can tick it off; this is what I said would be done by next week and this is what has been done. In that situation you can create trustworthiness even when you don't deliver perfectly. In our current situation, we didn't communicate enough so the situation escalated. We should have been out there showing our understanding of the customer, showing that we understood the challenges, showing our commitment to solve those challenges and being transparent on the plans that we had to improve the situation. What annoys me is that we hadn't got our act together in order to present facts. So you end up in a situation where the client's perception is based on sentiment and hearsay.

JOHN: Yes, the communication theme is becoming more important in a world where you've got social media and people can be cynical.

INGRID: One of the ways I need to create trust is to be humble and show that I understand the critics and pessimists, that I understand their concerns, that I address their issues and that



I am prepared to take a bit of a beating in doing that. But then coming back strongly with a message regarding our commitment to resolve the problems. It's a two-fold style of communication.

JOHN: Is there anything else that you wanted to say about how leaders build either their own trustworthiness or the trustworthiness of their organisations?

INGRID: I think the only thing that I might add is that the CEO has to build their individual trustworthiness because that influences the way people look at the entire organisation. But I think it needs to be done in a way that is clearly for the purpose of the company. It's not really about an individual but it's about how you serve as an ambassador and a representative of what you want the company to stand for. Then you have to ensure that there is a culture worked throughout the organisation in all management layers on how you present the values, how they also 'walk the talk'.

JOHN: How do you think this challenge has been influenced by the global financial crisis and subsequent business scandals?

INGRID: In one way I think that's just a matter of public opinion. Perhaps we're taking away some of the illusions that some might have had with regards to integrity or how financial and commercial organisations operate, and always have. But the media has a very different role today than I feel that they had twenty years ago. I've had that discussion with lots of people where we say that at some point the media has to take responsibility for educating the public in a more balanced way. However, being commercial organisations themselves, now it seems like more and more the media need to create scandals and provide entertainment rather than education.

JOHN: In your experience in business would you say standards of behaviour have got better or worse or are about the same?

INGRID: I actually believe that many things have got better. For example, one of my ancestors used to lead a steel company many years ago. And at that time it was quite natural that people at the top would have personal benefits related to that job that would never be accepted today. And that was fine. It was the way it worked, partly because relatively few people had access to higher education and were considered to be 'above' the rest. Even in a country such as Norway, where there is no aristocracy, a company director would be regarded as different from 'the rest'. So I think that we have raised the bar today with regards to what we accept from leaders as well as employees. Leaders should be positive role models with high ethical standards on all areas. The other factor is that when you have larger and larger companies, those times when someone steps over the line then the consequences are bigger, the numbers are larger, and thus it creates a bigger headline. You don't want to be in such a headline.

JOHN: What other factors beyond the individual CEO and leadership affect the trustworthiness of an organisation?

INGRID: There are some external factors. For example, Telenor probably has a high level of trustworthiness because of the fact that the Norwegian state is a majority shareholder in and the Norwegian state is considered globally to be fairly non-corrupt and trustworthy. Also, it depends upon the nature of the company's business. I guess it is harder for a



tobacco company to build trustworthiness than it is for the Red Cross for example. So I think those factors have an impact.

JOHN: How about the size of a business? Telenor is a major multinational, do you think that it's harder to build trustworthiness when you've got organisations of a certain scale?

INGRID: Maybe. I'm not that sure. I've heard people claim, at least in the Norwegian market, that it's more difficult for Telenor than the others because we're large and some people just want to get you because you have are perceived to have too large a market share or make too much profit. But, on the other hand, I also think that there are large companies who manage this challenge very well. What I think you can say is that if you have very high profits you will have less trustworthiness in the minds of individuals 'on the street'. You will have high trustworthiness in the financial markets but an individual, who does not know your business well, will still tend to feel that you must be fooling someone in order to earn that level of money. Which is the same if a CEO has a pay package which is considered to be unreasonably high. I think that negatively affects the trustworthiness of a company in most individuals' eyes.

JOHN: How do you see this challenge being for the CEO of the future?

INGRID: I'd like to see that the integrity and transparency and trustworthiness of the CEO would continue to be something that's really important. And that it adds value in the business and thus is what people look for when they recruit a new CEO. If you look at those cases where it really goes wrong, the consequences of having a person without the right ethics and morals at the top of a company are very big so I'd like to think this will become a more important criteria for those who select people for these positions.



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