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Musings

#85: Just Don't Say It July 18, 2020

I have previously written on the importance of listening. If you are talking, you are not learning as you are the one transmitting information. To modify Hamilton's Burr, "Talk less, Listen more."

I want to also highlight the importance of not saying things. This is a key growth area for many young executives. Rather than engaging on every topic and every issue, it is important to "pick your shots." I think this applies in both a group and individual context.

In a group meeting or discussion, there is a flow. Before you interject your comment or question, you need to evaluate how it will affect the flow. Is your thought material enough? You might not understand a footnote to a table, but does it really matter? Will your question change the result of where things are headed? Many bright executives are full of thoughts they want to offer but have to develop the "governor" on participating. IMO, you set up a level of deviation from your preferred path and as long as the topic is moving within that deviation, no need to jump in.

Your level of involvement also depends on role. I have had the pleasure of serving on a board with a very prominent private equity executive for the last 17 years. During the first years, I was taken aback by his lack of participation. Why was this titan of industry not really active in the discussion? I have since learned, it is because he knows how to be an effective board member. He will ask 2 or 3 questions during a 3 hour meeting. This scarcity heightens the importance of what he has to say. He is always right on point (he has been listening). He gets involved when he feels the issue is material enough or the direction potentially going far enough the wrong way, that he needs to get it back on track. That is a difference between being a board member and operating executive.

This applies in a personal context as well. I am a fan of an candid, open relationships with your team. If they screw up, tell them that. However, you need to look at this in context. Can a certain conversation wait until Monday rather than happening over the weekend? Maybe they have something going poorly in their personal life and you should let this one pass. Evaluate context and decide if your critical comment will move the ball forward. Make sure it won't be counterproductive. This also applies to choosing the modality of communication. Do it verbally and not by email!

One exception. Never hold back on sharing positive comments, compliments or thanks. You cannot show your appreciation enough.

Jml

Second Thoughts

I am surprised by the relatively silence of the Latinx (I have learned Latino is masculine so the growing trend is to be gender neutral with Latinx) community in the current social dialogue. From the U.S. Census Bureau, 18.5% of US is Hispanic/Latino while 13.4% is Black and 60.1% is White Non-Hispanic. It will be interesting to watch the playing out of the recent issue around the comments by the CEO of Goya and whether the Latinx community will engage in the cancel culture.

The stock market continues to rise. It is pricing in a vaccine and the return to normal business. I continue to believe "risk off" is the more appropriate path right now. We have just begun "earnings season" and the public companies are all starting to give their results. The U.S. banks have set aside enormous amounts of money for bad loans (loan loss reserves in excess of \$30bn amongst them so far). This is not an indicator of a healthy economy.

CNN's Fareed Zakaria believes part of the weak US response on Covid is the shrinking federal government. According to Zakaria: *Federal spending as a percentage of GDP is where it was 40 years ago, but that statistic conceals more than it reveals. Spending on entitlement programs — Social Security, Medicare and Medicaid — has gone up massively as the population ages and health-care costs soar. But most of the agencies of the federal government have been starved of resources while being given more tasks and mandates.... The number of federal employees is smaller per capita than in the 1950s, despite the fact that real U.S. GDP is seven times larger. The government barely hires new recruits anymore. Stephen K. Bannon, the ideologist of the Trump revolution, made clear that his central goal is the "deconstruction of the administrative state." Guess what? It was already happening.*

Zakaria is focused on number of federal employees. Spending at Fed level is rising quickly. The federal deficit for Fiscal 2020 is on pace for \$3.7 trillion and a post-WWII record as a % of GDP. The federal government spent \$5.005 trillion in the nine months ended June 30 up 49%. Entitlement programs and stimulus bills are the drivers. Right now the government can borrow at historically low interest rates but that won't always be the case. I long for Bill Clinton's balanced budget right now (he had surpluses in his last 4 budgets).

So the NBA is allowing players to put sayings rather than their names on their jerseys. According to reports, here are the approved sayings "Black Lives Matter; Say Their Names; Vote; I Can't Breathe; Justice; Peace; Equality; Freedom; Enough; Power to the People; Justice Now; Say Her Name; Si Se Puede (Yes We Can); Liberation; See Us; Hear Us; Respect Us; Love Us; Listen; Listen to Us; Stand Up; Ally; Anti-Racist; I Am A Man; Speak Up; How Many More; Group Economics; Education Reform; and Mentor." Kind of interesting.

Let's all pray for the notorious RBG as she battles liver cancer. Quite a lady.