Corporate bull is on the rise. Here's how to sniff it out

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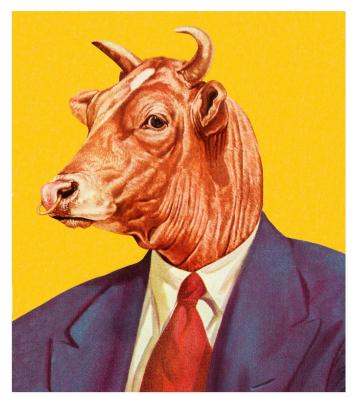SPECIAL TO THE GLOBE AND MAIL
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Even by marketing standards, the positioning seemed too rich by half. In mid-January, Manulife announced that its health insurance policyholders would henceforth be required to source about 260 specialized medicines for various chronic conditions exclusively through Loblaw-owned pharmacies, including Shoppers Drug Mart—a dubious tied-selling practice known as a "preferred pharmacy network arrangement." This new deal, a Manulife spokesperson said, would provide its group benefits members with "more options."

Many prescription holders, however, correctly saw the move as a way for their insurer to actually provide fewer options, by limiting their ability to choose pharmacies. Some even called bull on Manulife, as did the federal minister who oversees competition policy. The insurance giant quickly retreated, while a Loblaw spokesperson eagerly attempted to edit out the company's own role in

the short-lived imbroglio. "As we've said all along, our goal is to ensure patients have convenient access to care," she said. "We believe strongly in choice."

In a world beset by social media misinformation, bloviating politicians and misleading advertising, such incidents, though aggravating, are not exactly shocking. But they do underscore the existence of corporate bullshit as an acceptable form of communication between companies and their various audiences—consumers, investors and employees.

Yet off in a corner of the world of organizational behaviour, a small but growing number of experts have begun to ask whether an overabundance of corporate BS can pose a material risk, either in the form of a botched marketing ploy or mounting cynicism and morale problems among employees who toil in organizations that produce heaps of the stuff.

One team of these self-styled "bullshitologists," based at Simon Fraser University's Beedie School of Business in Vancouver, devised an "organizational bullshit perception scale" in 2022 (see sidebar). It's a tool HR managers can use to gauge whether a company is dabbling too freely in communicative practices like empty promises or a surfeit of incomprehensible jargon.

"To what extent your boss is a champion of bullshit is one of the factors in the scale," says Beedie's W.J. VanDusen Professor Ian McCarthy, a self-effacing engineer from Sheffield, England, who has co-authored various studies on corporate BS, including a recently published paper on AI-related bull (dubbed "botshit"). "When you look at the flow of bullshit, when bullshit is happening, most people disengage and some people exit because there isn't enough psychological safety to call it out. And if you're not calling it out, that means that you're likely to be making wrong decisions, which have adverse outcomes within the organization."

The pater familias of this field is philosopher Harry Frankfurt, whose 2005 treatise On Bullshit is widely considered to be the discipline's urtext. Frankfurt distinguished between lying and bullshit by noting that dissemblers were well aware of the truth and sought to disguise it, while bullshitters were utterly indifferent to the veracity of what they said. Though published prior to the advent of social media, Frankfurt's analysis has ripened regrettably well, and anticipated the influence of world-class bullshitters like Donald Trump and Boris Johnson.

Frankfurt's bestseller has been followed by others, including Bullshit Jobs, by the late American anthropologist David Graeber, and a 2020 guide on navigating empirical BS entitled Calling Bullshit: The Art of Skepticism in a Data-Driven World, by Carl Bergstrom and Jevin West, a pair of scientists at the University of Washington (Seattle).

It's perhaps not surprising that academics who specialize in management and HR not only glommed on to Frankfurt's work but also sought to parse what passes for communication within companies. Lars Christensen, a communications scholar at the Copenhagen Business School and co-author of a study on organizations and bullshit, points out that executives are often expected to opine on topics about which they know little, engage in strategic ambiguity or simply project optimism. "People in certain leadership positions need to pretend they are not in doubt, or at least they cannot admit that they have no clue," he says. "None of what I'm saying here is to excuse bullshitters. I'm just trying to understand the conditions under which that type of communication is likely to fluctuate or to increase."

Although hard evidence may not be on offer, it's a safe bet that corporate BS levels have surged since the onset of the pandemic, what with the ubiquitous email well-wishing and the managerial check-ins, and then the sharp escalation in investor fascination with all things ESG. "I guess what's changed post-pandemic, which I haven't followed systematically, is the rise of 'wellness talk,'" says organizational behaviour scholar André Spicer, executive dean of the Bayes Business School at the City University of London. He points to the advent of bullshit-adjacent wellness practices such as corporate mindfulness retreats. "Most of the interventions are totally ineffective, and in some cases actually make matters worse."

Virtual or hybrid workplaces may also play a role in the post-pandemic expansion of corporate BS. "Once you are connecting in an online way, and in a distributed way, trust levels break down," says SFU's McCarthy. "Trust relies on proximity. Whatever mechanisms would work to ensure that I might produce less bullshit, and you might consume less bullshit, are weakened [online]. Whether that leads to greater attrition levels, I don't know."

He speculates that corporate BS likely varies by sector, with comparably more generated in fields like marketing or advertising, but less in highly technical sectors, like utilities or advanced manufacturing. Still, as McCarthy notes, companies that mislead customers or other stakeholders can face enormous

consequences to their bottom lines. Volkswagen, for example, ended up paying a US$2.8-billion criminal penalty, as well as billions more in recalls, after it was caught in 2015 installing software in its vehicles that would misstate diesel emissions during testing.

Besides such high-profile cases, firms that tolerate excessive dissembling can become inundated by BS culture as mid-level managers and employees realize there are few penalties for this kind of interaction. McCarthy also echoes a point that is frequently made by leadership experts, which is that the tone is set by the CEO, one way or the other.

"When we promoted and shared our bullshit work," McCarthy says of his team's BS perception scale, "we got a lot of great reception from academics and non-academics. People working within companies who really liked it would always point out that whether it's at the CEO level or a departmental unit level, the boss sets the tone on whether we can call out BS, whether we can prevent it, whether we can stop it."

Spicer cites an extreme pre-pandemic counter-example: Nokia, the once indomitable Finnish cellphone giant, was led during the mid-2010s by a CEO who let it be known that he didn't want to hear bad news. Engineers who spoke up about flaws in Nokia's technology were punished and, as Spicer puts it, the people who got ahead were "those who polished the turd." Apple clobbered Nokia with its first iPhone, and the firm never recovered.

Allowing for the fact that market forces may at times rear up in the face of excessive BS, there's little doubt that organizations, which are made up of individuals with competing agendas, will continue to talk to themselves and to their various stakeholders in ways that have only a glancing relationship with the truth.

Yet, as McCarthy points out, public response to the growing volume of research from bullshitologists showing a nexus between corporate BS and financial risk is encouraging. Since the SFU team published its bullshit detector (see below), many people have contacted McCarthy and his group saying they'd shared their findings with colleagues or bought copies of Harry Frankfurt's book. "That's really sort of lovely to see," he says earnestly. "As an academic, you do stuff largely for other academics, and then you hope it translates into being useful and interesting."

SFU's BS Detector

The "Organizational Bullshit Perception Scale" was first published in 2022 in a paper by Caitlin Ferreira, David Hannah, Ian McCarthy, Leyland Pitt and Sarah Lord Ferguson entitled, "This Place is Full of It." Intended to be shared through employee surveys, the test aims to measure three factors: regard for truth, the boss and bullshit language.

1. Evidence must be presented to support decisions made.

2. People often make assertions that they cannot support.

3. It is easy to get access to the data I need to make good decisions.

4. When making decisions, we place more emphasis on evidence than on personal opinions.

5. You can persuade people to do things even if the evidence doesn't support your arguments.

6. People take the time to gather and analyze data before making decisions.

7. If you want to get ahead, just keep insisting that everything is going great, even if the evidence says something different.

8. My boss will say whatever it takes to pursue their agenda.

9. When my boss speaks, they usually back up their opinions with logic.

10. My boss often says things that may or may not be true.

11. Even when people don't know what they are talking about, my boss will often go along with their suggestions.

12. My boss loves to use acronyms.

13. My boss loves to use jargon.

14. People use jargon far too often.

15. People use acronyms far too often.

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