

CORNER OFFICE

The risks of giving God a seat in the boardroom

Disclosing he prayed about a decision was a defining moment in Gary Daichendt's short tenure at Nortel

By GORDON PITTS

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It was a seemingly innocent remark. Nortel Networks Corp. chief operating officer Gary Daichendt told colleagues that he had prayed with his wife for guidance the night before an important decision.

That statement became a defining moment in Mr. Daichendt's stormy, short-lived tenure at Nortel -- and provides a telling case study of how the "culture wars" are invading North American executive suites.

Mr. Daichendt, 53, says he left the Brampton, Ont.-based telecom company in June, after only three months, because of business differences.

Yet this devout Christian from California has been portrayed in the press as a religious zealot who not only talked about prayer but also told the Nortel board he had a message from God to depose the incumbent chief executive officer.

Mr. Daichendt adamantly denies he had made that divinely ordered power play, but concedes: "I prayed with my wife. That's a true statement because I am a man of faith." While the details of Mr. Daichendt's exit remain sketchy, it underlines the perils and complexities of bringing God -- or, at least, talk of God -- into the corner office. In the wake of the corporate scandals of the past five years, boards may demand higher ethics from senior officers but not necessarily more religion.

Yet it is hard to disentangle the two. Mr. Daichendt was welcomed into troubled Nortel because he was grounded in strong ideals, but he may have proved too evangelical for some of his colleagues. His faith was used as a public-relations tool by opponents. The Daichendt controversy mirrors the confusion of an era when the walls of the corporation are no longer impervious to the social conflict outside. The battle lines are particularly hard in the United States, where interest groups expect CEOs to take a stand on gay marriage, abortion and other hot-button issues.

It also reflects increasing openness in the workplace about talking religion. Tom Casey of Buck Consultants in New York recently told The Wall Street Journal: "It used to be more black and white. There were Four Horsemen you didn't talk about: politics, religion, race and gender. Now people aren't quite as guarded in opening the door."

Chatting about faith at the water cooler is one thing, but a CEO or COO who uses his or her office as a pulpit is another matter. A devoutly religious CEO, of whatever faith, has to walk a careful line, particularly in Canada, where the work force is highly diverse.

"I made no secret of my faith but I didn't walk around wearing a badge," says Paul Bates, a committed Christian and former CEO of several Bay Street firms, including Charles Schwab Canada, who is now the dean of the DeGroot School of Business at McMaster University in Hamilton, Ont.

As CEO, Mr. Bates recognized that some employees were concerned about working with a boss who is known to adhere to a particular faith. They would fear it could become a power thing. The executive might be inclined to proselytize or use religion to pick favourites in hiring or promoting.

As a result, Mr. Bates says he was very careful about expressing his religious beliefs. "I wanted to make sure people did not see it as being exclusionary."

His approach to his executive duties was to behave in a way that, for people who do not have a particular faith basis for their actions, would be seen as "doing the right thing." He did not censor himself in speech or actions. Yet, "there was almost never a day when I don't reflect on whether I acted in the right way."

Nevertheless, his low-key acknowledgment of religious faith was permission for others in the company to express themselves, which led to interesting dialogue, he says.

"When people are comfortable knowing you have a basis for your own faith, if it's done with care, it invites a wonderful conversation because it gives others permission to come and talk to you about their views on their faith. "

The willingness of an executive to open up about religion often depends on the history and ownership of the company. In a small business or a family business, the owner-manager's religion is usually no secret, and, in fact, is often the source of the company's values.

When you work for Bethesda, Md.-based Marriott International Inc., you know you are working for a Mormon family, although many non-Mormons do occupy key positions at the hotel management giant. The U.S. health care services and cleaning services company ServiceMaster Corp. in Downers Grove, Ill., was founded by a Baptist and has a mission statement that pledges to "honour God in all we do." And those working for the Reichmann family's O&Y Properties Corp. of Toronto know it has Orthodox Jewish owners.

But religious belief creates an image of inflexibility that is often exaggerated. "I interviewed a guy for a job once, and he asked me if he would have to wear a yarmulke," O&Y CEO Philip Reichmann once said. "I assured him it was not a mandatory requirement."

Cathy Driscoll, director of the Centre for Spirituality and the Workplace at St. Mary's University in Halifax, says that if organizations are up front about their religious provenance when they hire people, they can minimize any concerns. But she admits that it gets tricky in very large companies that are extremely diverse.

She finds it uncomfortable when a CEO or COO starts to talk about conversations with a deity. "For me, spirituality is very personal. If I have a conversation with God, I might share it with my closest friend or spiritual leaders but not with the people in my workplace. It is almost as if you are exploiting the situation for your own purposes" Certainly, religion in the corner office got a bad name when Kenneth Lay, the former chairman of scandal-wracked Enron Corp. of Houston, cited Jesus as a role model in his vision of an unregulated energy system.

As Mr. Lay touted deregulation during the California energy crisis of 2000, he said "I believe in God and I believe in free markets." Jesus, he said, "was a freedom lover. He wanted people to have the freedom to make choices."

Kevin Jenkins, a partner in TriWest Capital Partners of Calgary and a former president and CEO of now defunct Canadian Airlines International Ltd. and of Westaim Corp., says that he has been cautious about how he presents his Christian faith in the workplace. "You have to be careful that you are not putting forward your point of view as the best point of view, as the point of view that assists in a person's advancement in the company," he says.

Mr. Jenkins says that he prayed a lot in his tenure as a top executive, particularly in the later years of Canadian Airlines, but he didn't share that fact with people in the company. He says it is impossible to know how colleagues will respond, particularly in the overheated climate of a company under stress.

Whatever Mr. Daichendt said to his colleagues, his revelations exposed him to the biases of others. For any senior officer, of any belief, that is not where you want to be.