



## GREG SCHNEIDERS

# HP's lack of political acumen likely had role in leak scandal

What are the first two questions you ask yourself when you hear about a new PR disaster? Here are mine. First, what the hell were they thinking? Second, how can smart people do such dumb things?

Take the Hewlett-Packard leak flap. These are smart people. CEO Mark Hurd, in just 19 months, is turning the company around. Board chairman Patricia Dunn, as a member of the Conference Board's center for corporate governance, is no stranger to corporate ethics issues. Nor is the HP boardroom populated by unsuccessful, inexperienced, or dumb people. So when Dunn proposed conducting a clandestine probe into boardroom leaks, why didn't alarms go off in the head (or conscience) of at least one board member? Had no one read *All the President's Men* (or even seen the movie)? Didn't it occur to anyone that the whole exercise was ethically and legally questionable and, from a PR perspective, dangerous in the extreme?

Here are two explanations for these incredible lapses of judgment—one about the nature of the incident and the other about the people involved.

In my White House and Senate staff days, I learned that how you respond to leak probes can help either exonerate you or indict you. "Great idea, let's get those bastards" suggests that you have nothing to hide. "Do you really think this is a good idea?" on the other hand, can raise all the other eyebrows in the room (there are only nine HP board members, and at least one of them was "guilty"). This is why, even after approximately 99.99% of all leak probes have backfired, they are still proposed and endorsed by other-

wise intelligent people.

And what about those people? Of the nine HP board members, six are techies, one comes from finance (Dunn), one from healthcare, and one is a consultant. Notice what's missing? Here's a hint by way of board members of similar companies. Apple: Al Gore. Xerox: Vernon Jordan. Dell: Sam Nunn. AT&T: Lynn Martin. United Technologies: Christine Todd Whitman. Intel: Charlene Barshefsky. No one on the HP board has any obvious political experience. It's not even clear that there's a lawyer on the board (at least no one is identified as such on the HP Web site).

Of course, having political experience is no guarantee of sagacity or even common sense on politically sensitive issues like leak probes. But, it is hard to believe that Gore, Jordan, or Nunn wouldn't have sounded the alarm if they were in the HP boardroom that day. It is also unlikely that any of them would have been intimidated by the prospect of being suspected of leaking.

Possibly HP is now looking for a prospective board member with these kinds of credentials, but so far, its only structural reaction has been to take a giant step back from corporate reform and name Hurd chairman of the board. Circling the wagons may be the only political strategy less likely to succeed than probing leaks. ■

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