

Science Has Confirmed That Honesty Really Is the Best Policy in the Workplace

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Tell the truth, the whole truth and nothing but the truth.

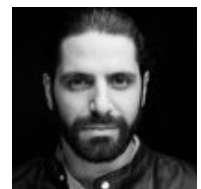


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Almost every company claims they promote values of honesty, transparency and trust. However, as [recent scandals](#) have shown, what an organization claims and how it behaves are not always aligned. The downsides of dishonesty would seem obvious, but the continued prevalence in the corporate world begs the question: Why are leaders and their employees engaging in it? Is honesty really the best policy?

Dr. Robert Cialdini, author of *Influence* and *Pre-Suasion*, has spent his career researching the science of influence and its ethical applications in business. When it comes to honesty, company leaders need to know these essentials.

The state of honesty in the workplace.

Workplaces today all have policies that are intended to uphold honest and ethical business practices. In [one EY study](#), 81 percent of C-suite executives reported that policies and codes of conduct were in place, yet over half of respondents did not believe that the people who breached them were penalized. Furthermore, unethical practices seemed to be accepted, with 5 percent admitting that they would misstate financial performance to survive an economic downturn.

The traditional argument against dishonesty is that when you are discovered, your reputation will be sullied. No one will want to buy your products or services again, but obviously, that argument is not convincing enough. People think they will never get caught, or they justify their deception with the promise of improving profits. Even though company leaders and employees are aware of the risks, they are choosing to engage in these activities anyway.

When policies aren't enough, what do leaders need to understand to make honesty a priority in the workplace? It comes down to understanding the negative effects it creates and that in long run, science shows that the benefits don't outweigh the costs.

1. Dishonesty disrupts employee performance.

Dr. Cialdini and his colleagues conducted an experiment with two teams competing by answering a series of questions on the computer. At the end, the team leader intentionally told the group that they were going to lie to the conductor about their score, and increase it from 67 percent to 80 percent. The second group reported the true score of 67 percent. In the next round of tests, the participants in the group that had been deceptive scored 20 percent lower than the team that did not. The study suggested that the moral stress of lying and cheating led to poor performance.

These results are consistent with his research in *Pre-Suasion* -- that dishonesty can create significant moral stress on employees. Moral stress occurs when an employee's ethical values conflict with those of an organization, and it has been linked to employee fatigue and burnout.

2. Organizations experience greater turnover.

Eventually, those individuals who are stressed by dishonesty will leave the organization. Then, what's left will be the people who are comfortable with deception and are more likely to cheat, lie and engage in unethical behavior. More concerning is that according to Dr. Cialdini, these workers in an enduring dishonest work culture have little allegiance. When given the opportunity, they will cheat the organization to benefit themselves.

In one case, Dr. Cialdini recalls that an employee even sabotaged equipment so they wouldn't have to work. When you allow dishonesty toward customers and clients outside the organization, it fosters more dishonest behavior among workers within it.

3. It's damaging to the bottom line.

These negative effects combined ultimately hurt a company's bottom line. In the short term, deception may seem worth it, but it leads to costly long-term consequences. Turnover is one of the most common and expensive. Dr. Cialdini estimates that for the average-sized business of 1,000 employees, losing just 10 percent of employees making a \$40,000 annual salary would create \$4 million every year in turnover costs.

It is clear that the costs associated with poor employee performance and turnover are great. It takes a toll on company reputation and relationships with customers and clients. Cutting corners and engaging in deceptive and dishonest practices may seem like the more profitable or beneficial decision at the time. However, according to scientific findings, those short-term gains are rarely worth the damage that it causes over time.