The Importance and Implementation of

Honesty in the Workplace

Sadie B. Dixon

Southern Adventist University
Abstract

Today honesty is not as common as it once was. While consumers and businesses have shifting expectations, more businesses are getting away with lying. This paper seeks to assert the value of honesty in the workplace by reflecting on the uncommon nature of honesty and the necessary implementation of honesty in the workplace. In doing this, the paper will also incorporate multiple sources including scholarly articles and books. All of which were written and published by credible sources. This report will conclude with ways of which companies can implement honesty policies in their corporate culture.

*Keywords*: honesty, business, creativity, consumers
The Importance and Implementation of
Honesty in the Workplace

As society shifts, so are consumer expectations. Today, not as many consumers or businesses are focused on the honesty as long as their other needs are being met. If a business is making profit and consumers receive the products and services they need, then honesty is less of a concern. This shift in expectations, however, should not shift the morals of a company nor its motivation to be honest with consumers. Despite the fact that consumer and businesses expectations are shifting, it is still important to create an honest business and take the proper steps to achieve it. This paper will seek to engage with conceptions about honesty in the workplace by reflecting on the uncommon nature of honesty, the importance of honesty, and the necessary existence of an honest working environment.

Honesty Becoming Less Common

Honesty within the workplace is not as common as it once was. The love of profit can easily outweigh the desire to be honest with consumers, and consumers do not value it as much as they once did.

One internal reason that businesses are likely to be dishonest is creativity, a concept highlighted in a Harvard Business Review Article by Maryam Kouchaki (2015). According to Kouchaki (2015), a Harvard researcher of ethical behavior and decision-making in the workplace, creative individuals are more likely to be dishonest. A study that Kouchaki (2015) referred to concluded that individuals who think creatively have been shown to be better at rationalizing their dishonesty and thus have a higher likelihood to behave in dishonest manners. This study, conducted by Francesca Gino of Harvard Business School and Dan Aviely of Duke
University, revealed that creativity is not always the greatest quality to look for in an employee. Kouchaki (2015) also explained that because those who ‘think outside of the box’ are usually given more freedom to be creative within a company, they are more likely to take advantage of the opportunity and make more unethical decisions than the average person. This supports what is found on pages 103 to 105 of the book *Business & Society Ethics, Sustainability & Stakeholder Management*. Authors Archie Carrol, Jill Brown, and Ann Buchholtz (2015) presented the idea that corporate governance drives an organization and the behaviors of its employees. When creative individuals drive the corporation and its culture, those companies are likely to compromise their morals and make unethical decisions when given the opportunity.

Another reason that honesty is becoming more uncommon in the workplace is because of the pressure of profit. As the pressure of profits is put on companies, advertisements and marketing campaigns are stretching more and more. Companies are not being honest with consumers about the things their products can do, and this has lowered the expectations of consumers. As more and more companies are being publically recognized for their scandals, consumers are no longer expecting companies to be as honest. Researcher Jayson DeMers (2016) concluded that as consumers are less trusting, they are less likely to purchase a product or service. His findings have determined that though businesses are pressured to succeed, when consumers do not trust, they are less likely to purchase. In recent years, as companies try to meet consumer demands, many companies have been falling short. They have been lying to consumers and allowing them to believe that their products meet their expectations and desires when in reality, they do not.

The final reason why companies are being more dishonest is because of the lack of reprimand for their unethical decisions. Few negative consequences can ultimately lead to a
company to be dishonest with its consumers rather than just within itself. Amar Bhide and Howard Stevenson of Harvard Business Review (2014) said, “punishment for the treacherous in the real world is neither swift nor sure.” They pointed out that companies are not as regulated or punished effectively enough to motivate honesty. When companies can find ways around the system to be more profitable, they are more motivated to take the opportunity due to fewer consequences.

One company that is a recent culprit of lying to consumers is Volkswagen, a worldwide car manufacturing corporation. In 2016, Volkswagen produced vehicles that did not abide by the emissions regulations yet presented it to consumers like it was. This scandal cost a lot of money for Volkswagen and cost them the trust of many consumers. This scandal greatly impacted Volkswagen, but by this year, it has been back to operations and has simply paid the fines and recall costs. Though some consumers distrust Volkswagen, many continue to purchase their vehicles. 2017 financial reports show that Volkswagen’s revenue and shares have actually gone back up after having dropped (Volkswagen, 2017). Despite their dishonesty, Volkswagen has managed to come back from their loss and increase their profits.

The Importance of Honesty

Beyond the uncommon nature of dishonesty, it is important to consider honesty’s significance within the workplace. Despite the fact that companies can get away with dishonesty, honesty is important. The corporate social responsibility of any business is to provide a product or service to the public that fulfills a need or want. Brian Westfall (2017), Senior Market Research Associate at Software Advice, wrote about a study conducted that revealed the significance of honesty in the workplace. It was discovered that companies who encouraged honest feedback revealed a “10-year total shareholder return that was 270 percent more than
other companies” (Westfall, 2017). This honesty, when deliberately implemented into the corporate culture can greatly impact the productivity of companies.

An article published by Harvard Business Review that discussed the successes and failures within businesses analyzed the need to be honest. This article, written by Howard Stevenson and Amar Bhide (2014), discussed the concern that it does not always pay to be honest. This was proven true in the Volkswagen case just in the past few years. Some companies truly can come out on top when they choose to be dishonest. So, if a company can just buy its way back into the business world, do they really need to be honest? The article concluded that in the long-run it is far more beneficial for a company to practice honesty. Stevenson and Bhide (2014) stated that when someone is wronged they seek retaliation and others ultimately no longer trust the company. It has been proven, through the research of Stevenson and Bhide (2014), that “profit maximizers are honest.” Though some companies continue to profit from dishonesty, those who truly maximize their profits are the ones who value honesty.

Another reason it is important to be honest is because ultimately a business exists as a whole body with the common goal. A business is a team and an entity that needs to work together in order to achieve success. In Ephesians 4:25 it says, “Therefore each of you must put off falsehood and speak truthfully to your neighbor, for we are all members of one body” (New International Version). This verse directly indicates that everyone needs to work together as one and be honest. In being truthful within the organization, employees have a greater trust and loyalty to the organization and to its mission.

The Bible also commands that people do not lie. In Exodus 20:16 is says, “You shall not give false testimony against your neighbor” (New International Version). This commandment is another direct example God directing people to be truthful and not deceitful.
Honesty is also identified as being important because it identifies who someone is as a person and as a leader. According to self-development author, Brian Tracy (2016), a good leader is not afraid to speak the truth and will stand up for the right thing. It is simple to be a ‘people pleaser’ and say what people want to hear, but Tracy (2016) proposed that true leaders speak up honestly. Honesty creates a positive and respectful reputation which is important to attain in any industry or business.

**Establishing an Honest Working Environment**

There are many things that a company needs to consider in order to improve their overall honesty and take the proper steps to create such a business. Before targeting any specific source of dishonesty, a company must first evaluate their target market and evaluate what they need from the business. Being honest and trustworthy is great, but it is extremely important to portray this to consumers in the best ways.

After determining what the target market deems as trustworthy, a business can begin taking the necessary steps to form and implement a plan of action. Professor Thomas Plante Ph.D (2015) stated that the first thing a company needs to do is create a policy, whether modified or new, to model what they want their employees to do and achieve. He proposed that a model provides structure and direction. Employees need to have the company’s expectations in writing (Plante, 2015). Many organizations have more of an unspoken rule policy. Plante (2015) pointed out that these policies are too vague for employees and leave them creating ways around the unspoken rules. To establish more concrete guidelines, a company needs to establish a set honesty policy.

One problem that businesses need to be sure to address in creating this written policy is the creativity of employees. Kouchaki (2015) presented that, “being creative is not the problem;
rather, it is the entitlement from thinking that you are creative that leads to dishonesty.” In order to prevent creativity from getting the best of them and compromising their morals, employees need to be directed and informed of the policies and consequences of not honoring the policies.

First, a company must carefully define to employees what creativity is and is not. There is no real set definition to “creativity.” This is what can sometimes make it challenging for businesses to limit the creativity of employees. There needs to be a balance and limit to how creative employees can be. According to Kouchaki (2015), a business must set restrictions and guidelines to set a clear understanding of what creativity means to the company. It needs to be understood that creativity does not justify ignoring other policies and that the sky is not always the limit. There needs to be set restrictions to maintain moral conduct and honest employees in the workplace.

Second, a business needs to emphasize that creativity is a skill that everyone can tap into. Though creativity needs to be guided, it also should be encouraged. Each employee needs to feel like they have the ability to think for themselves and be creative. Kouchaki (2015) pointed out that creativity is not a skill that everyone has, but that it is a skill that individuals can learn. Managers can encourage and reward creativity when individuals do not feel as though they have special privileges as a result of their creativity (Kouchaki, 2015). Creativity is a good thing when it can be channeled in positive ways. It should be something that is valued by a company because successful companies need creative employees in order to expand and grow. By encouraging everyone to be creative, businesses can direct the attention from a select few to the entire company.

Another problem that businesses need to address when creating this policy is their pressure of profits. A plan needs to be implemented that discourages the overpowering pressure
to make profits. Businesses can help solve this problem by hiring employees they can trust and modeling the desired employee behavior (Plante, 2015). A corporation cannot be ethical if those that makeup the corporation are not ethical themselves. Employees need to be hired that respect the company, themselves, and have high moral values.

To help employees be more ethical it is also beneficial to establish checks and balances within the company. Segregation of duties and team work is a great way to keep employees honest (Kouchaki, 2015). In establishing group projects and assignments, team members are required to report to each other and check up on each other’s work. This also motivates employees to work harder and keep up with the tasks of their co-workers.

Another thing that companies need incorporate into their policies to build a trusting brand is establishing personal relationships and integrity. Patricia Lotich (2016), founder of Smart Church Management and Thriving Small Business, concluded that personal relationships with consumers are what connect them to the brand and keep them returning for business. She specifically identified the need for integrity and keeping the promises that are made to consumers. “Organizations that operate with integrity do so intentionally and make it part of its everyday practices so that it becomes part of the culture” (Lotich, 2016). In establishing the trust with the consumers, they connect to the brand. This allows consumers to relate to the company and allows the company to be personified.

A company must also implement customer service policies in order to build consumer trust. By providing one-on-one interactions with customers, they are more likely to feel valued and understood. This idea goes with the point of having integrity and keeping promises. Consumers need to feel as though they are of concern to the company and that the company
cares for them (Lotich, 2015). When establishing policies that require quality customer service and care, employees are encouraged to act ethically and to be honest with consumers.

After establishing these policies, companies need to provide the tools that employees need in order to succeed. Plante (2015) stated that these tools include the necessary “training, consultation, modeling, and supervision.” Companies need to incorporate both internal and external experts in order to engage the employees at all levels of problem solving and training. By doing this, companies can be sure to equip their employees with the skills they need in order to fulfill the requirements of the honesty policies.

Finally, companies need to provide their employees with feedback and accept feedback. Being honest with each other and creating a sense of community within the organization is key to implementing and maintaining policies (Plante, 2015). Employees need to know and understand when they have not performed to a company’s full expectations and how they can correct their actions. Likewise, businesses need to be open to feedback from both their consumers and their employees. Plante (2015) explained that this needs to be implemented through collaboration and trust. In doing this, companies can receive and give feedback that can ultimately be used to correct or revise the policies and make the company better.

Though honesty is no longer the first policy, it is still the best policy. Being honest is one of the many keys to success and businesses today need to take the initiative to be more honest. Each company has its own unique culture, and each should incorporate policies that guide the actions of employees. These principles and suggestions can be very beneficial in establishing an honest work environment, creating policies, and improving a company’s corporate culture.
References


