

On the Importance of Being Honest

How important is honesty in business? For many of us, the image of businessmen - I mean businesspeople - is that of players in a large-scale game of poker, where deception is common and nobody ever wants to show their hands. Maybe that exists in the middle layers of some places, from and between people using image and perception to gain their next promotion, but on the whole people at the strategic layers of business appear to be essentially honest about what they do, what they want and what they believe their company to be. This is amply backed up by studies of leaders and entrepreneurs, which show that honesty is one of the most externally valued traits by venture capitalists, and the trait most likely to be rewarded with money. So honesty at the strategic level of a company is to be broadly applauded.

The flip side of strategic honesty is when it highlights a disconnect between the layers of a large company; where an honest assessment at the top of the company does not match an honest assessment from the bottom of it. A great deal of political courage may be needed to admit that this is the case, and a great deal of effort may be needed to bring the two assessments into alignment, but the cost if this is not done is almost always much higher (in trust, stress, and even in lost contracts) than if it is. I'm not suggesting that every strategic player puts all their cards face-up on the table at all times, but they really shouldn't kid themselves into thinking they're always holding 5 aces.