

## Honesty and Trust

By J. Thomas Whetstone, D. Phil

Honesty is an essential virtue for ethical business activity, perhaps the most important in most organizational cultures. In the Aristotelian sense, it is properly a golden mean between the vice manifest in chronic deception, lying, and misrepresentation, and the opposing vice of untactful naivety, total honesty projected without reasonable and sensible restraint. Empirical research (Whetstone, 2003) ranks honesty as the highest of the required manager virtues in a grocery chain, whereas the dishonest manager is considered the worst, most vicious of all. The related virtue of trust is also highly rated, widely acclaimed as being essential for right and good ethics. Businesses are built on a foundation of trust in the free enterprise system (Richardson and McCord, 2004); thus trust is also an essential attribute of an ethical organizational culture. Lack of trust is dysfunctional for the team, the firm, and the economic system.

However, there is a deeper, darker side of the relationship value of trust. Trust involves *telos*, a sense of mutual agreement on purpose or ends, together with a working consensus on the means and practices guiding behaviors. This is good on a prima facie basis, but mutual agreement, even when reached, may not always be directed toward a good end or goal. Trust is instrumentally necessary for a gang of thieves as well as for a coterie of angels. Even when everyone agrees to the intended, there may be significant differences regarding acceptable means. For example, a college faculty might agree that improving student retention is critically important, but disagree with the administration that going softer on grading is the way to accomplish this end.

Because of the need to establish and maintain trust, a leader needs subordinates to share his or her basic view of the appropriate manner of conduct for their respective assignments. A pragmatic, goal-oriented leader might trust more the subordinate who will go along than one who, out of religious or other moral principles, might have qualms or objections to what the leader believes is necessary for the job. Ethical integrity in the superior-subordinate relationship is fostered when the subordinate has the personal integrity and the relational support to question or even challenge the boss (Follett, 1987), rather than when honing to “whatever the boss says is right” (essentially the Nuremberg defense). For his part, the leader should refrain from “the 30,000 foot defense” recently attributed to former Enron and Worldcom Chairmen/CEOs claiming they were too far above the day-to-day actions of their subordinates, and thus not responsible for their unethical or illegal acts.

A pragmatic, goal-oriented leader might sooner trust the subordinate who loyally “goes along” rather than the one who raises objections to what the leader believes is needed for the task at hand. Even if the leader recognizes and basically respects the religious or other principled-source of the latter, are the likely frictions necessary or even acceptable? A strong transformational leader may even have difficulty recognizing or assessing the need for constraints that problematic naysayers represent. Indeed, why should a goal-focused leader rely upon or even employ a strongly principle-focused subordinate in a close working relationship? For example, when hiring a personal assistant, would not such a leader choose the more amenable applicant, the one who can be most trusted for personal loyalty, rather than the principled applicant, the one who might raise uncomfortable questions concerning the means the leader deems most expedient for succeeding in his personal and corporate agendas? Is there perhaps some hiring bias against the principled candidate?