

Lying at Work (Part II)

In 1968, Albert Carr wrote a now rather famous (and rather long) article in the *Harvard Business Review* that contains this interesting quote:

Most executives from time to time are almost compelled, in the interest of their companies or themselves, to practice some form of deception when negotiating with customers, dealers, labor unions, government officials or even other departments of their companies. By conscious misstatements, concealment of pertinent facts or exaggeration - in short, by bluffing - they seek to persuade others to agree with them. I think it is fair to say that if the individual executive refuses to bluff from time to time - if he feels obligated to tell the truth, the whole truth, and nothing but the truth - he is ignoring opportunities permitted under the rules and is at a heavy disadvantage in his business dealings.¹

Many agree with the business reality that Carr advocates. Others note, however, that Carr's thinking has wrongly pervaded the thinking of many business folks. John C. Bogle, on page 99 in his book *The Battle for the Soul of Capitalism*, cites data supporting the proposition that "two-thirds of the CFOs in the sample have been asked to lie about the numbers. More tactfully, such deceit was rationalized as merely aggressive accounting."

The perspective of ethicist Jeffrey L. Seglin is worthy of note: "When a culture of lying with impunity is perceived to have taken hold at the top, it bodes ill for behavior in the rest of the organization."

Seglin then adds four negative consequences of not telling the truth:

Lying becomes a bad habit;
You might get caught;
You set a bad example;
Others will copy what you do.²

Is Carr correct or is Seglin - or are they perhaps both correct?

¹ http://home.earthlink.net/~dockstader/PHIL/carr_IsBusinessBluffingEthical.html

² http://www.bixjournals.com/estraedge/consultants/winning_at_work/200809/08/column159.html?market=portland.