What every capable manager must do to create an army of honest workers

IN SUMMARY

- Detecting lies is an uphill task and wall hangings of Ten Commandments also don’t work.

Abasi worked as a branch manager at an upscale clothing retailer in Westlands. He prided himself in strong relationships with his staff and the commensurate trust that he bestowed upon them. Unfortunately, during an internal audit conducted by the firm’s Upper Hill headquarters, a Sh754,000 stock deficiency was uncovered spanning the past three years.

Horrified, Abasi called all employees in to an urgent staff meeting. Knowing that the regional manager would demand an explanation by the next morning, he asked his staff one by one if they knew anything about the uncovered fraud. Not surprisingly, every worker stated that they knew nothing about it. Abasi felt hopelessly unable to provide any answers before the confrontation with his boss.

Corporate fraud often cripples businesses and on average represents seven per cent of sales revenue. Estimated annual commercial fraud in the United States alone represents almost $1 trillion. Here in Kenya, firms such as Safaricom and KCB publicly release their fraud statistics. Forensic auditors investigate such fraud incidence. But if no specific trail of evidence exists underpinning the fraud, managers are left with rooting out the honesty of their staff through psychological means.

Hollywood makes special use of lie detector tests from movies to talk shows. However, sociopaths who do not elicit physical responses such as elevated heart rates and increased perspiration can game such devices, thus making polygraph tests not admissible in court cases in most countries.

Fortunately, you can learn as a manager to uncover lies without expensive polygraphs or MRI brain scanners. First, recognise that lying is complex. We both hate it all the while using it ourselves. Pamela Meyer, author of Lie Spotting, delineates that in animals, the larger the neocortex, then the higher the probability of being deceptive.

There exist documented cases in the animal kingdom of gorillas fooling others. In humans, babies cry then stop and look to see who else is listening or coming, then continue crying based on who is around them. By five years old, a child lies to other people through flattery. By nine years old, children can even cover-up actions. Every parent knows the humour and frustration of dealing with lying in our children. Many people also overly suspect lying in their romantic partners.

Susan Carnicero in her book Spy the Lie points out that people on average lie 10 times per day, ranging from detrimental lies all the way down to someone asking how you are doing and telling them a simple lie just to avoid going into detail. Fortunately, both Ms Carnicero and Ms Meyer go into great detail about how to judge on a one-on-one basis whether someone is lying.
Examples include liars freeze their upper bodies when they lie, but culturally we expect a liar to fidget. Western culture thinks that liars will avoid eye contact. However, a liar makes eye contact a bit too much as compared to an honest person. Western society thinks that honest people smile more often.

However, in Sub Saharan African culture, a smile culturally means the opposite. There exists a difference between a genuine smile and a fake one. A real smile can be seen in the skin on the sides of the eyes that cannot be consciously contracted.

**Organisational culture**

As a manager, one must create organisations that diminish the likelihood of employees lying. Steven Grover disturbingly uncovered that organisational cultures that emphasised honesty did not experience decreases in lying among their staff.

No matter how many statements in meetings that your firm values honesty or postings of the Ten Commandments on the walls of your office, it will not improve honesty in your company.

A method of decreasing lying involves reducing structural constraints that cause employees difficulty in carrying out their duties. Fix the underlying issues that employees lie about or lie to gain.

Steven Grover in earlier research also found that organisations that hold employees in conflicting roles leads to psychological distress. The distress causes the employees to dramatically increase lying. While lying increases under such conditions, individual dishonesty rates vary based on someone’s moral maturity, commitment to their workplace role, and locus of control being close to them or further away. Employees nearly all lie during bargaining situations while only some staff lie when faced with more mundane mildly conflicting expectations.

David Gill, Victoria Prowse, and Michael Vlassopoulos uncovered recently that the amount of cheating and lying in workplaces goes up commensurate with the degree of perceived unfairness in bonus and compensation schemes.

If employees feel that the company fails to provide performance measures and, in particular, bonuses fairly, then they increase their degree of cheating. Inasmuch, increasing employees perception about organisational justice and performance reviews fairness will decrease the amount of fraud and lying in your organisation.

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