



Build a Culture that Values Straight Talk and Rewards Integrity

Presented by:
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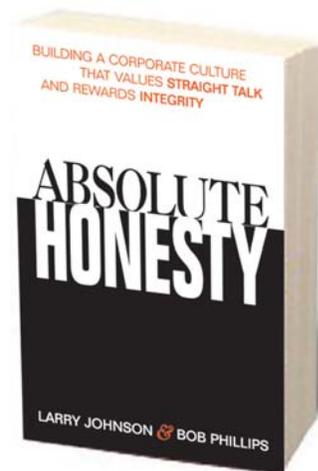
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Larry Johnson Presents

ABSOLUTE HONESTY

**building a culture that values
straight talk and
rewards integrity**

a presentation based on Larry's book,
*Absolute Honesty: Building A Corporate Culture That
Values Straight Talk And Rewards Integrity*



For information about Larry Johnson's speeches and seminars, call
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Larry Johnson, CSP



For twenty years, Larry has helped organizations build more productive and profitable working cultures through the development of strong leaders and dedicated employees. He has received rave reviews from more 150,000 business, government, and health-care professionals in every state in the union, as well as in Great Britain, China, Indonesia, Central America and Australia for his presentations on the topics of leadership, change, customer service, project management and honesty in business.

Larry is the co-author of the highly acclaimed, top-selling book, ***Absolute Honesty: Building A Corporate Culture That Values Straight Talk And Rewards Integrity***. He has also written more than 40 articles, published in recognized business and association journals. His clients include Harley-Davidson Motor Company, the National Apartment Association, the Royal College of Nursing, Southwest Airlines, American Express, McDonald's Corporation, Federal Express, the U.S. Bureau of Land Management, the American Health Care Association, and the National Industries For The Blind.

Additionally, Larry has eight years of real life experience as a manager in private sector health care, three years as a manager in city government, and 20 years as president of his own consulting firm.

TOPICS

- ◆ Straight Talk and Absolute Honesty
- ◆ Leading Change
- ◆ Leadership
- ◆ Project Management
- ◆ Building Great Work Relationships
- ◆ Team Power
- ◆ Motivating Yourself and Others
- ◆ Constructive Confrontation
- ◆ Sales & Customer Service

EDUCATION

- ◆ M.A. Psychology/Counseling - Northern Arizona University, Flagstaff AZ
- ◆ B.A. Education - Arizona State University, Tempe AZ
- ◆ Camelback High School, Phoenix AZ
- ◆ Madison #2 Grade School, Phoenix AZ
- ◆ Papago Grade School, Phoenix AZ
- ◆ Sutton Grade School, Phoenix AZ
(we moved around a lot)
- ◆ Mrs. Dauphet's Kindergarten, Phoenix, AZ

EXPERIENCE

- ◆ 4 years in health care management
- ◆ 7 years as training manager in government and the private sector
- ◆ 17 years as president of his own training and consulting firm

PUBLICATIONS

- ◆ ***Absolute Honesty: Building A Corporate Culture That Values Straight Talk and Rewards Integrity***, AMACOM Books, NY, NY, 2003.
- ◆ More than 40 articles published in national and international journals including ***Inc. Magazine's Customer Service Update***, the ***Journal of the International Customer Service Association***, the ***Journal of the American College of Health Care Administrators***, and ***Brown University's Long Term Care Update***.
- ◆ ***Project Management Video & Audio Training Program***, published by CareerTrack®.

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Six Laws of Absolute Honesty

1. Tell the truth.
2. Tackle the problem.
3. Agree to disagree and commit.
4. Welcome the truth.
5. Reward the messenger.
6. Build a platform of integrity.

Avoiding The “Naked Emperor” Syndrome

An excerpt from *Absolute Honesty: Building A Corporate Culture That Values Straight Talk and Rewards Integrity*, by Larry Johnson & Bob Phillips, AMACOM Books, NY, NY, 2003. Used with permission of the publisher.

As consultants, we have talked to hundreds of executives, managers, and employees in various industries, and many have expressed frustration with what we call the Kumbaya Syndrome. They complain that being “nice,” which we are all expected to be, often translates into being cooperative rather than confrontational, going along to get along, accepting less than stellar results when accountability is called for, or simply not telling the truth when doing so would be either politically inconvenient or professional suicide. One frustrated engineer described this misguided organizational niceness this way: “No matter how stupid or unethical a decision my team or my manager makes, we are all expected to embrace the stupidity, never argue, and start singing ‘Kumbaya.’”

We see this fear of confrontation and lack of truthfulness as the organizational equivalent of the fairy tale, *The Emperor’s New Clothes*. Most people know the story. An unscrupulous tailor with a gift for salesmanship convinces a vain and somewhat stupid emperor to pay a large sum of gold for a suit of clothes made from a thread so exquisite and fine that only the most intelligent and sophisticated will be able to see it. The guileless emperor buys this fantasy and, when the tailor “presents” him with his new suit, he proudly parades through the streets stark naked. Of course, none of the townspeople dare to point out that their emperor has no clothes on, preferring to support his deluded fantasy rather than risk being



punished. It takes a young boy who doesn’t know any better to shout out the truth that is obvious to all and finally give the emperor the honest feedback he so desperately needs.

If managers can’t get honest feedback from their employees, they, like the naked emperor, will make foolish decisions. Instead of telling an emperor how wonderful he looks in his new suit, employees should be encouraged, if not required, to speak their minds and go to the mat for what they believe in, even if it means disapproval from their managers or colleagues. Without such honesty, an organization exposes itself to fallout from bad decisions based on bad information, much like the naked emperor.

We think there is an urgent need to reestablish a standard of communication that encourages open discussions and healthy debate, tells the truth, doesn't mince words, and, most of all, is guided by a moral and ethical sense of right and wrong. We call this communication style Absolute Honesty. One way we can all do that is by making it a practice to always tell the truth.

When Congressional intern Chandra Levy disappeared in the spring of 2001, Congressman Gary Condit at first refused to discuss the case. When he eventually talked, he claimed that his relationship with the young political intern had been strictly platonic. Of course, as anyone who followed the news now knows, Condit was lying. Not surprisingly, once his deceit was exposed, everything he said about Levy's disappearance came under close scrutiny. Despite the fact that he had an airtight alibi on the day of Levy's disappearance, and was NOT considered a suspect, his dishonesty generated mistrust and a desire on the part of many to see him punished. And punish him they did: His constituents overwhelmingly rejected his bid for reelection, leaving no doubts about their opinions of his veracity.

As our parents and teachers told us, the worst truth is always better than the best lie. That doesn't mean that telling the truth is easy or won't have negative consequences. It simply means that, when faced with a choice of telling the truth, postponing its telling, or lying, telling the truth is the best choice for these reasons:

You Create Trust

Several years ago, co-author Larry bought a used sports utility vehicle. One morning it started making horrible grinding noises while it lurched and shuddered down the street. He was able to drive it as far as a local garage where he expected to pay thousands for what he worried might be a blown front-end differential. To make matters worse, he feared being gouged because he had never used this garage or mechanic before. That afternoon the mechanic called with the good news: A bolt had fallen out of the brake caliper and was jammed between the brake pad and the rotor. Total cost: \$50.

Larry now takes all of his auto business to this mechanic, including warranty work on his new car. That's right! He PAYS this fellow for work he could have done for FREE at the dealership simply because he trusts him completely. Such is the nature of trust.

Social-psychological research has shown that people are most likely to trust a person when they are in a vulnerable position and the person chooses to treat them truthfully and honorably. For leaders, the lesson is obvious: If you are always straight with people, they will learn to trust you.

You Pay a Higher Price for Lying

History is full of political examples of this axiom. It was both stupid and wrong of Richard Nixon to approve illegal break-ins into the offices of Daniel Ellsberg's psychiatrist and the Democratic Party at the Watergate Hotel. Given his overwhelming popularity in the polls,

however, it probably would not have undermined his presidency if he had admitted his complicity when the burglars were first caught. Instead, his lying about having no knowledge of the events, combined with his willingness to sacrifice the people he'd ordered to commit illegal acts, turned public opinion against him and eventually forced his resignation. Almost every political commentator and pundit of the time said that had Nixon admitted his sins and "taken his medicine like a man," the nation would have forgiven him and moved on.

Bill Clinton discovered a similar backlash when he looked into the camera and told us he 'did not have sex' with Monica Lewinski. He survived impeachment, but his legacy as the president who oversaw the greatest economic boom in this country's history is tainted by the perception that he was a liar and philanderer.

Faced with embarrassing failures, leaders who choose honesty limit the damage to themselves and their organizations. In the spring of 2002 the media reported that a multistate crime ring had rigged McDonald's "Who Wants to Be a Millionaire?" game. McDonald's responded with extraordinary quickness. Its president immediately admitted that there had been a fraud, made a public apology, and initiated a new game. According to Chris Ryan, who heads Ryan and Associates, a Phoenix-based crisis management firm, McDonald's minimized the damage from the fraud because:

"They were not playing a waiting game. You cannot get into that corporate

mentality where you run it up and down the flagpole twenty times. From what I saw, McDonald's moved very quickly, and the public was willing to forgive them quickly. And if you think about it, it wasn't in the news very long. They dealt with it and moved on."¹

Whatever your religious or cultural background, you were probably raised with a list of rights and wrongs firmly planted in your head. "It's right to be trustworthy, it's wrong to cheat. It's right to pay your own way; it's wrong to steal. It's right to be faithful to your spouse; it's wrong to mess around. It's right to be nonviolent; it's wrong to hurt others." Included in this list for most of us is, "It's right to tell the truth; it's wrong to lie." Not that any of us have never lied. It's just that most of us consider it wrong to do so, and therefore we often judge harshly those who do. Those who lie to us, especially if they are in positions of leadership, risk their standings as trustworthy leaders. The nicknames "Tricky Dick" and "Slick Willy" say it all.

Tell the Truth: You Keep Things Simple

Abraham Lincoln once said, "No man has a good enough memory to be a successful liar." If you always tell the truth, you never have to conjure up excuses or backpedal on your explanations about why your company didn't make its numbers. You never have to create stories about what you promised or didn't promise a potential customer. Best of all, you never have

to remember both the lie and the truth because you know that whatever you said, it will always match the way things really happened.

Telling the truth also helps to control the level of dysfunctional family dynamics that occur in every organization. If you grew up in the United States in the 1950s and 1960s and watched any television at all, you will remember the I Love Lucy Show.

The essential plot of every episode revolved around Lucy pulling the wool over her husband Ricky's eyes to get something she wanted, or Ricky fooling Lucy to get something he wanted. Neighbors Fred and Ethel usually helped out in the deception. In one classic scam, Lucy wanted to get into show business so she faked a nervous breakdown to convince Ricky that denying her a part in his nightclub act was driving her crazy. It was amusing to watch, but it was also sad. Call us curmudgeons, but in real life, such shenanigans can seriously damage the trust level in any relationship.

Rosemary, an acquaintance, told us this story. Her eight-year-old son desperately wanted a dog, and Rosemary wanted to get one for him; she had had a dog as a child and loved it. Rosemary's husband, Sam, hated dogs, and immediately put his foot down, saying there would be no dog and no further discussion on the matter. After several arguments, they dropped the issue. On Christmas morning, without Sam's consent, Rosemary gave their son a dog as a "gift from Mom and Dad." Under the circumstances, Sam couldn't say much

without coming across as Ebenezer Scrooge, but "open and honest" communication was never practiced again in that household.

You may or may not find Rosemary's dishonesty in this situation as distasteful as we did—we hope you do. After all, what kind of marriage can be truly healthy when such deceptive manipulation is standard practice between spouses?

Of course, there are two sides to every story. When we asked Rosemary why she pulled this trick, she said that Sam was often selfish and dictatorial. Taking the "indirect" (or deceitful) approach was the only way she could exert any power in the relationship. On the other hand, when we asked Sam about his relationship with Rosemary, he said that he loved her but she couldn't be trusted with money or practical matters. Therefore, his strategy was to just say "no" to everything. Was this relationship ever built on truth or honesty? We think not.

By the way, they kept the dog but divorced two years later.

In business, this kind of dysfunctional game playing can cause enormous losses of productivity and profitability. If you are a leasing rep who needs to know when an apartment will be ready for rent, you must be able to trust that what the unit preparation person tells you is true. If you manage an employee who is not performing to expectations, but you don't have the courage to give her feedback, she will never improve

because she believes she's doing okay. When you finally decide to dismiss her, you'll find yourself in court trying to explain why you were never honest with her about her performance. If you are a manager who fails to listen to people's concerns about their budgets being too tight to meet project goals, and you blindly insist they perform under threat of dismissal, you can expect them to make you think they're progressing satisfactorily when they are not. If, as a manager, you play favorites with your subordinates, basing that favoritism on whom you like, rather than on who produces, you can expect that people are going to lie and present false faces to you so you will like them rather than judge them on the results of their work. They may even get Fred and Ethel to help out.

Each example reeks of wasted effort. To remain a viable entity, an organization must apply as much time, energy, and person-power as possible to the business it conducts. It must spend the majority of its resources producing and selling products or services. It must also spend a large chunk of those resources maintaining a healthy environment where the producing and selling can take place. It can ill afford to have its people waste time and energy playing destructive politics, protecting rear ends, defending turf, and working around dysfunctional relationships.

Psychologist Abraham Maslow's studies on motivation in the workplace tell us that people will always attend to their own survival before worrying about the welfare of the organization. "How am I doing?" "Am I succeeding?" "Is my future secure?" "Am I contributing?" "Can I trust what I'm seeing or hearing, or is there unseen danger here?" These are questions that run through people's minds as they size up the work

environment. When the answers are clear, and their sense of danger is low, people can apply all their energy and time to doing their jobs well.

When the answers are unclear, or indicate danger, the number of e-mails, phone conversations, and water cooler meetings about the "family dynamics" of work will rise, while concern about the actual work being done will fall.

We propose that when always telling the truth is the norm in an organization, and is actually practiced in the workplace, it is easier for people to focus on their work and not be distracted by "family dynamics." When you know your boss will be candid with you if your performance is lacking, you don't have to worry about interpreting hidden meanings, innuendoes, or nonverbal language to decide if he's unhappy with your work or just grouchy that day. When you trust that you will be told the truth if there is something you need to know about the state of the business, you can focus on your work and not worry about it. When you know that your CEO would never encourage you to buy more company stock for your 401(k) when, at the same time, she's selling all hers because the stock is poised to take a dive, you can buy it and go back to work. With that kind of trust in the working environment, you can spend your time doing what you're paid to do rather than wasting company time and your own time looking over your shoulder, protecting your assets.

Notes

¹ Lou Carlozo, "Masters of Disaster," Chicago Tribune, 29 January 2002.