Honesty or Talent? Project Implementation with Possibility of Backstabbing

Parimal K. Bag∗ Prabal Roy Chowdhury†

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Abstract

Which quality of a leader is more valuable − honesty or talent? An independent pair of projects in each of two periods come up for deliberation for only one to be adopted. The leader has the sole authority to make the decision with the advice of a deputy. A corruptible leader is likely to promote projects in self-interest rather than what might be ideal.

Proving honesty (lack of bias) is shown to be a main driver of project choices early on. Whoever is initially chosen as the leader must not hurt her reputation for honesty, to remain in power. Delegating the authority of decision making plays around this motive. The bias perception may change over time, and the replacement decision is shown to penalize the leader for choosing her corrupt self’s favorite project even after the decision is proven to be correct.

With future prospects in mind, the deputy never speaks up unless the quality of her information is high − offer advice only when it might make a difference. And yet with high quality information the deputy may lie low and not recommend a project simply because the corrupt type of the leader is looking for such an endorsement for private kickbacks. This possibility may arise if the leader can be brought down through shenanigans of having acted in a biased manner and thus be replaced by her silent, non-cooperative deputy. Backstabbing may thus be welcome for organizational efficiency. The backstabbing deputy may even be intrinsically non-corrupt or talented: an ambitious person simply aspiring to be at the top of the hierarchy. And faced with the possibility of backstabbing, organizations would prefer delegating the initial leadership to the expert who is more likely to be talented.

Finally, a completely non-functional (babbling) deputy may serve in waiting in case the leader becomes untenable, and in precisely these situations the initial leader must be chosen on both merits − talent and honesty.

The above results are applicable to a broad range of decision making in organizations and party politics.

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Key Words: Organizations; politics; decision making; projects; authority; leader; deputy; advice; talent; corruption; honesty; reputation; backstabbing.

∗Department of Economics, National University of Singapore, Faculty of Arts and Social Sciences, AS2 Level 6, 1 Arts Link, Singapore 117570; E-mail: ecsbpk@nus.edu.sg

†ISI Delhi, India; E-mail: prabalrc1@gmail.com