



ALL YOU HAVE IS YOUR WORD

In recent weeks, the media has been full of chatter about “who knew what when” and whether they were “honest with their investors”. The public’s trust in the financial industry’s integrity is at a near-all-time-low. Most importantly, our industry’s ability to trust each other is under scrutiny as well. I believe it is up to each of us to work to rebuild that trust and to hold each other accountable to a not-outdated standard of integrity.

Trust is a funny thing, you take it for granted until it’s gone. Steve Forbes has said that “... trust is the overlooked bedrock of democratic capitalism. Like the air we breathe, we too often take this critical intangible for granted.” We have entered an era marked by business scandals and a desire for accountability and one of the top selling books on the topic *The Speed of Trust: The One Thing That Changes Everything* reminds us that we break this code of trust at our peril.

Dating back to the early 1500’s, the phrase “a man’s word is his bond” has come to symbolize the elements of trust that were crucial to business throughout modern society. As recently as the 1970’s, Robert Blake used the phrase “... and you can take that to the bank!” as a regular phrase in his Baretta character.

The relationships of trust between investors and limited partners, investors and their portfolio companies, employers and employees could all use some spiffing up. Without trust, the entire system collapses into deceit and mistrust. In fact, the one thing that is never forgotten in this industry (or in most parts of our lives) is when someone welches on a deal or reneges on his or her word. I would wager that every one of you reading this column can remember a time when someone gave you his or her word and then tried to weasel out of it and I am certain that you never completely trusted that person again.

In our roles as recruiters, we work hard to earn and retain the trust of our clients and our candidates. That means being honest and it’s what we ask of our clients and of our candidates. We’re all adults and that means we can take the truth, even though sometimes we don’t like what we hear. It also means we’re willing to take the risks that come with being honest and we expect the parties we work with to take the consequences for being dishonest or for breaking their word.

So, imagine my surprise when I learned that Thomas Vo, a candidate who accepted an offer from one of our clients in February, announced this week that he was reneging on his acceptance. According to Thomas, although he had signed an agreement accepting our client’s offer and agreed to a start date for this summer, he was contacted “out of the blue” by the HR department at a PE firm he declined to name (not surprising) after accepting an offer with our client and, although he tells us “he wasn’t looking”, he continued on interviews with this unnamed PE firm and has now accepted an offer with them – leaving our client in the lurch, months after they thought they had concluded their search.

I found Thomas' remarks that he wasn't looking disingenuous. Of course he was looking. Otherwise, he would have politely told the HR department at the PE firm who called him that he had already accepted another job and given his "word" that he would be starting this summer. Going on an interview with one firm, after already accepting a position, and then saying he wasn't looking for another job is a lie. It makes Thomas' word untrustworthy. If our client had done this to him - extended an offer, acknowledged acceptance by the candidate and then continued looking for "better" candidates, and then reneged on their accepted offer by saying that they weren't looking for candidates, this new fellow had just materialized – no one would believe them and we'd call "bull%#@*" on them.

In an industry this small, one has to assume that memories are long and the world is round and that you will see the same players at another time. I long for the days when a man's word was his bond. I expect that of the people I work with and I will hold both candidates and clients to that standard. Call me old-fashioned, call me naïve, call me an elephant with a long memory. But, you can be sure that you can call me an honest man, whose word is as good as gold. And you can take that to the bank.

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