

**LEADERSHIP ACUMEN Issue 25**

© Doug Macnamara & Banff Executive Leadership Inc. 2006, 2010

Do You Lead (or Govern) With Integrity?

*Are you an Executive or Board member who carries out your leadership role with integrity?
Do you carry out your personal life with equal integrity?*

Wait! Before you answer these questions, let's explore the concepts a bit further, and then you can test yourself at the end.

I ask these questions purposefully, for in our programs on Governance or Executive Leadership what often starts out as a simple question, with seemingly simple answers, invariably gets more complex and difficult to answer as we dig-down further into the concepts.

I could have asked about "trust" or "values" or "ethics" which in truth are all related to integrity. Indeed truth is also related. Whereas all of these others are important, only Integrity makes it onto Plato's short-list of human virtues.

IN·TEG·RI·TY *n.* 1. *Quality of being honest and up-right in character.*
2. *Condition of being complete.*

[Wikipedia]

Syn: honour, veracity, reliability

Ant: "cheat"

The clever reader will already see that these concepts and their definitions are also contextual. As a leader, you will be seen as one with integrity in the context of both your own and other's expectations, values, rules, and ethics.

Thus, living and leading with integrity suggests that one:

- (a) has a formal relationship with one's "self" (or inner compass), and
- (b) is connected to society in acting morally and ethically.

[Stanford Encyclopedia of Philosophy]

Starting With Values

On the personal level, your integrity depends on whether or not your personal practices, decision-making, and leadership actions are in-tune with your own values.

So quickly now, grab a piece of paper and a pen, and write down your answer to this question:

What are 5 Core Values that you live your life by?

Core Values	Definition	Example
1.		
2.		
3.		
4.		
5.		

Not one or two, but push for five! Then, to ensure you are not being ‘hazy’ or ‘light’ in your thinking, define what you mean by each one of these 5 values – the way you would explain it to your teenage daughter or son. Next, to be really sure you are clear on these, give an example for each – again one that you would use with your teenager or spouse – to show how you live-out that value daily/weekly.

Go ahead; take a few minutes to complete this chart before we go further.

In a recent program, I gave the assembled group of executives about 15 minutes to complete this exercise. After about 8 minutes, one woman was finished and looking to move on. The rest of the room meanwhile was deep in thought. A few were visibly having real difficulty! After about 30 minutes, the majority of the participants were almost finished and so we moved on. But several, had only a few of the spaces in the chart completed.

What can we take-away from this exercise? When asked why completing the chart was so fast and easy, the one woman answered: “I was brought up to be very clear about how to live my life! Every morning when I get up and go into my bathroom, my personal values are written on my bathroom mirror. As I get washed and ready to face the day, I am also thinking about how I will live out my values in the meetings or decisions I know I must address, plus I am reminded about what is important to me in facing the un-anticipated challenges.”

FANTASTIC! Now there is a leader who is set to live their life and lead others with personal integrity.

As you can imagine, the next question was tougher. Why were those who first, needed more than 15 minutes; and second, were still incomplete after 30 minutes, finding the exercise so difficult? With great honesty and insight they answered:

“I have never really ever thought about my core values.”

“No one, nor my organization, has ever asked me this before.”

“These really aren’t something I think about often, so they are hard to define and it is difficult to think of examples of how I practice them regularly.”

As a leader, your actions and reputation are not just related to your personal values, they are also compared to the expectations of others. In some cases the organization or profession may define these through their values and ethics statements. In this situation, as a leader, you must be able to lead others in creating/stating the values and then how to interpret them. When they do not exist for the organization, you will have to fall back on to your own for guidance.

When you look at core values too, there are many that are assumed in our lives today, some with very unclear definitions. For example, if you work for a company, do you have the core value of “Capitalism”? If so what does this mean? (Or, is what you value really more that of a “mixed-economy”?) What about Democracy – is this a core value you hold? If so, what does this mean to you? Is democracy a societal value or one that is practiced in the workplace? What about values such as “hierarchy” or “team” or “collaboration” or any of the 10 Commandments”? What are some of the assumptions you are operating under with an incomplete understanding of what they mean and/or your level of commitment to them?

Frankly, it is a bit worrisome to find regularly, that so many executives and Board members have difficulty with this simple exercise.

Another important element of living with integrity is the ability to define and cite examples for your teenage kids (or staff). You see, the notion of integrity, also connotes the element of being a role-model for others. If you can’t define your own core values and show how you live by them to your teenagers, they will readily call you out for being “un-true” – in a way your staff would probably think, but never declare openly.

Further, employees, potential business partners, clients and others watch what you do in your personal life as a sign of what you will do in business, government service and so on. If you ‘cheat’ in your personal life, then maybe you are likely to ‘cheat’ in business too. (So how do you behave when playing cards, golf, or when driving!?! 😊)

Integrity’s Connection to Ethics

A person may act in-line with their own core values, but this is not necessarily the same as being ethical.

Being ethical means balancing the needs of the individual with that of the whole. Or stated another way: balancing the needs of the few against that of the larger community/society

(*Ethical Perspective* by John Dalla Costa) – Plus, it requires meeting a minimum standard of performance, prudence, care, and/or capability.

In this way, a leader’s wholeness of character is assessed partly based upon the expectations for the greater good.

We do not see a politician who benefits himself and a select few at the expense of others (or tax-payers) as being very virtuous! Neither is maximized ‘shareholder return’, at the expense of the community or environment, considered an example of corporate governance with integrity. A prudent balance is expected from those who have the privilege to lead.

Once into this area of ethics and leadership, we are significantly engaged in a ‘moving target’ exercise. Balancing between the benefit of the few and the greater good, is not an easy thing to determine, enunciate or decide. As such, executive leaders and governors can benefit greatly from engaging wider stakeholder dialogue in such matters, then clearly enunciating their standards through an enterprise “Statement of Ethical Practice” – along with the statement of their organization’s Goals and Outcomes Measures of Success. In this way, Executives and Directors can then be held accountable to both advancing the organization (the good of the few), balanced within the context of their defined ethical standards (the greater good).

For today’s executive leader or Board member, these guideposts are imperative to acting and making decisions with integrity. How well are they defined in your organization?

Without such definitional statements, neither you, nor others can assess your integrity. Further, an un-enunciated ‘inner-sense’ of right or wrong – while valuable – is not enough. Such an inner sense ends up being too situationally flexible and fuzzy. And, we have already seen how many in an average group of executives are able to be quickly clear and explicit of their values and ethics!

Now, do you feel as an Executive Leader or Board/Political Governor, that you have ethical standards and demonstrated practices higher than that of the average person?

This is important, because the law, stock exchange rules/guidelines, and most Societal/ Traditional/Tribal norms expect more from their leaders/elders than the “common person”.

OK. Grab that pen and piece of paper again.

List 2 – 3 ways that your Leadership or Governance practices are done to an ethical standard above that of the average employee or common person:

Ways My Leadership/Governance Practices Exceed Standards of the “Common Person”

- 1.
- 2.
- 3.

Different Forms of Integrity

- Do you act with - Professional Integrity?
- Artistic Integrity?
- Intellectual Integrity?
- Political Integrity?
- Legal Integrity?
- Experimental Integrity?

As mentioned at the outset, “trust” is an important component of integrity. Trust is gained with your colleagues over a period of time, when your actions, decisions and impact meet with the expectations and approval of your peers. Continuity and consistency of your actions are also important attributes leading to their trust in you. Different communities however, tend to have different explicit and non-explicit standards and expectations for their members’ integrity.

Professional Integrity – In this sense, a professional – such as a doctor, lawyer, military officer – acts in a manner consistent with their profession’s stated code of practice. For doctors, the Hippocratic Oath is taken at the start of their career and standards are further defined by the Medical Code of Practice in the jurisdiction in which they practice. Newer professions, such as Chartered Accountants or Certified Management Consultants, are anchored by Competency assessments plus Codes of Conduct and Ethics.

In addition, the onus is on all members of the profession to uphold the standards of practice both personally and with peers. This includes the reporting of fellow professionals not performing up to the standards, the requirement for ongoing professional development/improvement, and occasional competency review.

So, if being an Executive or a Board member was a profession, what Code of Practice would there be? What 5 – 10 Practice Guidelines would you enunciate?

Have you ever reported a colleague – Board member or fellow executive – for practices unbecoming to their role, or for performance that is incompetent? Surely if we were a leader/governor with integrity, we would intervene constructively in situations that warrant it. Perhaps too, we would have fewer incidents of corruption and malfeasance in the newspaper these days, if we treated our work as an executive or Board member as that of a profession.

Artistic Integrity – What does this suggest to you? A commitment to one’s craft, to continuous improvement and experimentations, to innovation and regular renewal come to mind. Also connected to this, might be a search for patterns, then the re-combination of patterns into new forms, new media, and new applications. Readers who are in the arts may have further elements to add here. Perhaps though, some of these elements above have resonance and application for those in the business world?

Intellectual Integrity – Included in this aspect might be such things as: thinking through carefully the logic of one’s opinion’s/thoughts, peer review, taking time and making space for original thought, reflection upon personal experience, genuine respect for opposing points of view, learning from others’ experience, the citation of references plus respect for and recognition of others’ ideas that stimulated your own. Again, I suspect that several of these elements might play a role in assessing the reader’s own practice of integrity.

Political (Democratic) Integrity – This form of integrity clearly speaks to such aspects as: transparency, accountability, truthful reporting, clarity of policy, and acting according to the platform that got the party elected. More and more, political integrity also requires educating of the population about the important issues or challenges we face together. Today we have similar expectations for corporate Boards and executives as we have for our politicians/civil servants.

The reader could consider further what “legal integrity” and “experimental integrity” might mean – and the connection to his/her own world – or you can explore the web-links at the end of the article for further insight in each area.

Strength of Character

The first line in the Wikipedia definition of integrity related to one’s character – honesty and uprightness. In many ways, honesty often shows up as one of an executive’s 5 Key Values. The ‘up-rightness’ is generally related to the ethical dimension. But then there is also the integrity element having to do with the strength of one’s character, and the courage one shows in making balanced decisions that are difficult.

I have personally experienced the difficult challenge of deciding which 15-20% of employees to fire in a situation of organizational cut-back, in order to ensure the jobs of the other 80% and the survivability of the company overall. Further, I was challenged to carry out my decisions in a manner that was respectful and fair. This was not a pleasant experience, but it was a real test of character.

Times of crisis tend to show the strength of a leader’s character, as well as their integrity overall. So too do opportunities: growth, M & A’s, added funding availability, popularity of product/service. How the leader responds in times of opportunity are also being watched. Will the leader line only their own pockets? Will they carry other deserving people along with them? (Does the “rising tide truly lift all boats” in our capitalist world today?) Do they re-invest in/reward the community in which they operate? How do you maintain the integrity of your services, products, and impact as you grow, enter new markets and innovate?

Leadership and Governance integrity clearly is more demanding than regular integrity. To ‘lead’ suggests movement – a dynamic process which hopefully moves a collective forward positively amid a multi-faceted and ever shifting environment. In the governance role you have the added requirement of ensuring sustainability of the enterprise, successfully addressing risk and leaving the organization in a better condition than you found it when you inevitably pass it on to future Board members. In these ways, your integrity of character is assessed on moving dimensions!

How do you build that Vision for the future? What lies at the foundation for your choice of one direction over another and how does this relate to the values/ethics you and your enterprise hold?
Being genuine, truthful, engaging and motivating to those around you (as opposed to manipulatively ‘selling’ your own opinion), is the mark of a Visionary leader who also has integrity.

How do you speak your truth when the situation is difficult and those around you are in group-think mode – such that your truth and character are both demanded? How do you respond when a ‘superior’ requests you to do something that is against stated values and ethics? At these times it may well be easier to say nothing; however executives and governors can not simply say nothing and live out their fiduciary duty. Those involved in the infamous “Bay of Pigs” decision and others from the Enron debacle have publicly highlighted their learning in these regards.

Finally, what would you do, even in situations where there was no risk of getting caught doing wrong? According to Prof. Leonard Brooks of the Joseph L. Rotman School of Management at the University of Toronto, the forensic accountant’s ‘rule of thumb’ holds that:

20% of people will not steal anything, even if they have a chance.

60 % will steal if they believe they won’t get caught.

20% behave unpredictably.

In such business situations are you a person – a leader – of integrity?
Do you consistently do the right thing?

Leadership and governance integrity in a dynamic environment therefore requires you to constantly examine and define what is the ‘right thing to do’ – and do it – even when the situation or others might try to convince you otherwise. It is in such a dynamic environment that strength of character comes from the clarity of values and ethics mentioned before and also being clear about where you are going and what outcomes you are trying to accomplish.

It is in this spirit, and from the recent excellent new book “*Presence*” by Senge, Scharmer, Jaworski & Flowers, that I will leave you with the third little awareness-raising question of this article. It comes from Otto Scharmer’s research with some of the most significant leaders of our time, across all disciplines and sectors. Grab that paper and pen, and think deeply again!

What is the question that lies at the heart of the Leadership (Governance) work that you do?

Beginning Again

Integrity is a source of personal identity. It also means standing for something that is greater than yourself. And, integrity is surely linked to ethical behaviour, decision-making and character.

This said, living and leading with integrity is also difficult. As with any human, you will make mistakes – especially earlier in your executive-level leadership experience and Board governance career. Temptations lie all around you, as do opportunities to remain silent in difficult circumstances. Given this, your integrity can grow and develop based upon how you handle mistakes, learn from them plus the mistakes of others, and adopt renewed practices.

Personally, I’m going to adopt the “bathroom mirror list” of core values that I re-learned from a recent program participant.

So in ending, let me go back to the beginning and adjust the article’s opening questions – leaving you with one last question:

What might you start to do differently, in order to live and lead with more integrity?

Exploring the Web!

This month, the connections below take you to sites with more perspectives, commentary and discussions of Integrity and related elements.

Wikipedia – the web’s free encyclopaedia definition and explanation of Integrity.
<http://en.wikipedia.org/wiki/Integrity>

An exploration of Integrity at Stanford University’s Encyclopaedia of Philosophy. (2009)
<http://plato.stanford.edu/entries/integrity/>

The Center for Public Integrity – a site for investigative journalism in the public interest.
<http://www.publicintegrity.org/>

Office of Research Integrity
<http://ori.dhhs.gov/>

Legal Integrity (2010)
<http://plato.stanford.edu/entries/legal-reas-interpret/>

A synopsis of the Book “Integrity” by Stephen Carter.

<http://www.amazon.com/gp/product/0060928077/104-6343206-6477543?v=glance&n=283155>

The CEO Refresher: 1. CEO’s speak on Leadership – Integrity & Courage
2. Integrity – The New Leadership Story

A rich resource – search on Integrity (or other!)

<http://www.refresher.com/ceo.html>

From the Fire Dept. of New York City (FDNY) comes this article: Leadership 101 – Integrity.

<http://www.withthecommand.com/2002-Aug/MD-TMC-leader-integ101.html>

An overview on the new book “Presence” by Senge, Scharmer, Jaworski & Flowers.

<http://www.presence.net/>

An overview of “Ethical Imperative” by John Dalla Costa

<http://www.amazon.com/gp/product/0738201308/104-6343206-6477543?v=glance&n=283155>

Banff Executive Leadership Inc. offers public and customized programming to improve Board Governance and Executive Leadership Practices. We also provide coaching and consulting services to Boards and Executives to help enhance their leadership practices. Please contact us if we can be of further assistance.

If you found this article useful, please forward the article's web link to a friend!

www.banffexeclead.com