

Integrity as a Business Asset

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ABSTRACT. In this post-Enron era, we have heard much talk about the need for integrity. Today's employees perceive it as being in short supply. A recent survey by the Walker Consulting Firm found that less than half of workers polled thought their senior leaders were people of high integrity. To combat the perceived lack of corporate integrity, companies are stressing their probity. This stress is problematic because executives tend to instrumentalize the value of integrity. This paper argues that integrity needs to be better defined because the current mode of talking about the subject is misleading. The paper considers three traditions' understanding of the idea of integrity, argues that integrity is intrinsically valuable, and concludes with some reflections on the way in which integrity, properly understood, functions as a business asset.

KEY WORDS: integrity, compassion, prudence, asset

I grew convinced that truth, sincerity and integrity in dealings between man and man were of the utmost importance to the felicity of life; and I formed written resolutions, which still remain in my journal book, to practice them ever while I lived. Benjamin Franklin

In this post-Enron era, we have heard much talk about the need for integrity.¹ Today's employees perceive it as being in short supply. A recent survey by the Walker Consulting Firm found that less than half of workers polled thought their senior leaders were people of high integrity.² To combat the perceived lack of corporate integrity, companies are stressing their probity. Mellon, for example, claims to place integrity at the heart of its business culture. The American mutual fund industry has long proclaimed that it demonstrates the utmost integrity in putting investor interests first. Paul G. Haaga Jr., EVP at Capital Research & Management, told the trade group's annual meeting that "Integrity . . . is the basic foundation of our business. Our shareholders trust that their mutual funds are being managed with their best interests in mind."³ With the recent revelations

of mutual fund skullduggery, this integrity is very much in doubt. It is not surprising, therefore, that executives are rushing to the aid of integrity, extolling its worth. John C. Bogle, retired CEO of Vanguard Funds, recently made the case that integrity has market value, enabling businesses to attract capital and to increase market share (Bogle, 2003).

While I am happy to see that integrity has emerged on the radar screen of business, I am troubled by the turn this discussion has taken. My concerns lie in two directions. First, the term "integrity" is bandied around but never defined. When we try to specify how the nebulous term is being used by executives, we come up with some rather dubious notions. Henry Ford II, for example, has argued that "A good reputation is a priceless business asset that can be earned only through consistently trustworthy behavior." (Ford, 1976). He seems to equate integrity with having a good reputation – a reputation, one can, so to speak, bank upon. But all kinds of people have had good reputations in one circle or another, and it does not follow that they were people of integrity. Conversely, some who might be deemed to be people of integrity have been shunned, or even attacked, by their peers. So, having a good reputation is neither a necessary nor sufficient condition for possessing integrity. Although I think that integrity is a business asset, we will grasp how integrity supports good business only if we try to understand exactly to what the term refers.

Second, those who argue that integrity is a business asset come perilously close to claiming that we should value integrity because it has market worth. This conception is not correct. I shall argue that the integrity is worthwhile, because it possesses an intrinsic value. It may well have market value in some cases, but we should try to be people of integrity not because integrity is a business asset but because it is intrinsically valuable.

So my paper divides naturally into two parts. Part 1 draws upon several religious and philosophical traditions to tease out elements of integrity. Part 2 explores why real integrity is intrinsically valuable and why we should care about integrity in business and, more generally, in life.

Part one: what is integrity?

Integrity is often described as personal consistency. Yet we can be consistently wicked, and nobody thinks that the wicked are people of integrity. Integrity is synonymous with goodness. So, while people of integrity may have a certain kind of consistency, integrity does not reduce to formal consistency *per se*.

A second popular definition tries to capture integrity's goodness by defining integrity as compliance with moral norms or expectations. But, again, I don't think this definition can be quite right. We can see that integrity involves more than compliance if we consider matters of etiquette. Rules or norms of etiquette can be said to have a moral basis insofar as they give form to respect for people. For example, the American custom of placing the knife down and switching the fork over to the knife hand developed at the frontier. Eating was then, as it is today, a celebration of community. Violence is inimical to community, so our American ancestors developed the practice of voluntarily disarming themselves by never keeping the knife in the hand. By observing this rule of etiquette, we show respect for others. However, no one becomes a person of integrity simply by handling dinner utensils correctly. Indeed, newcomers who have made money in questionable ways typically devote much energy to refining their manners in order to secure social acceptance. Conformity or compliance with rules, even moral rules, may enable us to blend seamlessly into the social fabric, but it does not make us people of integrity. In the words of Alan Twigg, "Morality is a test of our conformity rather than our integrity."⁴ In fact, an emphasis on compliance may indicate that something is seriously wrong within a company. One study found that "companies with strict codes of ethics were cited more often for breaking the law than those that did not have such detailed rules of conduct."⁵

If integrity is not mere consistency or conformity with rules, what is it? The philosophical, religious, and psychological tradition provides three answers, each of which gives us part of the picture: Confucianism, the Buddhist/Christian tradition, and Jungian psychology. I will consider them in that order.

Confucian integrity

From the Confucian perspective, integrity is identical with the virtue of *jen*, a word translated as benevolence, kindness, humaneness, authoritative humanity (Hall and Ames, 1987; Tao, 2000). In its widest sense, the term refers to perfect or complete virtue. *Jen* encompasses propriety, loyalty, filial piety, courage, kindness, and all other particular virtues. Those who embody *jen* demonstrate uprightness in all of their dealings with other people.

But what does it mean to be upright in action? It means, in part, having what the Confucian Mencius describes as a "heart sensitive to the sufferings of others." This integrity is natural to all human beings and is valuable in itself.

No man is devoid of a heart sensitive to the suffering of others. . . Suppose that a man were. . . to see a child about to fall into a well. He will without exception experience a feeling of alarm and distress. He will feel as so, not because he wants to gain the favor of the child's parents, nor to seek the praise of their neighbors and friends, nor from a dislike of the cry of the child. . . The heart of compassion is the seed of *jen*.⁶

Integrity, then, is spontaneous empathy and compassion. As Tao (2000) notes, to have integrity is not a matter of following a set of rules. Confucius mistrusts rigidity. Any rules must always be applied in a particular context, and to get that application right, we must think about what is going on in the case at hand, the personalities involved, long-term repercussions, etc. We also must attend to our own talents and prejudices, lest we over-reach ourselves and do more harm than good. In theory, two people could demonstrate integrity through two different, or even opposite, responses. A person does not lack integrity simply because he or she responds differently than we would. Mencius is illuminating: "In Chinese history, Po Yi, Yi Yin, and Liu Xiaohui 'all followed different paths, but their goal was one.' What is

meant by 'one'? The answer is '*jen*.' All that is to be expected of a gentleman is '*jen*.'⁷

The judgment of the person of integrity does not conform to or comply with a correct rule. It *is* the correct rule. Thinking of integrity as *uprightness* makes sense because a "right," in its earliest meaning, refers to a tool for measuring and positioning that which is at hand. The judgment of the virtuous man or woman is this "right," this measuring instrument. To assess, then, whether an individual has acted in an upright way, we must be careful to consider fully the particular circumstances in which the individual rendered judgment. When one of Confucius' students complains about a minister who transferred his loyalties to the new emperor, Confucius makes short shrift of this complaint. Politics deals in pragmatics. Absolute consistency or unwavering loyalty to a personality is not a political virtue. What really counts is whether the minister undertook to preserve the welfare of the entire community, showing compassionate concern for the acculturation of the populace. By that "big picture" standard, this minister looks quite good. For, if the minister had not acted to advise the new ruler, the complainer and all of his associates would, Confucius notes, be speaking a barbaric tongue. The minister was able to preserve Chinese language and culture by shaping the outlook of the new king.

Integrity, then, is a matter of being compassionately alert, always thinking about circumstances and conditions with a view to improving the condition of the entire community. We must be willing to learn as well, asking questions to further our grasp of the world. When an observer snidely remarks that Confucius clearly knows little about the right way to behave because he asks so many questions, Confucius retorts that "asking questions is itself the correct rite." Even rulers can and should be questioned when their treatment of citizens seems unjust. We owe critical deference, not unthinking obedience to others.

Integrity understood as judging well involves impartiality of a particular sort. Confucius is clear that we acquire awareness in the compact circles of home, neighborhood, region and nation. There is nothing wrong, therefore, in demonstrating a partiality to those who loved and nurtured us or to those whom we have promised to help. Confucius would have no difficulty with doctors owing a primary (but not exclusive) duty to their patients,

lawyers to their clients, ministers to their congregants, businesspeople to select stakeholders. It is right that the head of IBM or Jardine take special care of that company's employees. However, the special care should be impartial with respect to the class in question. Just as all younger siblings should be treated alike, so, too, all shareholders holding a certain class of stock should be treated alike. If a duty is owed to one member of the class by dint of that membership, the same duty is equally owed to all. In addition, any partiality we show to one group should serve to strengthen, not undermine, our perception of our shared humanity.

Finally, we must be willing to scrutinize our behavior closely and regularly. Before complaining that others have broken our trust, we should consider whether we have acted in a trustworthy way. The key issue is not whether someone should be blamed for a breach of trust, but whether we have behaved in ways that encourage other people to act in the best way possible. Our actions call out a corresponding response in others. The person of sound judgment, then, is always on his or her model behavior.

Buddhist-Christian integrity

Although Buddhism and Christianity are often contrasted, they agree on some important points central to the concept of acting with integrity. Both understand integrity as *the activity of the true self*. This self is not the same as ego. Buddhism urges us to cultivate the "no self" (i.e., to escape the passions of what conventionally passes for a self); Christianity warns that the commonplace, egoistic self must die in order to that the true self can live. We never see the true self because, in the words of Saint Francis of Assisi, "what you are looking for is what is looking."⁸ This true self differs from the ego in several ways.

The real self, which Christianity describes as "entering into the kingdom of heaven," is somewhat detached. I do not mean that the self is disinterested in its fate. On the contrary, the self wants to experience lasting or "eternal" satisfaction and peace. Part of us wants to escape the social games of one-upmanship and status that sap so much energy and leave us feeling depressed and anxious. We want

to feel ourselves to be whole or integral, not torn this way and that as we try to meet all of the competing demands on our time and loyalty. Our egos fracture when we identify too strongly with one or more roles, professions, or images. Then we find ourselves compartmentalizing our many selves. Yet the identified, compartmentalized ego cannot be the real or true self. There is someone who is doing the identifying, and it is this someone to whom we must attend. When Jesus tells us that we must “render unto Caesar what is Caesar’s and God what is God’s,” he is reminding us of the need to become very clear about the relation of the ego (which operates in Caesar’s world) and the self (which is the divine spark within). Of course, we must earn a living, pay taxes, manage our property and assets, and care for our children, parents, students, and clients. Jesus doesn’t tell us to ignore such responsibilities. He does warn us not to let such matters cause us to lose sight of the spark within. People of integrity do not confuse these quotidian duties and jobs with soul work

Integrity consists, in part, in seeking to know who we really are. Both Buddhism and Christianity think we need to work on and with our psyche. Smoley (2003) describes this soul work as follows:

You face all of your inner issues rigorously and impartially; you want to see everything there is inside the teeming ocean of the psyche. But – and this is an important but – you are not identified with [these things]. At the back of your mind there must always be an awareness that you are not your “passions” . . . , that there is something in you that is awake and alive and . . . immortal. This is the true “I,” the pure consciousness, the “light that lighteth every man that cometh into the world.” It sees everything in you impartially and objectively – but also with profound compassion.”

In Christianity and Buddhism, as in Confucianism, we find an emphasis on the compassionate impartiality of those with integrity – not an impartiality of indifference, but an impartiality born of a deep concern to act and think mindfully. The image of Buddha always appears as impassively immovable. Those with integrity guard against passionate outbreaks, because they know that outrage and fear stem from misunderstanding and false conceptions of the self. Whenever we feel such emotions, we

should look inward, to discover why we are feeling as we are, and examine whether we are justified in doing so. If we fail to attempt this integration; or if we simply repress our emotions, we find ourselves lashing out at innocents or feeling deeply alienated from ourselves and those whom we claim to love.

The humanity Confucius recommends presupposes that we are doing this soul work. Failure or refusal to do it causes us to act in bad faith. There is a Buddhist koan that nicely captures the bad faith dynamic:

A monk named Seizei asked of Sozan: “Seizei is alone and poor. Will you give him support?” Sozan asked: “Seizei?” Seizei responded: “Yes, sir.” Sozan then said: “You have Zen, the best wine in China, and already have finished three cups, and still you are saying that they did not even wet your lips.”⁹

Notice how Seizei refers to himself in the third person. Sozan calls attention to this ploy, repeating Seizei’s use of his proper name. When Seizei acknowledges his teacher’s repetition, Sozan directly addresses Seizei as “you”: “*You* have Zen, etc.” Sozan thereby implies that Seizei should stop pretending that Seizei is not present and that someone named Seizei, not him, is making these demands. In other words, Seizei has identified himself with the ego and then denied having done so. Wisdom and satisfaction require that we be scrupulously honest with ourselves and become aware of the true self who is capable of monitoring the various machinations of the ego. Notice, too, that Seizei is lying. Although he whines about being alone, his teacher Sozan is present. So Seizei is not alone. Nor is he friendless. The fact that he can approach Sozan for support suggests that Sozan has been supportive in the past. Seizei has drunk from the threefold cup of selfhood, education, and friendship, yet he has appreciated none of these things. This absence of self-awareness, this lack of integrity, causes him to act selfishly and to suffer.

In addition to impartial self-knowledge and self-truthfulness, compassion re-emerges as a dimension of integrity. If we are doing our soul work, we start to perceive how prone we are to sinning. We begin to forgive others because we ourselves are so desperately in need of forgiveness. Integrity means forgiving in order that we can be free to see the world as it truly is.

As long as we hold on to our anger, we are prone to see the world as unremittingly hostile. Furthermore, if we demand that others ask for our forgiveness, we bind ourselves even more closely to these victimizers. These “sinners” may never apologize; they may die without making their peace with us. Where does that leave us? It leaves us deep in the hell of hurt and rage. Forgiving is part of cultivating an inner detachment and liberating the self from a false dependence on other people’s perception of us. That is why Jesus tells Peter that he must forgive not “seven times” but “seventy times seven.” As long as we are toting up some balance sheet of our assets and others’ debts, we enslave ourselves to the very people whom we claim to be willing to forgive. Until we give over or abandon this balance sheet approach, we will never be truly liberated.

Only as we become more detached do we begin to understand clearly why others have acted as they have. When we see that they are in the grip of dynamics they have not comprehended, we become more inclined to accept their behavior. I do not mean to imply that integrity means letting things slide. On the contrary, integrity means becoming very clear about our intentions and expectations. We may even draw a line in the sand, setting and enforcing boundaries for ourselves and our colleagues. But the person of integrity, like Confucius’ person of *jen*, establishes boundaries thoughtfully and appropriately, not out of rage or fear. If and when others cross the line, our integrity prevents us from hating or demonizing the offender. Our judgment is more correct, less impaired.

You might be wondering: in what sense exactly is a judgment rendered with integrity “unimpaired”? To say that the judgment is correct tells us nothing because we do not know exactly what is meant by “correct.” I would now add that to judge with integrity means to view matters *sub specie aeterni* – i.e., from the perspective of eternity or, equivalently, from the perspective of the divine spark within that wishes to know lasting peace. Judging with integrity entails shifting our perspective from what the world considers important to what is eternally significant. Buddhist koans and Christian parables initially seem very peculiar, because they demand that we give up the attachments of the ego and focus on what the true self needs. We are not used to making this shift. Let me illustrate the point by ending this discussion

of Buddhist–Christian integrity with a few reflections on one such strange parable, the Parable of the Shrewd Manager.

Jesus told his disciples: “There was a rich man whose manager was accused of wasting his possessions. So the rich owner called the steward in and asked him, ‘What is this I hear about you? Give an account of your management, because you cannot be manager any longer.’

The manager said to himself, ‘what shall I do now? My master is taking away my job. I’m not strong enough to dig, and I’m ashamed to beg – I know what I’ll do so that, when I lose my job here, people will welcome me into their houses.’

So he called in each one of his master’s debtors. He asked the first, ‘how much do you owe my master?’ ‘Eight hundred gallons of olive oil,’ the first debtor replied. The manager told him, ‘Take your bill, sit down quickly, and make it four hundred.’ Then he asked the second, ‘and how much do you owe?’ ‘A thousand bushels of wheat,’ the second debtor replied. The manager told him, ‘take your bill and make it eight hundred.’

The master commended the dishonest manager because he had acted shrewdly. For the people of this world are more shrewd in dealing with their own kind than are the people of the light. I tell you, use worldly wealth to gain friends for yourselves, so that when it is gone, you will be welcomed into eternal dwellings.

Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much. So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches? And if you have not been trustworthy with someone else’s property, who will give you property of your own? No servant can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God and money.”¹⁰

On its face, the parable is shocking. Jesus seems to be endorsing a lack of integrity! By refusing to pay their debts to the master – which most likely are rent payments – aren’t the debtors defrauding the master? The steward appears to abet them in this fraud. – Indeed, the Biblical commentator Barclay argues that, by discounting the debtors’ debts, the steward

“involved the debtors in his own misdemeanors, and, if the worst came to the worst, he was now in a strong position to exercise a little judicious blackmail!” If, as the text claims, the master is angry at the steward for mismanaging the estate, why does he now praise the steward for what seems to be a clear case of a breach of fiduciary duty?

The parable unites several themes. The steward has been focused on what he will not do – he won’t do manual labor; he won’t beg. But living is a matter of doing. So we must consider not what we *won’t* do but what we *should* and *will* do. Moreover, commentators have overlooked one crucial part of the parable: the text states that *others* tell the master that the steward has mismanaged the estate. We do not know whether he has done so. The crucial question is: *what does it mean to manage the estate well?* The steward shows his integrity not by becoming irate or counter-attacking but by devising a solution that keeps everyone happy. He comes up with a creative, win–win situation. The master gets paid; the debtors discharge their debts; the steward presumably keeps his job.

It may be objected that the steward has diddled the master of what is rightfully his. But the parable asks us to consider what is really due to us. Jesus says that we need to be friends with the mammon of injustice because, at the point at which we fail, we will need others to receive us into the eternal dwellings. Notice that Jesus does not say *if* we fail, but *when* we fail. None of us is perfect. At some time or another, we all will fall short of acting as we should. The master, who here represents the spirit of the kingdom of heaven, rejects the view that we should insist on our full rights, even at the expense of others’ ability to live. The person of integrity is not an uptight, upright individual who adheres to the letter of the law. The truly virtuous behave in ways that acknowledge the human condition – we are a community of sinners. The steward discharges his fiduciary duty because his win–win solution preserves the bonds of friendship among sinners. He thus acted with *phronimos* or genuine practical wisdom, even though his actions were technically illegal or unjust. Jesus praises those with the ability to get along with others in day-to-day life, an ability not possessed by those self-professed “children of the light” – i.e., by those who think they are superior because they follow the letter of the moral or con-

ventional law and insist upon their rights. These supposed “children of the light” actually operate in the dark.

By acting with practical wisdom and making friends with the mammon of injustice, we become more spiritually free. In the words of Jesus, only those faithful in “unrighteous mammon” can be “faithful in the spirit.” The steward in this parable shrewdly refrains from locking himself into a fruitless battle with his nameless accusers. Such accusers will always exist. The trick is to stay focused on what we can do to maintain the bonds of friendship with other people. If we forgive our debtors, then others will be more likely to forgive us our debts as we have forgiven our debtors. By being faithful to others (i.e., by acknowledging the fact that we all are sinners), we show ourselves worthy of being given what is our own. We have a justifiable claim to receive forgiveness and kindness from our kin and colleagues because we have demonstrated forgiveness and kindness toward them. In this respect, we, like the debtors of the parable, write our own bill for what we are willing to pay in the future. We thereby control our fate or destiny and so are more free than those individuals who go around demanding that everyone act perfectly. In addition, a forgiving stance liberates us from anger and enables us to see the dynamics of scapegoating more clearly.

By contrast, if we become obsessed with accumulating the maximum that is owed to us – if we become identified with our rights – then we wind up enslaving ourselves to what Jesus calls “mammon.” Only by adopting the liberating and practical outlook of the steward, do we discover that we control the terms on which we deal with the material world. Our spirit or true self is free. No longer are we identified with an ego that craves the most money, the greatest status, the highest regard. The free self has only one master – the divine spark within. As I noted earlier, integrity is synonymous with compassionate judgment and a wholeness of purpose. Such wholeness is not achievable as long as we try to serve two masters – mammon and God. Those who devote themselves to catering to the demands of ego split themselves in two – the self-continues to have its needs, but these needs go unfulfilled, leaving the individual unhappy. The more egoistic we are, the more likely we are to attack others, to sow discord, and to try to shift our feelings of dread and unhappiness onto other people. When we are

free, we feel no desire to blame other people. We accept that all human beings are imperfect and always will be such. To blame people for being who they are is senseless and only causes more unhappiness. On this point, the parable offers its most subtle teaching. *We are not forced to serve anyone. Instead, we create our own master the moment we decide whom to serve – the divine spark within or the false, egoistic self.*

In serving the divine, we enter into what the parable refers to as the “eternal tents.” Like the steward of the parable, the free self understands that its material situation may change at any moment. While the steward now lives in a house, he may find himself living off the land, making shift as best he can. The self-righteous think their situation is secure. They believe that, if they accumulate enough money, they can safely ensconce themselves in a temple of their own making. They forget that they, too, may at some point be accused and lose their material security. Only the free, those who view their house as a movable tent, are truly secure. Since the kingdom of God is within, not without, people of integrity can dwell comfortably anywhere in the world. As long as they can live with themselves, they are satisfied.

Jungian integrity

There are two other key dimensions to integrity or judging well – receptivity and self-doubt. Most discussions of integrity focus on acting or speaking in a certain way. The depth psychologist Beebe (1995) describes this focus as masculine and calls our attention to the feminine dimension of integrity. He notes that living a rich and peaceful life depends upon developing an ability to listen well and to receive calmly what those around us are saying and feeling. Love and community are impossible if we cannot perceive and attend to the full range and diversity of human experience and feeling. Anne Eliot, the heroine of Jane Austen’s novel *Persuasion*, embodies this harmonizing receptivity. Anne has decided opinions about whom she should marry, but she does not want to proceed in a way that will anger her class-conscious relatives. Many of these relatives are bigoted, cruel, and pompous. But they are *her* relatives. Moreover, Anne intuitively understands that much can be learned about the

human condition by accepting and meditating upon her relatives’ foibles and her own weaknesses. Since she wants to remain within the family circle, she listens to the advice of a friend and rejects the marriage proposal of a man whose prospects are very uncertain. Although she loves him dearly, she also cares for her family. Instead of entering into a marriage in which her own love for this man might be compromised by her family’s hostility to him, she opts to persuade her family and friend (ever so gently and over time) of the merits of her lover. She never forgoes her love for this man or for her family. Her integrity is her hope that all can be reconciled in the long run and her implicit faith in the power of persuasion to remove obstacles.

These deep connections between compassion, receptivity, and a harmonizing constancy often are over-looked, perhaps because they are archetypically associated with the feminine. Jung contended that each person is a combination of masculine and feminine traits – what he termed the “animus” and “anima.” A lack of balance between the two can be quite dangerous. In America, businesses, the “animus” or masculine principle is ascendant. Men and women alike are obsessed with power and control. A desire for control is not necessarily misplaced. I just argued that the free self that serves the divine spark within is happy because it is more in control of its fate. However, a caveat is needed. We are more lastingly happy when our legitimate desire for control is combined with an appreciation of the community to which we belong and whose flaws we share. If we cannot achieve this balance, we will slave to achieve goals that, in the end, seem rather meaningless. After all, who wants to be remembered for having marketed a new brand of toothpaste or having completed some difficult audit? Here is a paradox: the less receptive we are to the world and to our fellow human beings, the more hollow we become. We have nothing on which to meditate, nothing to reflect upon at our leisure. Everything is just so much grist for the mill of achievement.

One final point: none of these dimensions of sound judgment and perfect virtue – impartial compassion, forgiveness, separation of the self from the ego, trustworthiness – are achievable unless we are capable of confronting what Jung called our “shadow.” The shadow is that part of us that we have not been willing to acknowledge but that needs

to be integrated in order for us to act in good faith. When we feel shame, anxiety, dread, or fear, our shadow is asking us to attend to it. Doing so requires a willingness to be ruthlessly introspective about our presuppositions, motives, feelings, and history. Jung reminds us that integrity does not mean being good all of the time – it means having the ability to doubt ourselves and the courage to confront our duplicity and feelings of shame and guilt. Embodying integrity means doing the work of integration, not being completely and permanently whole or perfect. Only those who do this work can take care of other people and the institutions they manage. For

the self we encounter when the ego descends into its depths is embedded in a matrix of selfobjects, other people used as extensions of our personhood and as important to us therefore as we are. Our very reality as psychological beings is political, requiring the highest degree of comprehension and care from us, like a country entrusted to a leader who is also one of its citizens.¹¹

In the words of Nietzsche integrity requires that we become “good neighbors to the things closest to us.”¹² Nothing is closer than our shadow. If we do not befriend our shadow, we slip into depression, schizophrenia, or other psychological pathologies. Or, as Freud would put it, “our secrets make us sick.” One sign that integrity is sorely lacking in our boardrooms is the epidemic of depression sweeping the management class.¹³ We will see the problem worsen as fewer people are exposed to the truths embodied in various philosophical, religious, and psychological traditions. We are not being taught the need for soul work. Moreover, as the job week lengthens and people try futilely to find themselves in their job, they move further from themselves. As one driven manager put it, “It’s like your soul doesn’t belong to you – it belongs to the company . . . When you take time off, it’s not time off. You are either sick or you are sleeping.”¹⁴

Part two: the value of integrity in business

If we gather up all of these threads, we can say that integrity is the compassionate and receptive work of making the self whole and enduringly happy through critically and assiduously separating who we

truly are from the false ego. Humane community becomes possible only insofar as we do this soul work, curtailing our rage and fear and forgiving each other our foibles and sins. Integrity so understood is intrinsically valuable because it enables us to be the finite, vulnerable, interdependent human beings that we are. *Integrity is not so good for the self; it is the precondition for being truly human.*

Keeping this concept of integrity in mind, let us consider the various ways in which integrity functions as a business asset.

Avoiding short-term thinking and acting

People of integrity want to act mindfully whenever, wherever. Those possessing this virtue, by definition, act with a view to both the short-term and the long-term. Those who lack it are likely to do whatever maximizes wealth, revenue, or profits in the short-run. Yet this short-run perspective is not consistent with long-term business survival. As Jerry Junkins, the former President and CEO of Texas Instruments, once observed, “If I do something unethical for some short-term gain, . . . somebody else is going to get hurt, and they’re not going to forget it. You’re clearly trading a short-term gain for something that’s inevitably going to be worse down the road – you’ll eventually lose business.”¹⁵ Customers or vendors who are badly burned may never return. The greed and hubris of senior managers at Andersen and Enron led them to do deals that generated short-term profits for them, but ultimately destroyed the two companies’ ability to do business.

Maintaining healthy relations with all stakeholders

When we lack integrity, there is nothing that our egos will not do to acquire wealth, status, and fame. Lying becomes just another tool of business strategy. If we feel a bit guilty about lying, we tell ourselves that our deceit hurts no one. Yet, lying causes us stress, making us sick. It also makes it impossible to see the world clearly. David Clare, the former President of Johnson & Johnson, astutely notes, “What you may perceive as a simple lie or a simple misstatement that doesn’t hurt anybody and protects the company, sooner or later will come back to bite

you. It'll bite you with people in your organization who know it's a lie. If you can't be open and honest at all times, you're sending a signal to the organization that you will let them get away with lying occasionally. And that includes lying to you."¹⁶ Indeed, the Walker survey I quoted earlier found that the most common ethical violation was "lying to supervisors."¹⁷ "Falsifying reports and records" was another very common violation.¹⁸

The consequences of a lack of integrity go beyond lying. All of our personal relations become corrupt. When lower level employees see those at the top enriching themselves at the expense of the firm, they soon start to feel that they are being treated unfairly. (Unfair treatment of employees is the number two indicator of lack of integrity in the Walker survey¹⁹). They set out to "get theirs." Dishonesty of senior management leads to what Junkins described as a "rotting of the organization. And there's no way...that you're going to be able to rebuild credibility with those people when you're trying to energize an organization to go do something else. You've created a permanent problem in terms of how people view you as an individual and how they view the management of the organization."²⁰ Walter Klein, CEO Emeritus of Bunge Corporation, makes the same point more succinctly: a corrupt organization will be cheated by its own employees.²¹ We have plenty of data concerning the cost of employee theft: even conservative estimates place it in the billions of dollars per year. This sum represents real money that could have gone into developing new products, redesigning manufacturing processes, hiring new people, or improving productivity. Now it has vanished forever.

Selling more effectively because one is more genuine

We are better salespeople when we believe in what we are selling with our all heart and soul. If we have integrity, we will seek to sell products and services that are genuinely valuable. If they really are such, it will be easy for us to make a case to others that this product is worth buying. Integrity is being honest with ourselves, and such honesty is the root of great salesmanship. "There's no way to have real confidence in oneself when you're walking on 'bull.'"²² Those who are truly trustworthy have a kind of

boundless vitality and energy that makes them difficult to resist. Please note that I am not arguing that we should have integrity in order to sell. I am arguing that the inherent value of integrity (properly understood) means that we embrace it with our entire soul. The genuineness of our belief in what we are saying then comes through in our dealings with our customers.

Having the courage to resist madness

If we have integrity, we want to act with care and prudence. When other people propose unwise courses of action or demonstrate a lack of compassion, we can resist their ill-considered suggestions. Roger Boisjoly's record of the dialogue between NASA and Morton Thiokol engineers, which led to the fateful decision to launch the Challenger space shuttle, dramatically illustrates the high cost of the employee cowardice. Joe Kilminster of Morton Thiokol recommended against launching the space shuttle, given the engineering data that had been presented by Thiokol engineers. Although NASA had a duty to look after the astronauts' safety, George Hardy of NASA shifted all of the responsibility for the decision not to launch onto the Thiokol engineers. Larry Mulloy of NASA suggested that the data presented was inconclusive, thereby implying that the Thiokol was being overly cautious in recommending against the launch. Faced with this customer resistance, "Joe Kilminster asked for a five-minute, off-line caucus to re-evaluate the data." Thiokol's General Manager Jerry Mason announced that they had to "make a management decision" and pressured the other executives to override the Thiokol engineers' recommendation. "Management decision" here functioned as a code word for "doing what it takes to keep the customer/NASA happy." Although the engineers had initially been brought in because their judgment was relevant to making an informed decision, the Thiokol managers in this teleconference refused to let the engineers have a vote.

When integrity is lacking, we refuse to hear what others are telling us about the situation. We do not stand up for those who are trying to be careful and mindful. Instead, we hear only what we want to hear and disregard the rest. It is not too farfetched to say

that we become a bit mad. No business can long survive if its executives and employees refuse to acknowledge reality. Proverbs 10:9 puts it well: "People with integrity have firm footing, but those who follow crooked paths will slip and fall." Reality always has the final say.

Getting the diverse perspectives needed to make prudent decisions

As we have seen, people of integrity care for those at hand because they also care for the larger community. Since they are interested in preserving and enhancing the well-being of the entire community, people of integrity are eager to include and hear from the diverse individuals who constitute this community. Hearing from such diversity can enable a business to avoid stupid and costly mistakes. Would Dow Corning have been so slow to deny potential problems with its breast implants if half of its board and more of its senior managers had been women? One recent corporate governance study has found that less diverse boards are more likely to be indicted for fraud. We develop blind spots and fail to see those whom we may be victimizing when we do not create a space in our lives where they can enter and be heard. Economists are well aware of the problem of externalities: when goods are public and when the company is not assessed a charge for using these goods (air, water, etc.), companies tend to use too much of these public goods or to abuse them in some way. People with a deep concern for the divine spark inside themselves and others will be far more likely to be aware of the problem of externalities and to be willing to address it. This willingness generates community good will, a priceless business asset. But, just as importantly, it keeps a business in touch with reality. A business that is only talking to itself and not hearing from those outside of it cannot know what it is doing. Such a business is mad.

Being able to act creatively

Harvard psychiatrist Howard Gardner has argued that very creative people both have a lot of energy and are extremely good at directing this energy as

they age. Energy is a tremendous business asset, since everything flows, as the name suggests, from busyness. Integrity preserves our energy for important things. Chen (2003) notes that mean-spirited people lose a lot of energy by gossiping at the office. Those who are doing their soul work avoid gossip, asking instead, "Why do I need to malign people in order to feel powerful?"²³ This kind of introspective questioning puts us in touch with our real power and enables us to be more creative. When we are quietly introspective, we begin to discern new possibilities for action and production. Integrity enables us to think outside of the box. A business needs creative people to invent new products and services. In this respect, Gardner is right to stress that sound business is a matter not just of resource allocation but also of resource attraction. Businesses that cannot keep moving forward do not attract creative people or venture capital. They die.

Conclusion

If integrity is a matter of compassionately, receptively, and critically meeting one's true self while simultaneously experiencing empathy for others, then Tom Peters is correct: "There is no such thing as a minor lapse of integrity." To lack integrity is to fail one's self and others. Such failure induces dread and anxiety. The only way to be lastingly happy is to have integrity. That is why integrity is intrinsically valuable and also why every breach of it is so serious. The lack of integrity undermines life and the various professions through which we live our lives. Integrity properly understood is not some add-on feature for business; it is at the core of sound business.

Notes

¹ See, e.g., comments of Syncrude's CEO Eric Newell, "Integrity as a Business Asset," *Newsletter for Canadian Council of Chief Executives*, June 7, 2001 at <http://www.ceocouncil.ca/English/Publications/perspectives/spring02/23.htm>.

² Scott Clark, "Ethical Lapses Can Destroy Businesses From Within," *Bizjournals*, January 6, 2003. Reproduced at <http://www.bizjournals.com/extraedge/consultants/>

company_doctor/2003/01/06/column345.html. See Walker survey data at www.walkerinfo.com.

³ Karen Damato, "Funds' Relatively Untarnished Image May Be Tainted," *Wall Street Journal*, September 4, 2003, p. A1, A3.

⁴ Words of the character Jane Rule in Twigg (1981).

⁵ Business and Professional Ethics Journal, 1987 quoted in Thomas White, "Ethics Incorporated: How America's Corporations Are Institutionalizing Moral Values" (1990) at <http://216.239.53.104/search?q=cache:SB5sx43bs2QJ:www.ethicsandbusiness.org/corpeth.htm+%22ethics+and+the+bottom+line%22&hl=en&ie=UTF-8>.

⁶ Mencius quoted in Julia Po-Ah Lai Tao, "Two Perspectives of Care: Confucian Ren and Feminist Care," *Journal of Chinese Philosophy*, 27:2 (June 2000), pp. 218–219.

⁷ Mencius quoted by Tao, p. 221.

⁸ Richard Smoley quoted in D. Patrick Miller's, "What Was Hidden? Looking deeper into Christianity; an interview with Richard Smoley," *The Sun* 33 (September 2003), p. 10.

⁹ Koan is from the collection *The Gateless Gate* reproduced at <http://www.ibiblio.org/zen/gateless-gate/10.html>.

¹⁰ Luke 16: 1–10.

¹¹ John Beebe, *Integrity in Depth* (New York: Fromm International Publishing Corporation, 1995), p. 37.

¹² Friedrich Nietzsche, "The Wanderer and His Shadow," in *Human, All Too Human*, trans. R. J. Hollingdale (New York: Cambridge University Press, 1986), p. 394.

¹³ Quy Nguyen Huy, "An Emotion-based View of Strategic Renewal," unpublished empirical study presented at Strategic Process Conference, INSEAD, April 25, 2003. A recent New York Times article reported that "as many as 10% of senior executives have at least some symptoms of depression," yet 9 out of 10 go undiagnosed and untreated." Article quoted in Micheline Maynard, "Grim Reminder on Mental Illness at www.afsp.org/education/recommendations/3/5.html.

¹⁴ Steven Long, "Australia's Live-Long Day," *Financial Review*, November 10, 1999. Reproduced at <http://conference.socialchange.net.au/openaustralia/discuss-old/0390.html>

¹⁵ Quoted in Thomas I. White, "Ethics Incorporated: How America's Corporations Are Institutionalizing Moral Values" (1990) at <http://216.239.53.104/search?q=cache:SB5sx43bs2QJ:www.ethicsandbusiness.org/corpeth.htm+%22ethics+and+the+bottom+line%22&hl=en&ie=UTF-8>.

¹⁶ Ibid.

¹⁷ Walker survey, op cit.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ White, op cit.

²¹ Ibid.

²² Michael Angier, "Ten Reasons to Live a Life of Integrity," January 13, 2003 at www.shifthappens.com/art_integrity.html.

²³ S.C. Chen, "Integrity At Work" (2003) at JobStreet.com.

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