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## Fostering Management Education for Professional Integrity: Case Study at University Center for Economic and Managerial Sciences, University of Guadalajara in Mexico

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#### Introduction

Professional integrity is a concept rooted in values and virtues meaningful in the acquisition of managerial skills and aptitudes necessary to assume professional responsibilities in organizations. The objective of this chapter is to analyze the importance of professional integrity as an ethical construct in the development of administration and management programs at the professional level. The chapter also presents suggestions for an ethical program aiming to strengthen professional integrity that can help managers to promote a humanistic management based on the experience of the University Center for Economic and Managerial Sciences at the University of Guadalajara in Mexico.

Economic and political imperatives of globalization force multinational integration with increasing level of professional competitiveness. Therefore, managers and professionals who lead and work in organizations have to be prepared to confront new challenges imposed by the global market and the constraints of time and assets. McCann and Holt (2013) stress the latter point by indicating the initiatives undertaken by corporations and universities alike in anchoring integrity at the hearth of their respective institutions.

Globalization also increases the need for continuous assessment and optimization of resources used to develop educational programs for professionals. One of the most important changes in management education is to promote and advance personal and professional integrity that fosters ethical citizenship and productive skills of people. In 1997, Llano (1997) argues about a shortage between the supply of professional education and the

demand in labor markets as much as the need to synchronize professional education programs offered by universities and technological institutes alike with the requirements of employers converging in the development of the social responsibility that all kinds of organizations must fulfill to foster national economic and social development. Almost two decades later, Llano's concern still prevails.

Professional training in integrity offered by universities must be more then a curricular fulfillment; teaching this subject must grant an inherent value with collateral impact on organizations and society as a whole. The manager's performance and success in the provision of services to individuals and society depend to a certain extent on the knowledge, skills, and experiences obtained in the classroom. Moreover, it depends on the development of personal qualities that can distinguish him/her, as an individual based on professional integrity, independence, and ethics (AICPA, 1980, p. 16). There is increasing need to recover credibility, integrity, and respect in the management profession through ethical and integrity fundamentals. Professional training and management sciences conducted in universities need to clearly spell out a comprehensive construct on professional integrity.

### Notion of integrity

Integrity is important to strengthen ethical behavior as a required condition for people to contribute to build a good society. This assumption makes it necessary to define the origin and clarify the integrity concept. Adler and Bird (1988) and Srivastva and associates (1988) describe integrity with emphasis on congruence, consistency, morality, universality, and concern for others. Covey (1992) describes integrity as honesty, matching words and feelings with thoughts and actions for the good of others.

The concept of integrity refers to honesty, playing by the rules and not necessarily following the rules, which means stepping aside in situations when people may be victimized. Becker (1998) conceptually distinguishes integrity from honesty and fairness. However, empirical research conducted by Hooijberg and Lane (2005) shows that managers, peers, and bosses can hardly distinguish integrity from honesty and fairness. Becker (1998) found no standard definition for integrity because it is treated as synonymous with other values such as honesty and fairness.

What is a person of integrity? Ordinary discourse about integrity involves two fundamental intuitions: first, integrity is primarily a formal relation with oneself or between parts or aspects of one's self; and second, integrity is acting morally. In other words there are substantive or normative constraints on what is to act with integrity. How these two intuitions can be incorporated into a consistent theory of integrity is not obvious and most accounts of integrity tend to focus on one of these intuitions to the detriment of the other.

(Cox et al., 2005b)

Erhard et al. (2010) combine the two intuitions of integrity developed by Cox et al. (2005a), the second becoming a logical implication of the first, in one consistent theory. Integrity is the integration of self, the maintenance of identity, and standing for something. Personal integrity, defined as honoring one's word, becomes predictable with first-hand reliable and accurate information (Erhard et al., 2007). Integrity is the base to trust people with guaranteed consistency making decisions and relating to other people. Trust and ethics are personal values related to strengthen integrity.

However, for Kaiser and Hogan (2010), integrity is a moral attribute that we place on the behavior of another person, in such a way that integrity is in the eyes of the beholder, rather than consistent with a person's words and actions. Argyris (1991) contends that people consistently act inconsistently, unaware of contradictions between thinking and acting.

For a group or organizational entity, Erhard et al. (2010) define integrity as a group or organization word for being "whole and complete". Organizational integrity, like any human system, is recognized by its members and outsiders as an organization that is whole and complete.

The concepts of integrity, morality, ethics, and legality are confused in common usage. Morality, ethics, and legality exist in a normative realm of virtues, while integrity exists in a positive realm.

Erhard et al. (2010, p. 1) distinguish integrity "as the objective state or condition of an object, system, person, group, or organizational entity". Integrity is within the positive realm and its domain is one of objective state or condition. The phenomena of morality and ethics are related to integrity as a positive phenomenon. Moral and ethical values may guide human actions and interactions shaping professional integrity and determining performance. Professional integrity derives its substance from fundamental goals or mission of the profession (McDowell, 2010).

## **Professional integrity**

One of the first historic documents known on professional integrity is the Hippocratic Oath. The thesis is that professionals have to aspire to excellence. Here personal integrity is directly related with professional integrity. Personal integrity and professional integrity are generally interdependent and compatible. Professional integrity is related to, but different from, personal integrity. It derives its substance from the fundamental goals or mission of the profession (McDowell, 2010). Professional integrity is sustained on the principle of moral integrity and ethical principles centered in transparency, honesty, sincerity, moral consciousness, loyalty, truth, and reality

in the functions performed, and adhered to legality. Professional integrity is a set of principles and commitments aimed to improve the results of the managing activities, maximize autonomy, and create relationships based on integrity, ethical practice, social justice, and team work.

#### **Professionalism**

Professionalism has integrity as an essential and defining element. It is an ethical concept defined by professional goodwill that reflects values, actions, and curricular implications.

Professionalism may be sacrificed to avoid costs imposed to protect institutional reputation. The value of good reputation is manifested in management, and violations of public trust by actions of authority can cause serious breaches in professional integrity. When stakes are high in a profession, breach in professional integrity can be devastating to society. Major challenges of professional integrity are misuse of science and policymaking (McDowell, 2010).

#### Managerial integrity

Organizational activities include regular issues of managerial integrity (Thompson et al., 2008). Management integrity is defined as a *leadership competency and it is measured using co-worker ratings of observed ethical behavior* (italics in original). Managers displaying integrity are concerned about the well-being of others (Brown and Trevino, 2006), acknowledge responsiveness among others, are receptive, and create efforts to understand others' perspectives and articulate their own (Levinson, 1988, p. 318).

Managerial integrity is central to managers and stakeholder's relationships, and for leaders and leader–follower relationships. Although it is questionable to what extent integrity is important for stakeholders, "the end justifies the means", a popular quote from Machiavelli, comes to mind.

Managers like to look at themselves as people with integrity being fair and honest. Kerr (1988) argues about the difference between conceptual work on integrity and realities faced by managers. He explored the meaning of integrity among managers and (1988, p. 138) states that to behave with ethics and integrity is scarce in managerial practice in everyday organizational life. When mistakes and incompetency of managers are buried – instead of being exposed, then management authorities fall short to meet their responsibilities with the mission and goals of the profession. Managers who act with integrity stay true to themselves (Levinson, 1988, p. 268).

Kaiser and Hogan (2010) measured managerial integrity framed by personality theory to identify the integrity of managers, drawing on the concepts of reputation and the influence of "weak" situations on the expression of

dark-side tendencies. According to Kaiser and Hogan (2010), self-assessment of managerial integrity is a dubious source of information because of manipulation and deceit of persons lacking integrity.

Managers who lack integrity cannot recognize themselves as such. Thus, subordinates are likely to be prime and the best source of information about the personal and professional integrity of managers (Brown and Trevino, 2006).

Kaiser and Hogan (2010) found that competency ratings fail to identify managers' integrity issues. Ratings on integrity competency are heavily skewed favoring managers who receive high ratings for integrity because they are unlikely to identify managerial misconducts. Respondents refuse to answer questions related to identify integrity issues and behaviors of managers lacking integrity because of the difficulties in rating them.

#### Integrity and performance

Competency models that include integrity as a dimension are used by organizations to identify managerial performance capabilities (Boyatzis, 1982) using subordinate ratings. Perceptions of a manager's behavioral integrity create collective trust and are related to customer satisfaction, higher performance, and profitability (McLean, 1997). Ethical behavior was rated by coworkers to measure integrity in terms of leadership competency (Kaiser and Hogan, 2010).

Kaiser and Hogan (2010) conducted an empirical study of ratings on a competency-based integrity scale with psychometric properties to test lack of integrity with the purpose of demonstrating that integrity ratings fail to identify individuals at low levels of integrity and do not predict managerial performance. Subordinate ratings of professional managerial integrity competency are consistent with performance ratings in organizations. Results of a research conducted by Kaiser and Hogan (2010) show that ratings on integrity competency are unrelated to managerial performance. Kaiser and Hogan (2010) proposed a method based on subordinate expectations about the likelihood that managers would have unethical behaviors, suggesting that a larger proportion of managers may have professional integrity issues without distinctions in performance.

Kaiser and Hogan (2010) found that a manager's integrity competency is highly correlated with building talent, showing concern for subordinates, although it does not distinguish the level of management performance, concluding that integrity competency does not predict performance. These findings are consistent with the definition of integrity as sensitivity to the needs and rights of other people. The level of a manager's integrity is not correlated with the level of performance, and contradicts research showing that personal integrity is a prerequisite for effective leadership.

#### Integrity and leadership effectiveness

A few empirical studies examine the relationship between integrity and leader effectiveness, but not the impact integrity has on leaders' effectiveness. What may be good for integrity may not improve effectiveness.

The assumption that integrity has a positive effect on leadership and organizational effectiveness is questionable when research emphasizes behavioral approaches, rather than integrity, and actions that lack integrity can lead to success (Jackall, 1988). Morgan (1989) developed a leadership assessment scale on integrity to assess relationship to leader effectiveness and found that integrity was related to trust. Trust reflects the integrity or capability of another party, thus trust in a leader's integrity may inspire followers because of the leader's adherence to certain values (McAllister, 1995). Research on integrity and leadership effectiveness suggests a positive relationship. Badaracco and Ellsworth (1990) and Covey (1992) argue integrity has an impact on leadership effectiveness. Followers believing in the integrity of a leader are more comfortable engaging in risky behaviors (Mayer et al., 1995). Hooijberg et al. (1997) call for the role of integrity as a value in leadership research.

Hooijberg and Lane (2005) examine how integrity impacts people's perceptions on effectiveness and found that integrity has small relevance on leadership effectiveness. To test the relationship between leadership behaviors, integrity, and managerial effectiveness, Hooijberg and Lane (2005) included values associated with integrity and in conflict with integrity and reported that results partially confirmed that integrity has a positive relationship with effectiveness on managers and their peers. However, there is no statistically significant association between integrity and effectiveness for bosses. Goal-oriented behaviors of managers are associated with effectiveness, but not with integrity.

## Material and methods, experimental details, and methodology

This research considers that economic, social, and cultural factors that affect management education outweigh professional integrity. This hypothesis is empirically confirmed by the fact that significant importance is given to the professional's reputation for integrity, economic efficiency, organizational social capital, and compliance with ethical codes. This chapter outlines an approach to understand professional integrity in management education in the context of honesty, an ethical background, building trust, and maintaining credibility.

The research methods used are interviews and comparative methods. The participants described several dimensions of professional integrity in management education. The discussion focused on integrity as a basic principle of professionalism in management education to guide complex ethical reasoning, and the need to create and sustain professional integrity environments through ethical modelling and relational behaviors promoted by integrity, as the essential element. This methodology evidenced an urgent need to develop a model to approach professional integrity in economic and managerial careers. The results provide the basis to develop a code of conduct and regulation policies to sustain management education for professional integrity which can positively impact business culture influencing behavior in key actors.

#### Results and discussion

A panel of 48 persons, comprising 12 teachers, 12 researchers, 12 students, and 12 administrators of an academic department participated in the study. The results based on the level of concern among participants are given in Table 11.1.

Research was conducted with information collected from teachers and students to determine the existence of program content oriented on ethics

Table 11.1 Ranking of concerns

Number	Concerns	Agree
1	Academic plagiarism	40
2	Authorship and publication issues	40
3	Integrity of data	39
4	Ownership of and access to data	38
5	Criteria for authorship	37
6	Order of authors	35
7	Use and misuse of privileged information	35
8	Retention and storage of data	35
9	Accessibility of publications	35
10	Self-citations	32
11	Duplication of publications	32
12	Academic interference	32
13	Early release of information on publications	30
14	Obligation to report what it is considered a suspected misconduct	30
15	Data on Curriculum Vitae	27
16	Conflict of interests	26
17	Correction of errors	25
18	Concerns on special obligations in human subject	24
19	Responsibilities of students, teachers, researchers, and administrators	24
20	Responsibilities on supporting and funding agencies	24

Source: Authors.

and professional integrity and behavior codes as a frame of reference (Paladino et al., 2005). Results indicated that all the teachers coincided in the need to incorporate a transversal program axis in the curriculum for teaching ethics and professional integrity. The study recommended setting cooperation networks to implement common axes for teaching ethics in national universities.

This research on management education demonstrates that the drama of economic efficiency is centered on a dysfunctional model of professional integrity and provides a sound professional philosophy to empower professionals to act with integrity to increase probability of long-term success and professional fulfillment.

Today, there is consensus that professionals must have capacity to live and share in harmony with others, be sociable, have self-control, professional integrity, and adaptability to cultural diversity. But to develop this type of professional it is necessary to institute, teach, and share the values of the organization with the personnel showing congruency between words and actions among executives.

Teaching ethics to professionals must consider a responsibility to satisfy demands of professional development programs with the ultimate objective that in any educational process the human being must achieve plenitude to build a fair and equalitarian society where justice, tolerance, and participation, based on respect for others, prevail over any other interest.

Personal sustainable development and success requires acquiring, restoring, and expanding professional integrity. And where these attributes are missing, a program to develop professional integrity is recommended. Batteman and Snell (2001) state that programs on ethics must be based on integrity that goes beyond avoiding illegality or worrying about laws and consequences and must inculcate personal responsibility for ethical behavior.

This study uncovered a need to change education on professional integrity (Rodríguez Ordoñez, 2004). The components of professional moral integrity and their influence on the development of activities and manager's actions need to be closely related with corporate social responsibility as a fundamental element of corporate governance.

Professional integrity and values across cultures that increase or reduce human welfare is a new research field, so the management curriculum needs to be oriented in the future to enrich program participants and aligned with integral development for successful practice of the profession (AICPA, 1980, p. 16).

## Implications for management education

Professions exist to serve society's needs through professionals using moral means to create value and services. Professionals in administration and

management need to cultivate an image of personal integrity. When integrity-based trust in management professionals is high, ethical organizations gain. But for organizations to achieve this culture professionals must work with ethical principles, focusing on, for example, justice to all human beings, responsibility for high performance, discretion in information management, and honesty in all actions.

Professionals that distort essential service functions to society to get unreasonable profits, power, or greed lose trust and respect in their communities. Simons (1999) states, "the divergence between words and deeds has profound costs in managers' trustworthiness and may undermine credibility and the power to use words to motivate actions of subordinates". Managers need to demonstrate mental independence and criteria regarding interests considered incompatible with integrity.

The most important aspects of management services to serve clients, customers, and the general public cannot be defined as knowledge and experiences but as professional integrity, sense, wisdom, perception, imagination, circumspection, service to others, professional stability, personal benefits, professional honesty, respect for personal dignity, and vocation. Beyond technological and financial aspects, managers must have as central axes their action and behavior to benefit other human beings.

Professional ethics and integrity are necessary to recover the credibility and respect for the management profession with competencies to be builders of a better society. Society provides necessary resources and opportunities to develop professional integrity. Failures of social trust are related to breaches in professional integrity. Managers' professional reputation and integrity in relationships with other persons and stakeholders are important as is the commitment to social welfare and preservation of the environment anchored in all managerial and economic fields.

All professions, and management is no exception, are ruled by social principles of honesty, integrity, and collective responsibility developed in the workplace. Integrity and responsibility must be part of the manager's professional life and his/her legal, labor, and entrepreneurial abilities aligned with ethical values that generate higher levels of transparency.

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