SUSTAINABLE PEOPLE...
THE ULTIMATE EMPLOYER GOAL IN THE TALENT WAR AND PRODUCTIVITY
Overview for today

What I am offering…

- Share my own learning and experience
- Link integrity to business success and talent
- Leverage those crucible events for retention and development
- Change your organization and your life for workability
- Become sustainable through integrity
HR Strategy...foundational belief

Strategic advantage equals quality of...

Leadership  Management  People

And how well they work together*

*The only long term sustainable advantage
Confidence and trust

- The military: 82%
- Small business: 67%
- The police: 59%
- The church/Organized religion: 52%
- The presidency: 51%
- U.S. Supreme Court: 39%
- Public schools: 38%
- Medical system: 36%
- Criminal justice system: 28%
- Newspapers: 25%
- Television news: 23%
- Banks: 22%
- Organized labor: 19%
- HMOs: 18%
- Congress: 17%
- Big business: 16%
Ethics Research Center Survey

“Trust and confidence in our institutions is vital; our economy can’t operate without it.”

2010 survey results:

- Despite 78 percent affected by efforts to weather the U.S. recession, key measures improved
- Misconduct at work is down… fell from 56 percent in 2007 to 49 percent in 2009
- Whistle blowing is up…reported misconduct 63 percent in 2009, up from 58 percent in 2007
- Ethical cultures are stronger …increased from 53 percent in 2007 to 62 percent this year
- Pressure to cut corners is lower. ..declined from 10 percent two years ago to 8 percent
- Retaliation increased … a negative trend.
ERC survey implications

- We are experiencing an ethics bubble.
- Positive trend likely to be temporary.
- Important connection between workplace ethics and the larger economic and business cycle: when times are tough, ethics improve.

Executives who don’t elevate culture to a priority risk long-term business problems.
Take on the issue of low trust...

A powerful intervention is required

- Workable solution...new integrity distinction
- Include it in your Talent and culture work
- Develop leaders differently

Improve the experience of work and performance
Webster on Integrity

**INTEGRITY**

1. *the quality or state of being complete;* unbroken condition; wholeness; entirety
2. *the quality or state of being unimpaired;* perfect condition; soundness
3. *the quality or state of being of sound moral principle;* uprightness, honesty, and sincerity

Nothing inherently good or bad about it, it is just the way the world is
**Integrity And Performance**

Integrity is the state or condition of being whole, complete, unbroken, unimpaired, sound, perfect condition.

| Such a state is the necessary and sufficient condition for workability. | And, workability is a necessary condition for performance. | As a result, it becomes clear that integrity determines the opportunity set for performance. |

*The fact integrity determines one’s opportunity for performance is concealed*
As integrity (whole and complete) declines, workability declines, and as workability declines, value (or more generally, the opportunity for performance) declines.

Thus the maximization of whatever performance measure you choose requires integrity.

“Without integrity nothing works”
Your word is:

W1. **What You Said:**
   Whatever you said you will do, or will not do (and in the case of do, doing it on time)

W2. **What You Know:**
   Whatever you know to do, or know not to do

W3. **What Is Expected:**
   Whatever you are expected to do or not do

W4. **What You Say Is So:**
   Whenever you have given your word to others as to the existence of some thing it is valid

W5. **What You Stand For:**
   Whether expressed in the form of a declaration made to one or more people, or to yourself, what you promise or hold yourself out to be.

**NOTE:** This is your Word, not Integrity
Integrity Is Honoring Your Word

While keeping your word is fundamentally important in life, you will not be able to always keep your word (unless you are playing a small game in life).

However, you can always honor your word

Remember…You are your word!
Integrity Is Honoring Your Word, Which Is...

Keeping your word, and on time

OR:

Whenever you will not be keeping your word, just as soon as you become aware that you will not be keeping your word (including not keeping your word on time) saying to everyone impacted:

a. that you will not be keeping your word, and
b. that you will keep that word in the future, and by when, or, that you won’t be keeping that word at all, and
c. what you will do to deal with the impact on others of the failure to keep your word (or to keep it on time).
Why is this hard to Do…

- “You are your word” is not new
- Law of integrity makes sense, is valid

But we have several factors in the way

- Perceptive constraints in the way
- Veil of invisibility…seven barriers to integrity
Veil of invisibility defined

1. **Integrity Is A Virtue**

   As a virtue, integrity is easily sacrificed when it appears a person or organization must do so to succeed.

   For many people virtue is valued only to the degree that it engenders the admiration of others.
Veil of invisibility

2. **Self Deception about being out of integrity**

- People generally **do not see** when they are out of integrity.
- In fact they are mostly **unaware** they have not kept their word.
- What they see is the “**reason**, rationalization, or excuse for not keeping their word.
- In fact, people **systematically deceive (lie to) themselves** about who they have been and what they have done.

Because people cannot see their out-of-integrity behavior, it is impossible for them to see the cause of the unworkability in their lives and organizations — the direct result of their own violations of the law of integrity.
3. **Integrity Is Keeping One’s Word**

The belief that integrity is keeping one’s word — period — leaves no way to maintain integrity when it is not possible, and that *leads to concealing* not keeping one’s word which adds to the veil of invisibility about the impact of violations of the Law of Integrity.
Veil of invisibility

4. **FEAR of acknowledging you are not going to keep your word**

When maintaining your integrity (acknowledging that you are not going to keep your word and cleaning up the mess that results) occurs for you as a **threat to be avoided** (like it was when you were a child), rather than simply a **challenge to be dealt with**, then you will find it difficult to maintain your integrity.

Thus out of fear we are blinded to (and therefore mistakenly forfeit) the power and respect that accrues from acknowledging that one will not keep one’s word or that one has not kept one’s word
Veil of invisibility

5. *Integrity is not seen as a factor of production.*

Leading people to make up false causes and unfounded rationalizations as the source(s) of failure. Which in turn conceals the violations of the Law of Integrity as the source of the reduction of the opportunity for performance that results in failure.
Veil of invisibility

6. *NOT doing cost/benefit analysis on GIVING one’s word*

- Most people *do not consider fully* what it will take to keep their word.
- No *cost/benefit analysis on giving their word*.
- People generally do not see the giving of their word as: “*I AM going to MAKE this happen*”
Veil of invisibility

7. \textit{DOING cost/benefit analysis on HONORING one’s word}

People almost universally apply cost/benefit analysis to honoring their word.

\textbf{Treating integrity as a matter of cost/benefit analysis guarantees you will not be a trustworthy person, and with a small exception, a person of integrity.}
Integrity of an Organization

Definition:
An organization (or any human system) is in integrity when:

1. It is whole and complete with respect to its word
This includes that nothing is hidden, no deception, no untruths, no violation of contracts or property rights, etc.

2. That is to say: An organization *honors its word:*
   Internally, between members of the organization, and externally, between the organization and those it deals with
   This includes what is said by or on behalf of the organization to its members as well as outsiders
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Remember the Wheel example.
The Challenge for us…

Managing integrity with this distinction, means:

- Climbing a mountain with no top
- Puts you at risk, out there
- Moves you to being whole complete, therefore you have room for others, their views, nothing to defend, no need to be right
- More workability in your life, your organization
Talent process opportunities

Improved integrity makes a better culture…
Easier to recruit top talent
Workability increase supports retention
Creates crucible events as opportunities
Reduces uncertainty in bad times, in change mgmt.
Takes compliance to a new level
Moves you toward sustainably (people and company)
Thank you…

Questions or comments?
Handouts...

(Social Science Research Network)
It is free, look for SSRN-id1511274
Beyond Agency Theory: The Hidden and Heretofore Inaccessible Power of Integrity (PDF file of Keynote Slides)
SSRN-id552009
Integrity: Without it nothing works