

# Chapter 19

## Integrity as a Core Value in Organizations

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### ABSTRACT

*In recent years, the teaching of ethics in business schools has become more common. However, despite positive interest and the quantity of literature, there remain serious shortcomings and incidents of unethical behavior by corporations. Unfortunately, rules, principles, values and virtues are usually presented in a fragmented fashion, often confusing ethical theories. Rarely is the role of character and virtue in moral reasoning considered and little has been written to illustrate moral judgment as integral to practical reasoning in ethical decision making. This chapter defines the strengths and weaknesses of duty and organizational values and illustrates the interconnectedness of rules, values and virtues. Unless the crucial element that character plays in organizational ethics is considered, it becomes a simple philosophical comparison of ethical theories. An integrated component of duty, values and virtue provides a clearer definition of virtues and their relationship to personal development, the professional role and the public good.*

### INTRODUCTION

To say that an organization has integrity is to state that the people who make up the organization have integrity. Basically, this means that the employees acknowledge legal and personal responsibility to colleagues, higher management, subordinates, stakeholders, government, customers, clients and to the environment as being central to the

moral ethos of the organization for whom they work. To this end, legal requirements and rules are supplemented by ‘organizational values’, which are, in essence, the moral goods or ideals of the organization. However, it cannot be taken for granted that, in a moral dilemma with no concrete rule to guide, ‘core values’ will motivate and direct. Core values can also become slogans or shibboleths unless they are underpinned by a sound moral philosophy.

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To teach 'core values' to business students without a moral philosophy based on virtue theory is to do them a disservice. If organizations want their managers to have and display integrity, they have to turn character by chance into character by development. Integrity needs to be considered as integral to character and not just an ideal for which to strive. To simply present 'integrity' as a value or the 'moral good' of the organization presupposes an already existing moral standard. Simply, a core value requires character to understand its moral implications. Without development of character, integrity means different things to different people and may or may not achieve the desired results. In short, an ethic of duty and compliance to a list of organizational values supports the minimum conditions for morality with regard to certain responsibilities. Values cannot take the place of personal development within the context of a fuller understanding of virtue ethics.<sup>1</sup> As Pincoffs said, 'a virtue is a desirable disposition of a certain sort' (E. Pincoffs, 1986). Ethics in the professions is not simply concerned with effectiveness, efficiency, legality or even codes of ethics; it is also concerned with personal morality. Integrity is about being, 'the right sort of person' (Pincoffs, 1986).

Including integrity in a code of values will not automatically bestow a miraculous formation of leaders and managers. Those leaders we recognize as having integrity have already committed themselves to a recognizable code of ethics. They already have integrity. Character is not established or created in a day, a term, or even a year in business school. Integrity forms over time until it becomes as natural as breathing. Integrity is a whole personal ethic and not a stand alone attribute. Integrity is having the ability to recognize where duty truthfully lies.

It is suggested that integrity as a core value only has meaning if it is understood that organizational values have to be integral to rules and virtues if they are to have valid significance. Integrity is

'wholeness' of character and one really cannot discuss 'character' without acknowledging the importance of all virtue. For a value to become motivational and directional in ethics it has to be integrated with rules and virtues.

This chapter, therefore, develops the key elements of virtue theory, especially those appertaining to the professional management role. These include the influence of community and the vital importance of practical wisdom, which, in the Aristotelian sense of the concept, means in conjunction with moral judgment.

Ultimately, the allegiance of managers to their profession, company or organization means allegiance to the 'moral dimension' of an organization. To have this allegiance requires not only following the rules but also exercising practical wisdom and making moral judgments when and if necessary, which will ultimately enable the good not only of colleagues, management and organization but also of other stakeholders such as customers or clients. That is the true meaning of integrity. Without an understanding of virtue theory, integrity will remain a core value which morally may or may not mean anything. It is important to understand the importance of community and the role it plays in the moral development of its employees.

## **THE ORGANIZATION AS A COMMUNITY**

A person's character traits are not developed in isolation, but rather within and by the communities to which he belongs. As people grow and mature, their personalities are deeply affected by the values that their communities prize. The moral life, then, is not simply a matter of following moral rules and of learning to apply them to specific situations. The moral life is also a matter of trying to determine the kind of people we should be and of attending to the development of character within our communities and ourselves.

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