# Chapter 25 Building a Culture of Integrity

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## **ABSTRACT**

Although business students can learn about ethics through case studies and examples, this learning may not lead to future ethical behavior in ambiguous situations or unsupportive cultures. Business schools can incorporate an experiential component to ethics education by giving students the opportunity to work in an organization with integrity: the business school itself. As students begin to develop their professional identities, the business school can establish students' expectations about how ethical people and organizations function. This supports students in developing professional identities that incorporate integrity. The authors recommend that business schools utilize the cognitive triangle of thoughts, feelings, and actions in developing a culture of integrity. Addressing all three of these components can help students avoid cognitive distortions that make them unable to recognize ethical dilemmas or render them unaware of the consequences of decisions and behaviors. The authors suggest using a portfolio of tactics to create a culture of integrity, including integrity codes and honor codes, policies and procedures, reporting mechanisms, consequences, symbols and ceremonies, top management support, faculty-student relationships, and open, truthful exchange. Unethical actions are more likely to occur in organizations with individualistic, egoistic climates, thus the challenge is to create a more collectivist, community orientation.

## INTRODUCTION

Organizational leaders are responsible for creating a caring atmosphere within their organizations and for creating norms of integrity and justice in the larger competitive and societal context (Delios, 2010). Developing future business leaders with such capabilities is a challenging but important

task for management educators. Individuals who think and act unethically can create organizations with unethical cultures (Trevino & Youngblood, 1990) that result in inappropriate or illegal actions and damage the organization's reputation. However, faculty members face numerous barriers in developing future managers with integrity. Ethical development typically occurs at young ages

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(Kohlberg, 1969) and some assert that universities can only encourage ethical behavior rather than teach it (Davis & Welton, 1991). However, research supports the idea that individuals can advance their moral reasoning through carefully designed training (Thoma & Rest, 1986), which is one reason that most business schools have courses in business ethics. Nevertheless, acting with integrity in a given situation is dependent upon the situation and the organizational context (Kish-Gephart, Harrison & Trevino, 2010). A context that condones unethical behavior may influence people with high ethical standards to think and act less ethically. Conversely, a highly ethical climate may encourage exemplary behavior (Paine, 1994).

Business schools often address this situational influence on ethics by exposing students to case studies and examples of the ethical dilemmas encountered in real business situations, and by discussing strategies for making ethical choices (Bloodgood, Turnley & Mudrack, 2010). However, research suggests that prior exposure to dealing with ethical dilemmas does not necessarily yield more ethical behavior (Tenbrunsel & Smith-Crowe, 2008). One explanation is that gaining cognitive tools to evaluate ethical situations does not adequately prepare students for addressing the emotional, behavioral, and situational components that influence their interpretation of events and subsequent choice of actions. Another possibility is that students may fail to recognize ethical dilemmas as such when they encounter them, and thus may act without engaging in moral reasoning and without considering the full range of consequences for their decisions.

Business schools can incorporate an experiential component to ethics education by giving students the opportunity to work in an organization with integrity: the business school itself. The experience of life in an ethical organization can influence cognitive, emotional and behavioral development, thereby increasing the likelihood of future integrity on the part of students. Students'

perceptions of proper ethical behavior mature during college life (Davis & Welton, 1991), and the organizational context in which this occurs can influence their beliefs and actions. As students begin to develop new professional identities (Ibarra, 1999), the business school can establish students' expectations about how ethical people and organizations function and can support identity development that incorporates integrity.

### WHAT IS INTEGRITY?

Integrity describes adherence to a code of standards or values. The concept of integrity includes two components: honesty and consistency (Kaiser & Hogan, 2010). Honesty reflects the expectation that people will play by the rules of society and act in a way that is consistent with shared ethical standards. Consistency refers to the relationship between words and deeds, or to acting reliably over time and across multiple contexts. Together these components suggest that integrity describes persons whose beliefs and actions are internally correlated, and are aligned with the moral expectations shared widely in society (Kaiser & Hogan, 2010). This definition incorporates both personcentered, character-based elements such as moral development and more situational components that acknowledge the influence of opportunity and consequences on behavior (Bernardi, et al., 2004).

People who have integrity tell the truth, are worthy of trust, do what they say they will do, and have high moral standards. Those who lack integrity display qualities such as lying, vindictiveness, taking credit for others' work, casting blame for their mistakes on others, and breaking the rules (Kaiser & Hogan, 2010). However, integrity is not merely an assessment of behavior; one may make honest mistakes such as withholding information or forgetting a commitment without being considered as lacking in integrity. Instead, integrity is derived from both outward behaviors and internal or invisible factors such as character

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