

Integrity, Leadership and Education

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Integrity: A positive economic model

Jensen together with Erhard and Zaffron (2009) present in an article the topical issue ‚integrity‘ as a positive economic model incorporating the categories moral, ethics and legality. Quotation: „We present a positive model of integrity that, as we distinguish and define integrity, provides powerful access to increased performance for individuals, groups, organizations, and societies.“ (Abstract) To understand the concept of integrity the respective article is cited cursorily in the following.

Jensen defines the positive integrity according to the definition of the *Webster’s New World Dictionary*:

1. “the quality or state of being complete; unbroken condition; wholeness; entirety;
2. the quality or state of being unimpaired; perfect condition; soundness.“ (p. 39)

An individual is complete and whole if its word is complete and whole. And its word is complete and whole if the individual honors its word. Individuals can honor their word in two ways: Firstly, by keeping their word at the time they promised to do so; secondly, as soon as they recognized that they could not keep their word they had to inform everybody who is concerned about this fact and they had in addition to repair all the damages they have caused by not keeping their word. Behaving in this way an individual honoring its word can keep integrity even in the case that he does not keep its word given.

Integrity is not a matter of *keeping* one’s word; integrity is *honoring* one’s word. In this new model of integrity, honoring your word is defined as:

1. Keeping your word (and on time).

And, whenever you will not be keeping your word:

2. 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).

Notice that “honoring your word” includes two conditions, where the second condition comes into play whenever the first condition is not met. Integrity is an “*and*” proposition. In other words, to be a person of integrity all you have to do is “honor your word”, which means you keep your word (1 above), *and* when you will not, then you say you will not and clean up any consequences (2. a, b and c above).

But what is the ,word‘ of an economic subject? The authors define the ,word‘ extensively not least not to impair the value of the concept without necessity.

„In this new model of integrity, we define a person’s word as consisting of each of the following:

Word-1. **What You Said:** Whatever you have said you will do or will not do, and in the case of do, by when you said you would do it.

Word-2. **What You Know:** Whatever you know to do or know not to do, and in the case of do, doing it as you know it is meant to be done and doing it on time, unless you have explicitly said to the contrary.

Word-3. **What Is Expected:** Whatever you are expected to do or not do (even when not explicitly expressed), and in the case of do, doing it on time, unless you have explicitly said to the contrary.

Word-4. **What You Say Is So:** Whenever you have given your word to others as to the existence of some thing or some state of the world, your word includes being willing to be held accountable that the others would find your evidence for what you have asserted also makes what you have asserted valid for themselves.

Word-5. **What You Say You Stand For:** What you stand for, whether expressed in the form of a declaration made to one or more people, or even to yourself, as well as what you hold yourself out to others as standing for (formally declared or not), is a part of your word.

Word-6. **Moral, Ethical And Legal Standards:** The *social moral standards*, the *group ethical standards* and the *governmental legal standards* of right and wrong, good and bad behavior, in the society, groups and state in which one enjoys the benefits of membership are also part of one’s word (what one is expected to do) unless a) one has explicitly and publicly expressed an intention to not keep one or more of these standards, and b) one is willing to bear the costs of

refusing to conform to these standards (the rules of the game one is in).” (p. 52f)

If one gives his word a new relationship or at least a new aspect of an existing relationship is being created. It is decisive that reciprocity of integrity is not a condition for the integrity of a person. A person can give its word to another person and therefore can have a high integrity even if the other person does not have integrity. This does not release the respective person from its obligation to keep respective to honor its word. The sole consequence of an asymmetric integrity is that the value of the relationship suffers by it.

Jensen and his co-authors strongly separate integrity on one hand from moral, ethics and legality on the other hand. Integrity is a positive economic category comparable with technology, real capital, human capital, organization's efficiency etc. whose existence can be measured (more or less) and which can cause recognizable impacts on other economic issues (performance). Moral, ethics and legality in contrary are normative categories which also can cause economic impacts but which have to be evaluated normatively (good or bad).

Moral: In a given society, in a given era of that society, morality is the generally-accepted standards of what is desirable and undesirable, of right and wrong conduct and what is considered by that society as good or bad behavior of a person, group or entity.

Ethics: In a given group, ethics is the agreed upon standards of what is desirable and undesirable; of right and wrong conduct; of what is considered by that group as good and bad behavior of a person, group or entity that is a member of the group, and may include defined bases for disciplining including exclusion.

Legalität: The system of laws and regulations of right and wrong behavior that are enforceable by the state (federal, state, or local governmental body in the U.S.) through the exercise of its policing powers and judicial procedures, with the threat and use of penalties, including its monopoly on the right to use physical violence.

Connecting the normative virtues with the positive „virtue“ integrity, it is evident that in Word-6 the respective categories moral, ethics and legality are implicitly part of the ‚word‘ of a person. These categories are the moral compass which for the relevant persons in a relationship – both parties are located in the same society, the same group and the same state – has to be the same so that the word on both sides of the relationship has the same meanings.

Performance-Paradox

The decisive message of the concept of integrity is that integrity is able to considerably increase the performance of a person, a group of persons, an organization, a firm or a system. *Jensen* describes this heuristically with „Without Integrity Nothing Works“. While doing so the authors set up a so-called ‚Integrity → Workability → Performance‘-cascade.

Taking literally the idea of the ‘complete and whole word’, *Jensen* can show with the example of a wheel what he understands by ‚workability‘. An intact wheel can be used in many ways and is in it very efficient. If the wheel misses some spokes then it is no more complete and whole and the wheel will miss therefore some workability up to its absolute operational inefficiency. Analogous to this example the workability of a relationship between two persons can be seen. The better the workability is the more productive and efficient the relation is resp. the higher the performance is. This argument is much stronger talking about the integrity of objects, groups of persons, organizations and systems.

The Integrity → Workability → Performance-Cascade runs like this:

- Because maximal workability is a necessary (not a sufficient) condition for a maximal performance, and
- because integrity is a necessary and sufficient condition for a maximal workability,
- it follows that integrity is a necessary (not a sufficient) condition for a maximal performance, and
- it follows that if integrity is going to shrink the opportunity for performance shrinks.

If integrity disappears performance disappears. Therefore, integrity is a production factor to which all other production factors which can contribute to a high performance can be added on. This implies that lacking integrity cannot be substituted by other production factors. Integrity creates opportunities for performance. Is integrity lacking then opportunities for performance are lacking. Performance in this case can only be reached with the remaining opportunities. This also implies that integrity is a categorical production factor which creates switches in a production process. This also explains that the authors can report about the IBM-example in which integrity was able to switch the firm performance by up to 500%.

Integrity refers not only to single persons as mentioned above but also to groups of persons and organizations like firms. For groups and organizations, the same conditions according the value ability of integrity are valid. In most cases there are speakers of a group or an organization. These speakers can give their word in the name of the group or the organization. In addition, the behavior – behavior resp. action is the word – of the group and the organization has to be interpreted accordingly. In relation to firms, CEOs or the speaker of the top management are addressed. All those being responsible can give their word in the name of the firm according to their responsibility. In the relationship of employed managers as agents of public corporations to the firm’s shareholder

as their principals, integrity is of utmost importance as *Jensen* has shown in a number of scientific articles. At this point, 'Strategic Accountability' comes into play. It says that the 'word' has to show a high signification and relevance as well as a high sustainability. Integrity in trifles but out-of-integrity in the main issues of life, of organizations or of firms does not meet the philosophy of the authors' integrity concept.

Integrity is not only relevant according to persons and groups of persons but also according to objects and systems. The wheel as an object with integrity is evident. This picture can be extended to come to examples which strongly emphasizes the high value of integrity. For example, the promised effectiveness of medicine and the promised lack of dangerous side effects as the implicit word of the responsible firm show the workability of the product and the consequences if the firm does not keep its word. Concerning medicine and drugs it is obvious but what about products in the financial and banking sector? What is the 'word' of a firm and their products? This question is not trivial and implies a high relevance of real life integrity.

The idea that integrity of objects is not a triviality is much more valid concerning the integrity of systems. In this respect the integrity of i.e. financial systems, telecommunication systems or even judicial systems could be questioned. Integrity of systems relates to the components of the system as well as the functional relationship between the components of the system. But above all is the question of the integrity of the system design as well as the integrity of the way the system is used. For example, a system has no integrity if it is not used for the same reasons it was designed for. Out-of-integrity systems have a low workability and therefore a low performance. If economic or social subsystems represent a significant part of a bigger superior economic system then the out-of-integrity of a subsystem, i.e., banking and financial system, can lead to a considerable impairment of the performance of the whole system.

That is: Integrity or out-of-integrity characterize persons, groups of persons, organizations, objects and systems. According to this, persons, groups of persons, organizations, objects and systems own either a high or a low workability and therefore either a high or a low performance. Integrity implies commitments to moral of a society, ethics of a group and legality of a state what excludes the so-called „gaming the system“. Integrity does not require reciprocity but reciprocal integrity enhances the performance of a relationship. In consequence this prohibits the application of the 'golden rule' according to this the out-of-integrity of the counterpart releases one from the duty of keeping resp. honoring one's word. Not at least through connecting integrity with the normative virtues of moral, ethics and legality, integrity becomes an autonomous intrinsic decision of individual persons with integrity. Said this, the question is how the decisions pro or con integrity are made.

Jensen and his co-authors developed the concept of integrity further to a concept of leadership.

Integrity and Leadership

Scherr/Jensen (2007) define leadership using four aspects and apply it in different situations, i.e., Robinson alone, Robinson with Freytag, in a school situation or in a situation of a large firm's project:

„VISION: Creating a vision for the future – a vision that goes beyond what is predictably going to happen and therefore goes beyond what anyone now knows how to accomplish.

ENROLLMENT: Enrolling sufficient numbers of others in making a voluntary and personal commitment to realizing the vision.

BREAKDOWN: Creating systems that quickly identify and widely communicate the existence of breakdowns – any perceived gap between the committed vision and what predictably will be accomplished given current circumstances and knowhow that is seen as a threat to the realization of the vision. Widespread awareness of a breakdown increases the likelihood that a solution – a breakthrough – will be discovered or invented.

MANAGING BREAKDOWNS: Creating an environment that successfully resolves the breakdowns. Such an environment supports people in the organization (on the team if it is a project) so they renew their commitment to the realization of the vision in the face of the breakdowns.” (p. 4)

Robinson alone does not need enrollment. With Freytag, he has to convince Freytag. In a school situation, starting with the teacher, the enrollment comprises the whole class resp. parts of the class, one student at least. In projects of firms the enrollment aims at the commitment of the project team up to the whole firm.

Core of the concept is the definition of the ‚leader‘, according to *Scherr/Jensen*. „We define “leader” as an *ordinary* human being with both a commitment to produce a result whose realization would be *extraordinary* given the current circumstances as seen by the participants, and the integrity to see this commitment through to its realization.” (p. 5) This implies that Robinson alone is a leader, that in a class room the teacher as well as each student are leaders, that in a firm's project the firm, the project leader as well as each project team member are leaders.

Concerning the question of commitments within the enrollment the authors differentiate between ‚assertion‘ and ‚declaration‘. „An individual commits himself or herself by a declaration. Such declaration includes both the substance of the future state (vision) that is to be attained and the individual's personal commitment to the realization of that vision.

The power of declaration is not widely understood. Just as in the case of Kennedy's declaration to put a man on the moon when no one at the time knew how to do it, the declarations of any person create risk and uncertainty. Such declarations are generally associated with uncomfortable feelings on the part of most human beings. In an almost magical way declarations create a future which shifts the world in very important ways." (p. 12) Making a declaration implies making a promise. This promise is the word which is given and which has to be honored if it is not kept according to the promise. It is *Jensen's* integrity. With that, leadership only works together with integrity. It is also clear that if education aims at something new and unknown then education and education policy only works with integrity.

Integrity becomes central in cases of so-called 'breakdowns'. *Jensen/Scherr* designate breakdowns which always can arrive going into unknown areas as chances for 'breakthroughs'. „Contrary to what people generally believe, breakdowns are the driving force behind innovation and the breakthroughs.“ (p. 17) Decisive to overcome breakdowns, i.e., that a student does not understand the integral calculus, is to recognize very early that a breakdown is going to come, i.e., that the student doesn't even understand the differential calculus, in order to introduce very early the right steps to overcome the breakdown. Therefore, the word which is given according to integrity is central. Only in connection with the given word it can be measured whether there is urgent call for action or the project is on the right track. In this context it becomes clear how important the explicitly given word is. If you do not give your word, then you are not able not keeping your word. In addition, those who give their word agree to bring early to notice that they probably are going not to keep their word. This too is part of integrity.

In case of a breakdown the authors see five important actions in order to keep integrity and with that intact leadership. „First, the leadership must choose whether to remain committed to the vision or to give it up or modify it. Secondly, and somewhat counter-intuitively, all participants in a breakdown must be given the formal opportunity to choose to recommit to the outcome or vision. The third step, as we explained in the previous section, is to broadly communicate the existence of the breakdown. The fourth and most difficult step is to remain committed in the face of circumstances that are inconsistent with the realization of the commitment. There is a fifth step that is often omitted, particularly if the breakdown is resolved with a breakthrough — to get to the source or root cause of the breakdown and correct it so that the breakdown never occurs again.“ (p. 23ff)

With that, integrity leads to leadership and by this to high performance, which *Jensen* and his co-authors never were tire of emphasizing (see the example of IBM with an increase of performance through integrity by 300%, p. 34ff).

There is an additional reason why leadership cannot be achieved without integrity. It is the case when it comes to a final breakdown and not only to a breakthrough. „Whenever a vision is abandoned there is fallout — the plans of other organizations may be im-

pacted, revenue or budgets may have to be adjusted, organizational downsizing may be called for, and so on. Dealing with this fallout is another leadership responsibility. The mess that was made by renegeing on the original commitment must be cleaned up. To do otherwise compromises the integrity of the leadership and their organizations and will reduce future performance.“ (p. 28)

Integrity is the necessary precondition for leadership. „When an individual or an organizational unit commits to the realization of a vision it has given its word. And, in the context of that vision, when an individual or organizational unit commits to produce one or more elements necessary to the realization of that vision it is critical that the individual or unit honor that word. Widespread out-of-integrity behavior, i.e., not honoring one’s word means that the productivity and likely realization of the vision will fall dramatically.“ (p. 31)

And as the examples of Robinson with Freytag, student classes, lessons in universities, firm’s projects show, education without *Jensen’s* integrity, which leads to *Jensen’s* leadership, is inefficient. This is valid for local, national and global education policy. It is valid for child’s early development, general school education, high schools, vocational training, universities and lifelong learning, everything the local, national and global human capital needs and asks for.

Integrity and Education

Based on the leadership model of *Scherr/Jensen* (2007) which builds on the integrity model of *Jensen* and his co-authors, *Isberg a. o.* (2012) describe how integrity in the educations systems, here „Higher Education“, leads to a much higher efficiency of learning and therefore to a much higher performance of the students. „The fact that this definition of integrity is a positive as opposed to a normative phenomenon now opens the opportunity for restoring and measuring the impact of integrity on the classroom experience. This means that teachers establish conditions and honor their word to enable students to fulfill the “promise” of a course learning experience. For a student, integrity can be measured as the degree to which he or she honors his or her word regarding the conditions for maximizing performance in a class. The first step is to articulate the conditions to which students are giving their word by enrolling in the class and the second is to create and implement a grading rubric to determine whether this has been accomplished.“ (p. 4)

The instructor explains his promises concerning the learning course in the form of learning objectives which will be achieved. For that purpose, a specific environment for learning and teaching is required which leads to the effect that the instructor teaches efficiently and the students learn efficiently. Integrity on both sides is imperative in order to keep performance high. „The concepts of integrity, workability, and achieving the promise of the course are drawn closely together in the work of Erhard, Jensen, Zaffron

and Granger in their approach to teaching leadership. Prior to engaging in their course, *Being a Leader and the Effective Exercise of Leadership: An Ontological Model*, students are provided with a clear articulation of the promise of that course; that by honoring their word to agree to be in integrity with the course conditions, they will be able to exercise leadership as their natural form of self-expression. The authors then go on to rigorously define and articulate what it means to honor your word regarding the conditions for realizing the course promise. Enrollment in the class implies that students have, in fact, given their word to do so, and are willing to be accountable for honoring that word. The key first step, therefore, in grading this notion of integrity is to clearly articulate the promise of the course and the conditions for realizing that promise.“ (p. 5)

As shown in the last section, decisive is the ‚word‘ which makes it possible that probable deviations up to a breakdown can be recognized very early. The authors call this the ‚Grading Structure‘ and divide it in four categories:

- Attendance: Students attain the maximal attendance if and when they attend all events and lessons punctually and well prepared.
- Assignment Submission: Written homework have to be presented absolute correctly concerning technic, form and content.
- Self-Test Completion: They have to be carried out and submitted in written form to be exemplified.
- Seeking Assistance: It is not imperative but factually recommended.

The authors cite empirical analyses concerning the impact of integrity on the performance of the students. These studies show a high correlation between integrity and learning performance. „Part of the motivation for this study was to test whether the application of a positive model of integrity based on a definition of one’s word would improve workability in a functional environment. In this case, participants were giving their word to meeting the conditions necessary to fulfill the promise of a course, where the course experience provided the functional environment. The study results show that in cases where participants honor their word, workability, and hence, performance, are enhanced.“ (p. 14f)

By this, the bridge between Robinson on one side and global education policy on the other side based on integrity and leadership is substantiated. A student’s lesson course is nothing else than a highly innovative project in a firm which has the aim to discover and conquer unknown ground. Integrity helps to recognize and to overcome breakdowns. Breakthroughs lead to leadership and personally to a high self-esteem which qualify for further breakthroughs which is a condition-sine-qua-non not at least in the education area.

Resume

Jensen's positive economic model ,integrity' owns different dimensions and is relevant for many areas of economic theory, i.e., theory of finance, globalization, capital market theory, economic growth theory, corruption theory, monetary theory, banking theory, theory of stock exchanges etc. Fundamentally, integrity plays a key role in two specific areas of economics and the economy which in the future will have an increasing importance for the economies and societies locally, nationally and globally. It's about leadership in the economies, the societies and in politics on one side and it's about education as investments in human capital on the other side. This paper shows that integrity unalterable contributes to the fact that lack of efficiency can be and have to be repaired according to inferior qualities in leadership visible locally, nationally or globally. Extending the idea of leadership into the society as a whole then the tremendous importance of 'education and human capital' will become obvious. In these areas leadership will be necessary to gear our human capital locally, nationally and globally towards the big challenges of the future.

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