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On Organisational Integrity

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Abstract

This paper submits that an intersubjective account of integrity is able to solve current confusing and cynicism provoking integrity statements by organisations. First, I argue that much confusion is caused by regarding organisations as persons. Second, a useful account of integrity in an organisational context must comprise of the following elements: walk, talk, interaction, personal values, social values. I examine the meta-ethical assumptions of three account of integrity: objective, subjective and intersubjective. The intersubjective account of integrity is most suited for an organisational context because it recasts integrity as “talking the walk” and as “towards integrity”.

Today, the term “integrity” can be found in nearly every corporate code of conduct and organisational values statement. Yet it remains vague what is exactly meant by that term. Next time your manager demands of you to act with integrity, try asking what exactly it is that is expected from you. Chances are high your manager will answer with the popular adagios through which CEOs pledge the integrity of their organisation: ‘walk the talk’, ‘practice what you preach’, or ‘stick to our values’. In that case, it is advisable to ask your manager reassurance that that is what is really wanted from you ... and get it in writing so you can use it to support your unfair dismissal claim!

Organisational life is full of situations in which corporate values need interpretation and discernment in order to apply them in our decision making, and quite often organisational policies or management commands make us decide otherwise than when the course of action would be entirely left to our discernment. Hence, not only is “integrity” a vague concept in organisational settings, it is also easily perceived as just something CEOs need to say these days, without having direct bearing on day-to-day operations. Thus one can expect declarations and summoning for integrity to be met with cynical remarks as the one I just gave.

I see two reasons for integrity’s persistent vagueness and its perceived lack of earnest. First, confusion of organisational and personal integrity makes it impossible to derive from any clear and feasible behavioural expectations both towards the organisational and the personal level. Second, the meta-ethical propositions of both objective and subjective accounts of integrity do not match basic assumptions of how we currently understand organisations. The aim of this paper is to develop a conceptualisation of integrity distinguishing yet aligning its organisational and personal levels in a way that fits our current understanding of what constitutes organisation.

The paper is structured as follows. The first section explains how the confusion between organisational and personal integrity is the result of regarding organisations as persons. I also set the conditions a “fit” conceptualisation of integrity must meet.

In the second section I investigate the meta-ethical propositions of both the objective and the subjective accounts of integrity. I argue that both positions fail in a similar way to meet the

conditions arrived at in the first section. A third, intersubjective position is then articulated which does not fail those conditions.

Finally, in the third section I show some important implications an intersubjective account of integrity has for the use of integrity in an organisational setting. In short, these are first that we need to somewhat downplay the hopes we attach to integrity. Second, integrity is something we work toward instead of work from or with. And third, “talk the walk” catches the meaning of integrity much more than does “walk the talk”.

Confusing Organisational and Personal Integrity

Etymologically, integrity draws on the Latin *integritas*, which means wholeness and stands opposed to an old meaning of corrupt as fragmented. A common understanding of what this wholeness is of, is that it concerns a unity of actions and beliefs or values. Further conditions can apply to both actions and values, as I will explain shortly. But what we assert when we say of someone that they act with integrity, is that that person’s actions correspond to that person’s convictions. Thinking and doing – or metaphorically head and hands needs to be in correspondence. It is that metaphor which underlies the confusion of organisational with personal integrity. Organisations are commonly discussed in an anthropomorphic way. The attractiveness of the notion of corporate citizenship is one example. Despite philosophical scrutinising¹, Richard De George’s pragmatic argument² to end that debate rests on the fact that corporate citizenship is picked up by the corporate world and hence business ethicists must work with it. Another example is the *alter ego* or identification theory in attributing blame to corporations, adopted by English courts in the middle of the 20th century.³ Under this theory, certain key employees are held to act as the company and not merely on behalf of it. Those key employees at the centre of corporate power are regarded to be the brains or head, whereas others are only but the hands. However, in the prosecution of P&O Ferries following the 1986 disaster with the Herald of Free Enterprise, the company could not be convicted because of the restricting identification theory – the “head” kept saying it didn’t know about the open-door sailings.

From a more sociological perspective, the organisation-as-person makes little sense, not even from a pragmatic stance such as Richard De George’s. A Taylorist account of organisation might still cope with the head-and-hands metaphor. The Taylorist view makes a clear distinction between creative and designing functions on the one hand and the operational functions on the other hand. The latter merely execute orders in a way which is prescribed in detail by the former who design the production process. Thus, the organisation has a “thinking” or “head” part which is clearly distinct from a “doing” or “hands” part. Organisational integrity then means that the hands of the organisation are in correspondence with the organisational head.

But that is not the way we understand organisation today. Although industrial relation scholar argue and document that Taylorism is not waning in industrial production, the majoritarian voice in organisation studies is preoccupied with the service sector and the knowledge economy. Within that field, as well as in research into corporate governance and HRM, what is emphasised through

¹ See for example Muel Kaptein and Johan Wempe *The Balanced Company* Oxford, Oxford University Press 2002 and the discussion of corporate citizenship in *Business Ethics Quarterly* 18 no 1

² Richard T De George ‘Citizenship Inc’ *Business Ethics Quarterly* 18 no 1 pp 43-50

³ Celia Wells ‘Corporate Responsibility’ in: R Chadwick, D Callahan, P Singer (eds) *Encyclopedia of Applied Ethics* Vol I, pp 653-661, Academic Press

notions such as decentralisation, flexibility, teamwork, the learning organisation, and quality management, is that organisations may improve their performance by acknowledging that all of their employees are hands-*and*-head and seek ways to turn the thinking and creativity of their employees into a resource. Organising is presented as a fundamentally interactive practice. Thus, the organisation ceases to be composed of a thinking part that is physically distinct from its executing part. An organisation is post-Taylorist to the extent that it perceives and values itself as a site where many heads and hands interact.

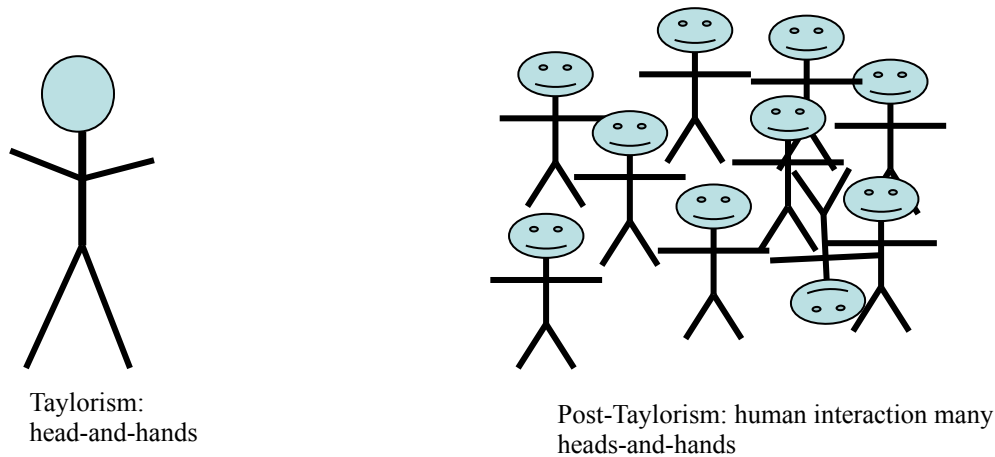


Figure 1. Taylorist and Post-Taylorist understanding of organisation

Figure 1 contrasts the Taylorist and the post-Taylorist understandings. It is clear that in the latter understanding, personal integrity as wholeness of action and beliefs can no longer function as the basis for an adequate conceptualisation of organisational integrity. Moreover, even the operationalisation of personal integrity – what organisations can expect from individuals with regard to integrity – suffers from anthropomorphic confusion.

Hence a conceptualisation of integrity resonating with our current understanding of organisation must allow distinguishing between organisational and personal integrity, and must acknowledge interaction as a pivotal notion in that distinction. I submit here that (1) organisational integrity must be perceived as organisational efforts and policies to support personal integrity, and (2) that the ascription of personal integrity must relate to the way one interacts with others.

I find support for this in the reasons given for the popularity of the term “integrity”. Robert C. Solomon sees that reason in the expectation integrity creates.⁴

Part of the demand for “integrity” [...] has to do [...] with the expectation that [employees] will (on the basis of past experience and accumulated confidence) resist and perhaps

⁴ Robert C Solomon Business and Excellence Oxford, Oxford University Press 1993 pp 81-82

straighten out structural distortions in the organization.

It is employee's personal integrity that will make them resist opportunism, which is possible due to structural distortions in the organisation. This pertains to interacting with others in an organisational context. However, such personal integrity will only manifest itself on the basis of past experience and accumulated confidence, which pertains to what I stipulated as organisational integrity.

Lynn Sharp Paine,⁵ gives another reason why integrity is a popular notion in organisations, namely because it has a connotation of self-regulation. Paine distinguishes between compliance strategies and integrity strategies for implementing organisational policies. She characterises integrity strategies as based on chosen standards – rather than to observe and obey rules and orders – and as driven by the anthropological model of humans as social creatures, as acting willingly and autonomous but also as guided by values, friendship and peers. Here too, interaction is an important aspect of the organisational context to which integrity must apply.

So, interaction is a crucial element for personal integrity in an organisational context. What else is? Surely, one's actions must be governed by one's own choices, which we must be able to articulate to others but which will achieve little if those choices themselves are not true to our values. What values? As Robert Meyers notes: 'all values that apply'.⁶ These are, first, the values an individual happens to have. People develop a variety of personal concerns through a series of choices and actions. But second, one never does this in a social vacuum. Developing personal values has a historicity. Furthermore, acting upon those personal concerns and choices is done in particular situations – here particular organisational contexts – to which values apply with regard to which choices will be made.

I can now summarise the condition a conceptualisation of personal integrity that is useful in an organisational context, must meet. It must be able to give an integrating account of five elements: walk (action), talk (expressed reasoning), interaction, personal values, social values. The next section discusses three accounts of personal integrity. Once we know which account is best suited for personal integrity in an organisational context, we can know what organisational integrity must support and foster.

Three Accounts of Integrity

In this section I investigate the meta-ethical propositions of two rivalling accounts of integrity: an objective and a subjective one. I will show neither of these can give an integrating account of walk, talk, interaction, personal values and social values. I will then propose a third account, intersubjective integrity, which does succeed in connecting the five necessary elements.

The Objectivist Account

The debate in the literature concerns the question of how values and actions need to be related to each other in order to speak of integrity. In the objectivist view, integrity is speaking and acting in

⁵ Lynn Sharp Paine 'Managing for organizational integrity' Harvard Business Review 72 no 2 (1994) pp 106-117

⁶ Robert H Meyers Self-governance and Cooperation p 73 Aldershot, Ashgate 1999

accordance with values that are morally justified on an objectivist basis. Thomas Becker, drawing on the work of Ayn Rand, sees such an objectivist basis for moral justification to be the promotion of long-term survival and well-being of individuals as rational beings.⁷ Life, argues Becker, is not a subjective opinion and hence is suitable as the foundation of integrity. Bruce Barry and Carroll Stephens criticise Becker on the fact that the objectivist account of integrity

Provides no philosophical advance beyond the amoral theory of commerce; in essence, objectivism constitutes a pseudo-ethical apologia for self-interested business as usual.⁸

Becker⁹ replies that the purpose of a moral code is to further and protect one's life. Egoism in objectivism simply refers to that, and therefore an individual should be the beneficiary of his or her moral code. Altruism on the other hand asserts that someone else should be the beneficiary, which amounts to a contradiction of the very purpose of having a moral code. In defence of the role of rationality in the objectivist account of integrity, Becker argues that as rationality is the primary tool of survival, integrity (loyalty in action and speaking to rational principles and values) is a corollary primary virtue of rationality.¹⁰

But Barry and Stephens did not question the importance of rationality as such. Rather, they argue that Becker simply ignores the rational basis of altruism and dismisses too easily the role of communities in the lives of individuals. In the context of this paper, this is a far more fundamental critique. In the previous section, I demonstrated that a useful account of integrity must be based on human interaction, as this is a central notion in today's discourse on what organising entails. While the objectivist account of integrity is morally relevant in human interactions, namely that we have to interact with other humans in a morally justifiable way – for objectivists that is rational egoism – the ascription of integrity is established outside of those human interactions. Thus, the objectivist view fails to take account of linking the personal and social dimension of integrity.

Let me explain. Objectivist integrity is an example of a meta-ethical objectivist position. As Richard Double notes, a proposition of meta-ethical objectivism is that “the fact that we don't *know* the correct answers does not mean there *are* no correct answers.”¹¹ Thus, within the objectivist account of integrity, it is perfectly possible that I act with integrity, even when everyone else is convinced that I am not. They might simply be mistaken. At the extreme, I myself can err and act with integrity even when everyone (the others and me) think I am not.

I take it that no further argument is needed to convince the reader that the objectivist account of integrity is not able to recognise the social dimension of integrity and hence is not suited as a useful or plausible account of integrity.

⁷ Thomas E Becker 'Integrity in Organizations: Beyond Honesty and Conscientiousness' *Academy of Management Review* 23 no 1 (1998) pp 154-161

⁸ Bruce Barry and Carroll U Stephens 'Objections to an Objectivist Approach to Integrity' *Academy of Management Review* 23 no 1 p 162 (1998) pp 162-169

⁹ Edwin A Locke and Thomas E Becker 'Rebuttal to a Subjectivist Critique of an Objectivist Approach to Integrity in Organizations' *Academy of Management Review* 23 no 1 pp 170-175

¹⁰ Ibid.

¹¹ Richard Double *Metaethical Subjectivism* Aldershot, Ashgate 2006 p 4 (emphasis in original)

The Subjectivist Account

In the subjectivist view, personal integrity requires a consistency of commitments, and upholding those commitments in speaking and acting for what one believes to be the right reasons. We can speak of the personal integrity of an agent if his speaking and acting meet these formal conditions.

Lynne McFall argues¹² that two more conditions regarding the content of the personal commitments, have to be met as well. The first is that commitments need to be upheld in the face of a challenge. McFall understands this in the following way. Commitments must be upheld in situations where some of our commitments are in conflict. For example, my commitments to friendship and honesty would come into conflict when a friend of mine cheats in a game at which I am a referee. In the absence of such challenges, McFall argues, the ascription of integrity is not appropriate. The second content related condition that must be met is that the conflicting commitment must be identity conferring. Integrity only applies to situations in which an agent can perform actions through which she would no longer be the person she was. McFall¹³ gives the example of spreading rumours about your friends alcoholism when both of you are competing for a promotion.

It is clear that the subjectivist account of integrity differs in important ways from the objectivist account. Nevertheless it fails in the same way with regard to the criteria set out earlier in this paper. More precisely, the subjectivist account is not able to bring the personal and the social dimensions into line. Although the subjectivist account is not an example of the meta-ethical objectivist position, it is pretty close as only one person – the agent whom we might ascribe integrity to – needs to support the values at play. The crux is that it is not about the content of the values but rather the place of the values with regard to action, talking and personal integrity. The subjectivist account is “richer” than the objectivist because it does acknowledge the importance of personal discernment in how to act upon values and mediate conflicting identity conferring values. But what is terribly missing is some acknowledgement of the social values and a place for human interaction in making that discernment.

The Intersubjective Account

The intersubjectivist account of integrity I propose in this paper has a focus precisely on that social dimension of discernment. Stephen Carter¹⁴ defines integrity as the wholeness of three steps: (1) discerning what is right and what is wrong, (2) acting on that discernment, and (3) openly stating the connection between acting and discernment.

The first two steps acknowledge that we make sense of an experience based on beliefs and attitudes we have and that we act upon that perception. The third step involves the social dimension of discernment: we share a situation with others. Carter’s third step is the explicit recognition of the other as a necessary aspect of integrity. Objectivist and subjectivist accounts of integrity might mention “talk” but they do not stipulate it as a crucial condition for the ascription of integrity to an act or to a person. With Carter’s third step – speaking about ones actions and discernment –

¹² Lynn McFall ‘Integrity’ *Ethics* 98 no 1 (October 1987) pp 5-20

¹³ *Ibid* p 12

¹⁴ Stephen L Carter *Integrity* New York, Harper Perennial 1997

integrity becomes intersubjective. It is to the extent to which one speaks to others about one's discernments and action, that one is showing integrity. Hence, an intersubjective account of integrity rests on attitudes towards others, namely the willingness to discuss, explain, justify and negotiate about what to do and why. It is the presence of that attitude that makes someone a person of integrity.

Whereas the objectivist and subjectivist accounts of integrity failed to integrate the personal with the social through interaction, an intersubjective account succeeds in doing that. Through the talk – a short way to summarize the attitudes-towards-others – it ensures the values of others will have a role in my discernment and action. It is the “talk” that binds the other four elements together. A correspondence of my values and action are not sufficient to speak of integrity. Talking about that presumed correspondence *is*, because by doing so, I submit my discernment and action to the scrutiny of others. Thus, intersubjective integrity is not just a matter of rationality (objectivist account) or acting upon my values (subjectivist account), it also involves trying to convince others that the discernment – sense-making of a situation – and action are both appropriate and corresponding. Or, put differently, in a more control-framing, it will imply entering deliberative engagements so as to make the shared perception of a situation one in which my values become appropriate and applicable.

I think it is clear that the intersubjectivist account of integrity fits best our current understanding of organisation. Of the three accounts presented in this section, it is the only one that fully acknowledges organisation as an interactive practice, and it is the only account which succeeds in integrating the five elements set out at the end of section one as being crucial to a useful understanding of integrity. The intersubjective account of integrity also resonates with the two reasons I mentioned earlier for the popularity of the term. One was that the expectation created by using the term “integrity” is that people with integrity will resist opportunism, based on past experience and accumulated confidence. The centrality of “talk” in the intersubjectivist account is the organisational site where experience and confidence for discernment can be built up and where situations with potential opportunism may be identified and discouraged. The second reason for the popularity of integrity was its connotation with self-regulation. Once more, it is the centrality of “talk” in the intersubjectivist account that assures the alignment of the personal with the social, something also crucial in self-regulation.

Although the objectivist and the subjectivist accounts of integrity show important differences on a meta-ethical level – they differ on the ontology of relevant values and on the epistemology of those values – they show striking similarities on two features where the intersubjective account distinguishes itself from the other two accounts. The distinguishing features are the “locus of integrity” and the “status of integrity”. Table 1 gives an overview.

Account of Integrity	Locus of Integrity	Status of Integrity
Objective	Outside of interaction	Static, preserving wholeness
Subjective	Outside of interaction	Static, preserving wholeness
Intersubjective	<i>In</i> interaction “talking the walk”	Dynamic, realigning personal and social “towards integrity”

Table 1. Distinguishing features of the intersubjectivist account of integrity

By locus of integrity I mean the position of integrity ascription with regard to human interaction. All three accounts of integrity take a normative position with regard to human interaction. That is, they all postulate that having integrity or acting with integrity is beneficial to establishing appropriate or “good” human interaction (although they will differ in their understanding of what precisely is appropriate or good). However, as I have argued in my respective treatment of the three accounts, the decisive factor for ascribing integrity to an action or person in the objectivist as well as in the subjectivist account lies outside of that human interaction. For the former the decisive factor is the rationality of the values, for the latter it is the correspondence of an action with the values of the agent and the extent to which the value conflict involves identity conferring commitments. Only in the intersubjectivist account is the decisive factor located *in* human interaction, namely the attitudes towards the others – the “talk” part. Hence, whereas the popular adagio with regard to integrity is that it means “walking the talk”, the intersubjective account makes clear that a better description of integrity would be that it is “talking the walk”.

By status of integrity I mean the position of the individual with regard to either having integrity or not having it. In both the objectivist as well as the subjectivist account, integrity is the notion of a wholeness that exists and that has to be preserved while interacting; With every possible action there is a danger that the wholeness will be lost and that the agent will thereby expel himself from the circle of people with integrity. In both the objectivist and the subjectivist account, the responsibility of the acting individual is the preservation of their integrity.

For the subjectivist account, this follows directly from McFall’s treatment of integrity¹⁵ where she states that for us to speak of someone as having integrity, that person must solve value conflicts that are identity conferring in a satisfactory way. What is a satisfactory way? Well, we can say what it is not, namely if that person would act in such a way that the person would no longer be the kind of person she was before that act, that person has *lost* her integrity. To make this point clear for the objectivist account, I turn to the work of Ayn Rand who is the inspirator for Becker’s objectivist account.¹⁶ In *The Fountainhead*, Rand¹⁷ tells the story of Howard Roark, a young architect who never compromises with fashionable tastes and therefore gets practically no commissions. Roark’s architectural designs show buildings as a continuation of the lines perceivable in the landscapes and sites of where those buildings are to be built. Still, a small number of people are interested, but Dominique Wynand, a columnist and the daughter of a star-architect, repeatedly sabotages Roark’s commissions before any construction can take place. At one point in the book both meet and Dominique explains her sabotaging: Roark’s plans are of the highest integrity but constructing those buildings would imply that people who do not see nor understand the integrity of architecture would live or work in them and thus would destroy the integrity of the building-in-plan and Roark’s design.

Hence, in both the objectivist and the subjectivist account, integrity is static and always endangered. What’s at stake is the preservation of integrity, otherwise paradise is lost. Now, in the intersubjectivist account integrity never *is*. Rather, intersubjective integrity denotes individuals’ sense-making interactions geared at realigning personal and social beliefs and values with the aim of discerning appropriate actions. Intersubjective integrity is a dynamic process that starts over and over again with every new situation and for which certain attitudes towards others are crucial.

¹⁵ Lynn McFall *op cit*

¹⁶ Thomas E Becker *op cit*

Edwin A Locke and Thomas E Becker *op cit*

¹⁷ Ayn Rand *The Fountainhead* New York, New American Library 1943

Hence my assertion that intersubjective integrity is not a static wholeness to be preserved, but a wholeness that has to be co-constructed, over and over again. Thus, intersubjective integrity denotes a *towards* integrity.

In the next section I will clarify the implications of an intersubjective account of personal integrity for the notion of organisational integrity.

Organisational Integrity

The intersubjective account of integrity presented here is able to further distinguish between personal and organisational integrity. In the first section, I wrote that (1) organisational integrity must be perceived as organisational efforts and policies to support personal integrity, and (2) that the ascription of personal integrity must relate to the way one interacts with others. In the previous section I argued why intersubjective integrity is best suited for an organisational context we make sense of as being fundamentally about human interaction. But what I submitted until now is an account of personal integrity. If organisational integrity is the set of organisational efforts and policies to support such an intersubjective personal policy, it follows that I don't regard organisational integrity to follow the same structure as personal integrity. As I argued in section one, simply transferring the personal account to an organisational one causes confusion, assumes too unquestioningly the validity of the organisation-as-person metaphor, and basically turns integrity into a highly popular but largely incredible buzz word.

So what organisational efforts and policies do I see that support intersubjective personal integrity, and hence that could flesh out organisational integrity? I focus on the two assertions I made with regard to intersubjective integrity, namely that it is "talking the walk" and that it is a matter of "towards integrity".

Talking the Walk

Marvin Brown¹⁸ identifies five dimensions of corporate integrity. One of them is communicative integrity. His idea is that as organisations can be perceived as a set of communication patterns, organisational integrity is achieved in the extent in which communications within the organisation are open to difference and disagreement. Brown calls such communication patterns cosmopolitan because they allow communication about the communication – they are reflexive – and they allow us seeing others as having stories that are possible different to ours. Engaging in such communication would earn someone the ascription of integrity – in the intersubjective account I have presented here. Organisational efforts and policies supporting and inviting employees to do so would earn an organisation the ascription of organisation integrity. I briefly mention two examples.

The first is that of internal whistleblowing procedures allowing an employee who discerns a situation as wrongdoing to come forward by communicating that perceived wrongdoing. In fact, in the case of whistleblowing, two aspects of integrity coincide: acting and speaking. The acting following a discernment of a situation based on one's values is precisely speaking up about that

¹⁸ Marvin Brown Corporate Integrity Cambridge, Cambridge University Press 2005

discernment of the situation as wrongdoing. As I explained earlier, intersubjective integrity stands or falls with the individual speaking openly about personal discernment and action. The organisational precondition for this attitude to be shown is that it is safe or even encouraged to speak openly.¹⁹ Hence, organisational attempts to design and improve internal whistleblowing procedures are an example of organisational integrity.

The second example highlights that a preparedness to adjust personal values and to reinterpret collective values requires an acceptance of being scrutinised by others. The creation within organisations of narrative platforms, in which facts-as-experiences rather than facts-as-information²⁰ can be told as stories is another way to foster personal personal integrity, because it is an attempt to make sure that speaking openly – talking the walk – is safe.

Towards Integrity

I have argued that in the intersubjective account, integrity is a continuous process of interpersonal reflection on always provisional standards of behaviour. These standards are to be contested, discussed, adapted and accepted “as we go”. In an objectivist or subjectivist account of integrity at organisational level – which makes no sense as I hope to have shown in the previous sections – an organisation making a statement about its integrity would be telling the world it *has* integrity and would *promise* to keep that integrity intact.

My intersubjective account somewhat downplays integrity statements. In such an account, all an organisation could do was to report on what efforts it is making to support and foster intersubjective personal integrity, measure satisfaction levels and maybe publish these. But obviously such an integrity report does not involve a promise that the organisation has and will keep its integrity.

Even though intersubjective personal integrity and its supporting organisational integrity is a downplay compared to how integrity is currently used in organisations, I believe it is a more sincere and pragmatic way for organisations to demand integrity from their employees, and it would certainly invite less cynicism from both internal as well as external stakeholders.

¹⁹ See Wim Vandekerckhove *Whistleblowing and Organizational Social Responsibility* Aldershot, Ashgate 2006, and a discussion on unanticipated ‘dark side’ effects of establishing such organisational precondition in Eva E Tsahuridu and Wim Vandekerckhove ‘Whistleblowing and Moral Autonomy in Organisations’ *Journal of Business Ethics* 82 no 1 (2008) pp 107-118

²⁰ Yannis Gabriel *Storytelling in Organizations* Oxford, Oxford University Press 2000