



Insights from Leadership Fellows

Leading with Integrity

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Society of Leadership Fellows

St George's House, Windsor Castle

19 Introduction

This is the 19th in our series of Insights from Leadership Fellows. It draws on the outcomes of a Leadership Conversation organised by the Society of Leadership Fellows on June 5 2018 on the theme of “Leading with Integrity”.

This Insights report forms part of the backdrop for our Annual Gathering for Leadership Fellows on September 11, on Integrity in Leadership, as well as a follow-up one-day Conversation on this theme on Wednesday the 12th.

The theme of leading with integrity is simultaneously one of the most compelling and challenging themes that we have taken on for a Leadership Conversation. For those of us who believe that we have nothing apart from our integrity at the end of the day, the compelling nature of this topic is self-evident.

Once we began to explore this theme, we realised that part of the challenge lies in the fact that we all tend to mean slightly different things by integrity. Integrity is intensely personal, and it is this that offered both our greatest challenge and also perhaps our greatest insight.

As leaders we need to be careful to emphasise that we can’t “sub-contract” our integrity to our organisation, because integrity can **only** be owned by individuals.

In the pages that follow, we explore this line of thinking and its implications for ourselves as leaders.

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Three stand-out propositions

1 We should differentiate between personal integrity and organisational values, because:

- i** Integrity can only be possessed by individuals and can NOT be transferred to organisations
- ii** Organisations adopt and own **values** that enable them to act with integrity. They can never “own” integrity because that is ours, and ours alone.

2 Organisations are right to insist that “when we walk through their gates, we should adopt their values”.

- i** Organisations are absolutely within their rights to insist that when we are working for them at any level, including that of CEO, we do so within their existing values framework.
- ii** If we find ourselves unable to reconcile our personal integrity with the values of the organisation, we have two options: to persuade the organisation to change its values, or accept that we are working for the wrong organisation - and leave.

3 Our commitment to acting with integrity should never free us from considering the likely impact of our actions on others.

- i** Integrity is not just about intention, it is also about impact – and if our behaviours have a negative impact on others we should judge ourselves harshly for that.
- ii** If we “roll the dice”, we’re responsible for where they land.

Guide to these Insights

<i>Page</i>	<i>Themes</i>
5	Leading with integrity – what does it mean to you?
6	Integrity and consistency
7	Compromising our integrity
8	Integrity and courage
9	Integrity and “holding the discomfort”
10	Integrity and “pressing the pause button”
11	Integrity and empowerment
12	Integrity and vulnerability
13	Integrity, trust and culture change
14	Knowing “where the buck stops”
15	Integrity and accountability
16	Constantly discussing what integrity MEANS
17	My word is MY bond
18	“Corporate integrity” – a step too far
19	We can’t “sub-contract” our integrity
20	Leading without a pre-determined script
21	“Don’t put down your own moral compass”

Leading with integrity – *what does it mean to you?*

We all tend to use different language to describe what leading with integrity means to us:

- “Doing the right thing when no-one is looking”
- “Doing the right thing, even when it’s really hard to do – and is not to my advantage”
- “Being my best self”
- “Remaining true to my purpose”
- “Being prepared to step into the ring and say no”
- “Being prepared to say ‘Yes we can’ and then asking ‘But should we?’”
- “Never missing the opportunity to stand up and say, ‘This is what I value - and let me tell you **why**’”.

Doing
the right
thing

Integrity and consistency

We often talk about leaders with integrity being seen to be “consistent”. What do we mean by this?

- We **don't** mean consistency in terms of what they **do**, or what they want others to do
- We generally mean consistency in terms of the process of **internal** reflection that they go through before they take an important decision
- We know that they will ask themselves whether the decision can be **justified**, not just in a business sense but in a broader social and moral sense too
- We know that they need to be satisfied with the reasoning behind their decisions, as well as their **likely impact**, before pressing the green button
- We see their consistency as driven by their need to "**do the right thing**" as much as they can.

Hence the consistency of their **struggle** with all of the uncertainties and dilemmas when they ask themselves a question and quickly see that there is no single right answer.

Integrity +

Compromising our integrity

Do we ever compromise our integrity as leaders? Some have difficulty with this concept, whilst most of us accept this is unavoidable.

Occasionally compromising our integrity is “part of our humanity”.

“Forgivable”

Some compromises are forgivable – e.g. telling a newly appointed Director who is a very nervous public speaker that his first presentation to the Board went down well, even though it was excruciating in parts.

Other compromises are a step too far – e.g. advising your Board that a certain decision would pose little risk for the business even though your Chief Finance Officer told you hours beforehand that she was seriously concerned about the likely financial consequences.

- In seeking to lead with integrity, we need to be careful to differentiate between compromises that are forgivable and those that are simply unacceptable.

Sharing the dilemmas

We know that the process of trying to avoid compromising our integrity involves us having to weigh up all sorts of possible dilemmas and then make a considered judgment call.

In modelling high integrity leadership, we should share some of these dilemmas more with close colleagues.

We don’t serve anyone by pretending that decisions are any easier – and less risky – than we know them to be.

Avoiding
compromises

Integrity and courage

So what is the best way to avoid compromising our integrity as much as possible?

In answering this question, one word comes up more often than any other: courage.

We need to show:

- The courage of our convictions
- The courage to do what we believe to be right, even though it might not do us any favours in a business sense
- The courage to pause sometimes, too, and make a point of asking the advice of a number of people who are likely to have different opinions, before we take a firm decision
- The courage to be able to say a recent decision of ours was almost certainly **wrong**, and we need to change tack – quickly!

“Quiet integrity”

In this sort of situation, we might well need to draw on our courage to handle the charge that we have been “inconsistent”.

So long as we know that we have been **consistent in trying to stand in our integrity**, there is no need to rise to the challenge.

Our integrity is even stronger when we don't feel that we have to shout about it.

- “Quiet integrity” has so much more to commend it than integrity that is in any way brash or egotistical.

Integrity +

Integrity and “holding the discomfort”

There is another challenge associated with integrity that can require still greater courage on our part:

- This is the challenge to “hold the discomfort” by hanging on to some item of information that we know to be potentially quite explosive - and doing nothing with it.

Our initial instinct might be that we have no choice but to reveal all, on the basis that we would be compromising our integrity by withholding the truth.

Yet some more reflection on our part tells us that it would probably be best if the wider situation is allowed to play out without us being the one to throw in a “hand grenade” that is bound to cause considerable disturbance with all sorts of unpredictable consequences.

Knowing when to speak up – and hold back

How do we know when is the right time to speak up – and to hold back?

The answer is that we can’t, in advance of being in a position to assess the impact of us becoming the bearer of some unexpected truth in relation to the particular circumstances of a particular situation.

Just as integrity is about our own personal “wholeness”, so is the exercise of integrity about assessing the wholeness of any one situation - and being prepared to hold a high level of discomfort for longer than we would like to do.

Integrity +

Integrity and “pressing the pause button”

How much should leaders encourage a culture of questioning and challenge? Imagine for a minute that you have told your staff that as Chief Executive you look to them to exercise their own personal integrity in every aspect of their work, in line with the organisation’s values of honesty and openness.

Someone asks you to give them an example of what you mean by this. So you say that you want them to have the right to “**press the pause button**” at any time if they feel that they’re being asked to do something that would compromise their integrity in some way.

For example, suppose that your business produces toothpaste and the production team decides to reduce the amount of toothpaste that you sell consumers in your standard sized tube. The new design appears and in the eyes of some of your staff it seems to conceal this reduction in the volume of product.

Instead of saying “This was decided on high, so it’s got nothing to do with us”, one of your team takes you at your word and presses the pause button.

The “integrity challenge”

This triggers a quick turn-round review of the decision and a direct response to the “integrity challenge”.

Everyone knows that if your decision is that they should press the green button again, they will need to comply with this - or consider their position.



Integrity and empowerment

What this would do is focus on an individual's responsibility to their own sense of integrity as well as the organisation's wider values.

It would make personal integrity a real force for standard-setting at every level in the workplace.

High ambitions – and weak mechanisms

If someone's integrity tells them that the organisation is about to make a mistake and let your customers down, how much do you want to empower that individual? That's the question, surely.

Whenever we discuss empowerment, the ambitions are high and noble but the mechanisms for actually delivering it are pretty weak.

So why not give all employees some real “power” linked to their integrity and sense of personal responsibility?

If we really believe that our integrity should guide us as leaders, why shouldn't we want it to guide everyone who works as part of our wider staff team, too?

Reassuring staff

In truth, we know that as a leader you would need to reassure staff that it would not be instantly career-limiting to press the pause button on something.

They would have to have **complete faith in your integrity** to take the risk!

Integrity +

Integrity and vulnerability

At a number of Leadership Conversations we have discussed how vulnerable we think we should be as leaders.

Most of us favour the idea of leaders being prepared to be vulnerable, whilst some are wary of vulnerability because they associate it with “weakness”.

Some others have experienced situations where leaders have used so-called vulnerability as a “power play” to distract attention from a shortcoming of theirs by trying to attract sympathy for themselves as victims of a situation beyond their control.

Vulnerability as a high trust behaviour

When we use the term vulnerability, we are talking about it as a high trust behaviour on the part of a leader, who is candid in saying something that could potentially be used against them and does so because their integrity tells them that this is the right thing to do.

This draws out yet again the crucial link between integrity and courage.

- It can take rather a lot of courage to let ourselves be vulnerable as leaders when we don't know what the consequences might be.

Triggering a breach of trust

In these situations, what helps to give us courage? More often than not, it is our sense that by saying nothing we might well be compromising our integrity.

An act of omission can easily become an abdication of responsibility that is so serious that it triggers a fundamental breach of trust from which there can be no return.

Integrity +

Integrity, trust and culture change

If there is one other key value that needs to be seen as sitting alongside integrity, it is surely trust:

- our **trust in ourselves** and our own integrity, as well as our trust in others and their sense of integrity.

Sometimes our integrity requires us to trust ourselves to hold back from judging a situation until we are truly in that situation and experiencing what it means for us, as it is happening.

At other times our integrity requires us to speak up almost without thinking, because something has just been said that we know to be wrong. In that moment, we feel obliged to right the wrong before another second goes past.

The significance of self-trust

It is important to acknowledge the significance of self-trust, in the way in which it enables high integrity leaders to swing from split second responses to some situations to considerably more measured – and potentially ‘discomfort-holding’ – responses to other situations.

A powerful workplace culture

If we think of **integrity** linked to **self-trust** and a heightened sense of **personal responsibility**, we have three components of what could be a very powerful workplace culture.

Taken together, they would make it possible for a CEO to forge a culture in which all staff are encouraged to have a real sense of their personal responsibility, linked to the importance that they attach to their own integrity – and high trust working across team boundaries.

Culture
change

Knowing “where the buck stops”

Some say that one of the differentiating features of a high integrity leader is their robust declaration of the principle that “the buck stops here”.

So, if the business seriously under-performs and falls significantly short of the expectations that they have encouraged their Board to have, then some high integrity leaders would see themselves as **duty bound** to resign.

They have no desire to do so, but they see their hands as tied.

It’s a **point of integrity**, no more and no less.

Accepting their responsibility – or “running away”?

In resigning, they would be making a very clear statement that as CEO they accept their personal responsibility for the business’s under-performance.

By this very action they would be seeking to make it easier for their successor to start with a clean sheet as they take on the challenge of turning the business round.

Some others disagree fundamentally with this, characterising a resignation as “running away” and “doing the easy thing”, when what they should be doing is committing themselves to stay and right the wrongs that took place under their leadership.



Integrity and accountability

Leaders take their own decisions about what sort of approach would be right in a situation where their organisation has failed to achieve its key objectives.

The first option of resignation would pose some real risks to the business, especially if it took so long for a worthy successor to take up the post that the business lost confidence in itself during the interregnum.

The second option of staying put and trying to turn things round can rather leave the issue of accountability hanging in the air, depending upon the scale of the business's under-performance.

Challenging others about their own accountabilities

If the Chief Executive Officer doesn't take responsibility for the overall performance of the business, how does this square with their Executive Directors being expected to see themselves as accountable for the part of the business that they lead?

Once the idea is out there of one rule for the boss and another rule for everyone else, values such as mutual trust and personal responsibility take a real hit.

Some argue that we shouldn't overly focus on the worst case scenario. What matters, they say, is making sure that the organisation is never in that position.

The simple fact is that a CEO who is **prepared to resign** if the overall business seriously under-performs should be in a really strong position to challenge their senior people about their own responsibilities for dealing with under-performance.

Integrity +

Constantly discussing what integrity MEANS

With this clarity of leadership, it becomes possible to follow this through at every level, so that:

- No-one promises any more than they can deliver, **as a point of integrity**
- No-one claims that they have done something well, when they think it's just okay, **as a point of integrity**
- No-one looks the other way when something goes wrong, **as a point of integrity**
- No-one hides from their responsibility for failure, and for learning from failure, **as a point of integrity**.

Unless these principles are argued for at every stage of a business's development, there is always a danger that pragmatism will take over remarkably quickly – and with it, day-to-day compromises to integrity will become accepted as a natural part of the business cycle.

This is why it's so important that the CEO makes a point of explaining time and again:

- why integrity and personal responsibility matter so much to them and **what they mean** in terms of day-to-day relationships within and between teams.

What
integrity
means

My word is MY bond

In drawing this Note to a conclusion, it is worth recalling the three words that have been the motto of the London Stock Exchange since the late 18th Century: *Dictum Meum Pactum*.

Some of us think there is great significance in the **personalisation** of this undertaking.

It was an offering on the part of every individual working in the London Stock Exchange that attached real significance to their personal word.

It said "my word is my bond". It did not say "our word is our bond".

Protecting "corporate reputation"

If we think of all of the corporate scandals that we have all lived through over a considerable number of years, what was the justification that various Chairs and Chief Executives gave in their resignation statements for the breach of trust that they were a party to in one way or another?

That they did what they did (or in many cases did not do) because of their concern to protect their "corporate reputation".

Time and again, these two words "corporate reputation" have been used to justify all sorts of failures of leadership.

This is why the debate about who owns integrity is so incredibly important.

"My word is my bond"

“Corporate integrity” - a step too far

Some people like to talk about corporate integrity, and indeed during this Leadership Conversation we found ourselves using this phrase a few times.

Then we checked ourselves.

No, don't let's say that, it is a step too far.

Once we legitimise the notion of corporate integrity, it's not far off from saying that corporate integrity offers some sort of cover for doing whatever we need to do to protect corporate reputation.

After all, the body whose reputation we're trying to protect is the body that owns this “integrity”.

Abdicating personal responsibility

Once we're talking in these terms, it becomes much easier to justify leadership behaviours that are actually abdications of personal responsibility:

- Such as Chairs and Non-Executive Directors not asking their Executive Directors certain questions because they are pretty sure that they know what the answers will be - and they need not to be told them in the Boardroom if they are to pretend that they don't know
- And Chief Executives of certain global charities not saying anything about the unlawful behaviours of certain senior members of staff who left their organisation with Non-Disclosure Agreements and then went on to repeat these behaviours in senior positions in other charities.

 Corporate integrity

We can't "sub-contract" our integrity

Hence the importance of insisting on the personalisation of integrity. Organisations and teams can and should act with integrity.

But integrity is ours, and **ours alone**.

We can't "sub-contract" it to our organisation, however keen we might be on the organisation.

So when an individual, be that the CEO or a part-time member of staff who has just joined the organisation, gives their word that they will do something, that's a big deal.

Because their word is their bond.

Taking responsibility

If a leader breaks their word, they need a seriously good reason for this.

And if they break their word without offering any sort of reason, they have almost certainly compromised their personal integrity.

On the other hand, if they volunteer the fact that for certain reasons they have been **unable to keep their word** in the way that they hoped to do, that's different.

They have taken responsibility and now it's up for discussion.



Leading without a pre-determined script

Leading with integrity is all about leading without any sort of pre-determined script, or often any sense of certainty that we are necessarily doing the right thing.

In so many ways, doing the right thing is all about **seeking** to do the right thing.

It is about having the **ambition** to do that which is right for our organisation in fulfilling its wider purpose and also that which is right according to our own sense of integrity.

“I’m not going there”

In those moments when there seems to be a clash between our own integrity and the interests of our organisation, we acknowledge this - and then seek the advice of others about the best way of managing this tension.

Integrity is about having the ability to say, very clearly, that we will not knowingly compromise our integrity on the basis that this is somehow “good” for the organisation.

If we feel that we’re under pressure to act in a way that breaches our integrity, we are relaxed and firm in saying very clearly “I’m not going there”.



“Don’t put down your own moral compass”

To support us with this, **wouldn’t it be good** if more organisations were to be more explicit in saying to their people:

- *“Don’t put down your own moral compass in favour of one that you expect us to provide. That is not our role.*

Indeed, the longer you remain in this organisation the keener we hope your sense of personal integrity will become.

*It is the **combined impact** of the sense of integrity of everyone working in and for this organisation that will determine the sort of business that we are.”*

How great for a Chief Executive to say this to their top team and for the team to say it to all of their respective teams.

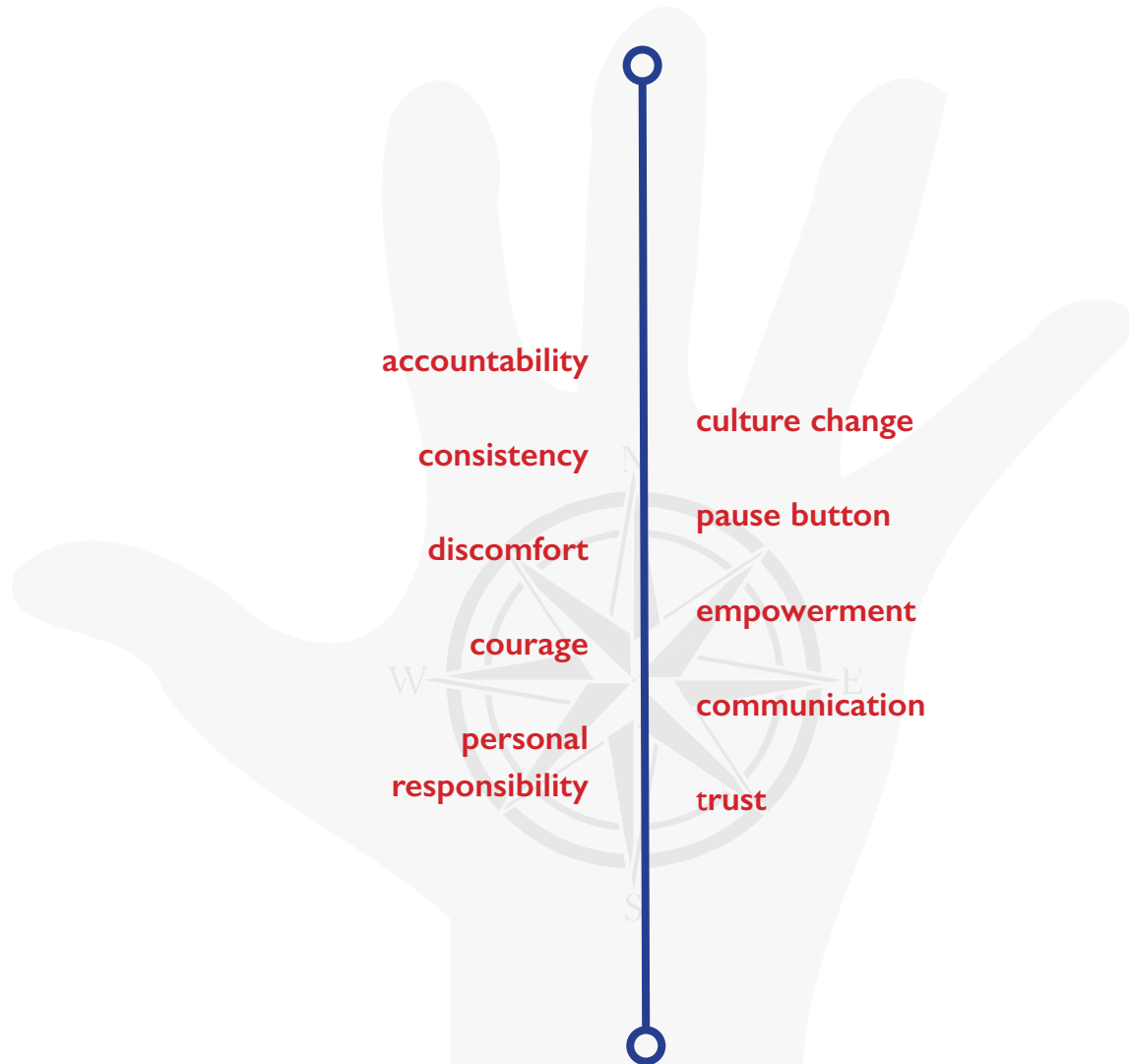
And should anyone question the significance of this undertaking from the top down, how good would it be to hear the words:

- *“Of course this is vital. I give you my word.*

*As you know, **my word is my bond.**”*



Organisational values



Personal integrity