
The Business Case for Integrity



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People do business with people they trust. Trust is built on a solid foundation of integrity - matching words and actions. Most leaders' initial reaction to the issue of integrity is, "It's not an issue here at our company." Their thoughts center on embezzlement, cheating, and other issues often associated with integrity. In reality, all businesses deal with issues of integrity – from employees who don't follow through on deadlines or expectations to the failure to meet the promises made to customers or clients. Any time our words promise one thing and our actions deliver another, integrity is the core issue. Our society has lowered expectation of integrity. Businesses who keep integrity as their number one commitment have been proven to deliver the best business results.

In fact, the number one indicator of success is integrity! Surprised? In today's world, where each successive day brings a new story of corporate greed and thievery, you might be very surprised to find the connection between integrity and success. Dr. Tom Stanley, in his book *The Millionaire Mind*, set out to find out what characteristics decamillionaires had in common. He found 38 and ranked them from the most prevalent to the least. The number one indicator of success was integrity.

Integrity Defined

Before we can discuss the benefits of integrity, we need to understand and define integrity. Integrity, professional or personal, has three components.

- (1) Knowing what's right - defining values and expectations
- (2) Doing what's right – despite the heat, backlash, and pressure
- (3) Advocating for what's right – making sure core values are practiced and promoted

The Business Benefits of Integrity

The ultimate pay off is the peace of mind you have in knowing that you are acting with integrity. But there are significant advantages founded in research that also provide big benefits for businesses that are uncompromising about integrity.

- (1) Top characteristic of admired leaders for 20 years has been honesty/integrity.

Kouzes and Pozner	2007 edition	2008 edition	1995 edition	1987 edition
Honest	89	88	88	83
Forward Looking	71	71	75	62
Inspiring	69	66	68	58

- (2) Research comparing the best business cultures to the worst shows a significant impact on the bottom line. Best cultures had defined values and expectations.

Measurement	Best Cultures	Worst Cultures
Return on Assets	6.3%	4.5%
Sales growth – 1 yr.	15.1%	.01%
Shareholder value Market to book values	440%	350%

*Denison Consulting, 2006

(3) Kouzes and Posner’s research indicates a strong ROI on integrity.

	Strong Integrity	Weak Integrity
Net Income Growth	841%	-49%
Stock Price Growth	204%	76%

(4) Employee Commitment and Engagement Increases with Integrity, as proven in research from Kouzes and Posner

Clarity of Organizational Values	High	4.87	6.26
	Low	4.90	6.12
		Low	High
		Clarity of Personal Values	

The bottom line – ***integrity increases sales, income, productivity, employee retention and engagement.*** Make integrity your number one goal. When you do, your business will be known as one people can trust - and your word of mouth marketing will skyrocket!