

The background of the cover is a light yellow-green gradient. It is decorated with several stylized, light green leaf motifs that appear to be floating or falling from the top left towards the bottom right. These motifs are scattered across the cover, with some near the top and others near the bottom.

HOW HONESTY PAYS

Restoring Integrity to the Workplace

Charles E. Watson

 **Greenwood**
PUBLISHING GROUP

How Honesty Pays

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Restoring Integrity to the Workplace

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PRAEGER

Westport, Connecticut
London

Library of Congress Cataloging-in-Publication Data

Watson, Charles E.

How honesty pays : restoring integrity to the workplace / Charles E. Watson.
p. cm.

Includes bibliographical references and index.

ISBN 0-275-98787-6 (alk. paper)

1. Business ethics. 2. Integrity. 3. Organizational behavior.
4. Corporate culture. I. Title.

HF5387.W378 2005

174'.4--dc22 2005018686

British Library Cataloguing in Publication Data is available.

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Library of Congress Catalog Card Number: 2005018686

ISBN: 0-275-98787-6

First published in 2005

Praeger Publishers, 88 Post Road West, Westport, CT 06881

An imprint of Greenwood Publishing Group, Inc.

www.praeger.com

Printed in the United States of America



The paper used in this book complies with the Permanent Paper Standard issued by the National Information Standards Organization (Z39.48-1984).

10 9 8 7 6 5 4 3 2 1

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Preface

You probably would not have picked this book off the shelf if you didn't already believe honesty is important. Of course it is. It pays to be honest—we know that. But there is more to honesty than just its long-term benefits. There is something special about those we know to be honest. They are especially attractive human beings. As if by some magnetic-like force, we are inexplicably drawn to them. We like them. We like being around them. We wish more people were like them. And, secretly, we want to be more like them ourselves. But just like many other people who struggle to get by and move ahead in a challenging and competitive world, we also know that being consistently honest isn't easy.

We all know of some places in our lives where we are not entirely honest with ourselves or others. The truth is we are human. We are imperfect beings. Yet it is also true that as humans we are changeable creatures. We have the freedom and capacity to say, "I'm sorry. I want to do better," and then go out and do something about it. That's where this book comes in. It is written to give the serious reader practical ideas others have used successfully to move themselves along the path to greater levels of honesty and integrity, particularly in the workplace but in other realms of their lives as well.

The more deeply we consider the quality of honesty, the more we are amazed at the hold it has on the human heart. While minds can understand the wisdom behind honest dealings, it is our hearts that are most captivated by honesty. It is no mere accident of nature that a good feeling overwhelms us whenever we hear stories of people acting with honesty, especially when the temptations to behave otherwise are so strong. Our very human reaction to honesty suggests there is

something far deeper and far more important in honesty than an abstract ideal that our minds tell us is good and desirable. We, therefore, want to know more about honesty so we can make this amazing quality a main element of ourselves.

This is not a book of theories and abstract models for making difficult ethical choices. We leave those matters for the philosophers to debate among themselves. Instead, we will consider here what can best help the average person who has to face life as it is and struggle to get by in a complex, competitive world. We will uncover what dominates the minds and hearts of those whom we most admire for having integrity. This book reveals what they have found effective in guiding their lives. Readers will be invited to look more deeply at themselves to see how their feelings and desires affect their choices. We take this approach because the beliefs, wants, and drives that a person holds dear on the inside are what determine how that person chooses and acts on the outside. The book's many, simple stories reveal deep and powerful truths that you may choose to incorporate in your life. While we may not always know what the right thing to do is or want to do it, we can still be certain of one thing: we are always better off when we are honest, when we act with integrity. The hopeful message of this book is that, like many other successful people, you, too, can develop the quality of honesty in your life and help restore integrity to the workplace.

Charles E. Watson
Oxford, Ohio

How Honesty Pays

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CHAPTER 1

Value Honesty

Know the power of integrity in the workplace

Suppose an intelligent creature from outer space were to arrive on earth with the expressed purpose of observing and reporting on what occurs in our work lives. After seeing and recording all that goes on within view and thoughtfully deducing the nature of events hidden, our visitor would surely have much to tell us. Beyond this alien's descriptions of how goods and services are created, distributed, sold, and used—not to mention all the telephone calls, e-mails, and meetings that occurred in between—many of us would be curious to learn our guest's reactions to those things that daily most hurt, discourage, and drag us down. Likewise we'd be quick to notice whether the space alien were perceptive enough to recognize those forces that evoke our admiration, inspire us to improve, and lift our spirits.

Listen thoughtfully to what's spoken in hallways, on factory floors, and in office cubicles in the workplace and you'll learn much about the nature of humans. Beyond the prosaic and the petty gossip, with juicy bits of news discussed, you will find judgments. It is not an insignificant matter that we become outraged when we hear people lying to get what they want or bad-mouthing others they don't like. It says much about us, when we're revolted by underhanded schemes to get ahead and by shabby treatment of others. It becomes obvious that human creatures have a moral capacity when they sense something is decidedly wrong with creating falsified financial statements, shredding documents to cover up misdeeds, exploiting employees, and taking excessive compensation. The fact that we feel gladdened and inspired by admirable actions—like being honest, fair, open-minded, decent, dependable—ought not to be ignored. Likewise, the fact that our passions become outraged and our hearts saddened by opposite behaviors

says something profound about our very nature. Our mental and emotional responses to acts admirable or despicable suggests that our humanity is grounded in our capacity to gauge things as being good or bad, ennobling or corrosive. From this realization, we can safely conclude that our dignity rests on how faithfully we exercise this capacity wisely and choose to be guided by the highest ideals in all we do.

It's worth considering whether our guest from space would have the same level of insight as we have, whether he can see beyond the obvious, as we can, and whether he values the importance of moral issues that concern us daily. On such matters we can only speculate but in doing so we come to a more important issue. It is this: Could another civilization advance scientifically and form effective, complex organizations capable of creating and producing things without reliance on the same truths and principles that we honor? I don't know how to prove it conclusively, but I believe it is not possible for that to happen. I cannot imagine how a civilization could flourish, for its arts and sciences to progress, without reliance on the same core values we know—values that recognize truth and beauty, that honor fairness, and that respect the uniqueness and value of persons. If you doubt this, consider the difficulty science would find itself in if scientists were not honest. If their conclusions were untruthful, it would be impossible for science to advance, for findings and conclusions to be respected and confirmed by other scientists. Clearly, good science demands honesty, and so does every other undertaking and profession. It is inconceivable that NASA could launch a space probe to another planet or send a shuttle on a successful mission if the thousands of people who carry out these ventures were dishonest with each other. And neither could a collection of beings from another planet. If our logic is correct, we are left with an important conclusion: The basic truths and principles that have come down to us through the experiences of countless generations and the revelations given us from sources greater than ourselves are, indeed, universal.

We can only suspect that our imaginary visitor from outer space would likely see the connection that exists between the virtues we know—things like truthfulness, fairness, and self-control—and what uplifts and what degrades humans. We would hope that this visitor would recognize the impact honesty has on the quality of an individual's performance and an organization's success. But none of that really matters as much as what we know our experience tells us. And that is, integrity matters—it matters a great deal.

Workplace Challenges to Acting with Integrity

We are wise, here at the start, to face squarely the very real and troubling difficulties that befuddle our best intentions to live by high ideals. In so many

ways, circumstances on the job conspire against people, killing off their creative impulses, making them unwilling to get along with others, wasting their talents, and enticing them to be shallow and small and self-seeking. A quick cataloging of workplace pressures and conditions enables us to realize this is true:

- Its never-ending stream of demands does not permit the time to think, to reflect, to savor the moment, to find places to apply our innate talents, to consider fully how our choices and actions will impact others.
- Its emphasis on competition and productivity makes many of us act in ways we cannot admire, leading us to be less the kind of person we'd prefer to be.
- It asks us to perform work that we don't fully believe in or value, and sometimes this includes doing things that we don't feel fully proud of doing.
- It misleads us into craving things that appear important but that turn out to matter very little and not give us the happiness and lasting satisfaction with ourselves that we thought they would.
- In an atmosphere where there are only a few "winners," we sometimes feel that we have less self-worth than we know to be true. This atmosphere makes us feel that our co-workers are potential enemies, not real friends.

In watching how these forces work against our finest intentions, we notice they follow a pattern. They make their first assaults on the most vulnerable places of the human soul—on our greed, pride, hate, resentment, anger, jealousy. From there they launch larger attacks whenever unwholesome wants swell beyond better judgment and right desires. They advance whenever we retreat from our ideals. And as this occurs, we become less creative, less service-minded, less reliable, less likeable, less able to perform effectively, and less satisfied with who we are. The challenge before each person is this: make yourself into a first-class person and performer by living with integrity every minute of every day.

Integrity

What is integrity? The word "integrity" comes from the Latin *integritas*, meaning "whole" or "oneness." People whose behavior is consistent with what they say they honor have this kind of wholeness. Nowadays integrity is generally regarded to mean living up to the highest ideals society honors—truthfulness, courage, decency, fair play, and so forth.

While driving on a busy street one evening, something came crashing down onto my car. It startled me and I jumped. The thing seemed to fall from the sky,

and it landed with a huge “thud” right before my eyes on my windshield. I heard the glass give but it didn’t crack. I pulled over, stopped my car, and got out to investigate. At first I thought a tree limb had broken off and fallen down, but none was visible. My eyes scanned the roadside, and I spotted a twisted section of a rusted-out tailpipe lying in the gutter. It is possible that a passing car struck it, flipping it high into the air. It came back down, landing on my car. The object made minor abrasions on my windshield but it didn’t break it. The safety glass held up under the pounding, its integrity intact. I think this is much like how we are tested daily by life’s stormy blasts and temptations. Our record of holding up under assaults, not cracking or breaking, is a fair gauge of our integrity.

There is no greater reward in life than to be found worthy of the full trust of others. If you are lucky, you probably have known at least one person in whom you had complete confidence. When others might take a less honorable path, this person wouldn’t even consider such a thing. And if this person held your checkbook, you wouldn’t worry about missing a dime. In plain language, temptation would not budge them from their steadfast commitment to what’s right. Indeed, you could trust that person no matter what. We all know people whom we would trust with our lives and all we own. We trust them because of their consistent dependability and truthfulness. They never disappoint us; they never let us down.

There is something more to integrity that is worth mentioning. A person of integrity lives up to high ideals, not because of external force or social pressures but because that person is genuinely committed to those high ideals from vast, internal resources of principled desires. Just think of it. What happens on the outside of this person does not penetrate the steadfastness of purpose and reliable actions that are guided by the qualities within this person. Here is someone who can be counted on, through thick or thin, to always take the high road, regardless of whether anyone is watching. The person with integrity is not one to bend the rules when it is convenient or when temptations are strong—not even “just this once.” This is a person who is incorruptible, and you can tell it by things both large and small.

Amos Alonzo Stagg was respected and admired for any number of things. Notably, he produced many winning teams during the 42 years he coached football and baseball at the University of Chicago. He also gave the game of football the huddle, the man in motion, and the end around plays. Coach Stagg was also known for his integrity and uncompromising honesty, qualities he put ahead of winning.

Once, when Stagg’s baseball team was defending its college title, a batter singled and one of Chicago’s players was racing home with the winning run. Stagg shouted at him, “Get back to third base. You cut it by a yard.” “But the umpire didn’t see it,” the player protested. “That doesn’t make any difference,”

roared Stagg. “Get back!” It cost Chicago the game but a player had won a valuable lesson in character.

The Contagion of Good and Evil

Many leaders have demonstrated in various ways that ethical standards begin at the top. What leaders do affects what their subordinates do. I recall once being in the office of a director of mining operations. He was a fine and cordial man; everyone liked him, including me. During our conversation, he mentioned a problem they had. Employees, he said, were stealing supplies from the company, taking them home for their own use. He thought we should address the problem and I agreed. We had barely finished talking about this topic when his telephone rang. I could hardly believe what I heard next. The director told one of the company’s foremen to go to his private residence with a crew of men and finish a small addition to his house.

Always having to “put out fires”—that’s what happens when those at the top are not entirely ethical. Whether they realize it, leaders set the moral tone for their organizations. How they behave gets copied by those around them, particularly by those at lower echelons. Many a person will say to himself as he does something that he knows to be wrong, “This won’t hurt anyone.” This belief is seriously flawed and there are plenty of illustrations in everyday life that prove it. All acts, good or ill, have a way of weaving their effects into the lives of others.

We know that there are some people in whose company we are inclined to be good. There is an aura about them that evokes decency in everyone they encounter. And, too, there are also certain other people in whose company it is easy for standards to be relaxed. They make getting what’s wanted by skirting ethical standards sound okay. The danger they present is not so much a matter of their own ill deeds but rather the power of their ill deeds in misleading others into unwanted behaviors. One of the greatest things any person can do for others is set a good example. This is because there are many people in this world who simply do not have the moral strength to take a stand by themselves. If someone gives them a lead, they will follow. The world needs more good examples, stout souls who will rise up and say, “I will not be a party to this.” When that happens, first one follower, then another, and another and another will rise to say, “Neither will I.”

How Integrity Makes a Difference in Business

Integrity makes a profound difference in all realms of human conduct, but our focus here will be on how it works in the realm of work. Here is an inspiring

illustration of how the concept of integrity can be translated into practical application. In a newspaper column a few years back, Hugh Aaron of Belfast, Maine, described what happened when he ran his business with integrity. From his association with his father's upholstery business, Hugh grew up knowing how easy it is for a vendor to cheat a customer. The customer couldn't possibly know until years later the quality of materials hidden beneath the cover of an overstuffed chair. His father lived by a higher standard, always give customers fair value, even though many of his competitors were not.

Knowledge of these practices led Hugh Aaron to become skeptical of the level of honesty in business overall. His concerns served him well when, years later, he became an entrepreneur making color concentrates for the plastics industry. In that business, Hugh knew that he could get away for a while using cheaper pigments or off-grade plastic matrices. But, he didn't. Also, in that business, occasional mistakes and omissions occurred in billings—a supplier would forget to send a bill for materials shipped or a vendor might have billed them too little or not at all. These temptations showed up from time to time. But Hugh was not going to be corrupted. He refused to take the easy path to quick gains and then rationalize his wrongdoing afterward with the frequently heard excuse, "Everyone else is doing it." Rather than take advantage of these situations by remaining silent, Hugh Aaron instructed his staff to inform the parties of their errors, and his employees eagerly did so.

In Hugh's business, there were no under-the-table payments, no free vacations, no nights on the town, no bedroom companions—none of these things. Business was conducted on strictly business terms and it worked quite well. In fact, his business performed far better than it would have had he operated on less stringent standards.

Hugh's highly moral approach to business caused employees to take pride in their organization, because they could take pride in themselves. Policies grounded in simple honesty created a feeling of mutual trust. Many of his employees remarked that they liked working for a "straight" company. Hugh was not a leader who would tell employees he couldn't afford this or that and then go out and buy himself an overpriced luxury car. The rank-and-file employees, those who made his company successful, were compensated fairly. There wasn't greed at the top, and there wasn't a union to protect the folks at the bottom. Other benefits from this moral approach followed. Customers remained loyal and vendors always took care of Hugh's production needs and other requests. His firm became known as a company of integrity. As a consequence, morale rocketed upward, productivity improved, and customers felt they were well served. And sales and profits kept climbing.

An Enduring Quality

Integrity is not a new idea. It's been around for thousands of years, long before the building of the pyramids. And in all that time, its influence has always been distinctly positive, making tremendous improvement in people and all that they do. There are many ways of illustrating the profound impact integrity makes on businesses. And it's worth looking at prize specimens of this enduring quality in action. Here are two illustrations: The first one is about an entrepreneur named Barney who acquired integrity at an early age and never let go of it. Ultimately, it led to his success. Barney loved and obeyed his mother, and her strict standards shaped the direction his life took.

At 13 Barney was forced to quit school and go to work, because his father's business had failed during the panic of 1873. His first job was in a drug store, but that didn't pay enough. So he left home to work as a farm hand. Farm life wasn't easy. The work day began at 4:30 in the morning and ended only after all the animals were fed and bedded in their stalls. But Barney was strong willed and determined. He developed self-discipline and the habit of working hard, long hours.

His next job was that of a peddler back home in Cincinnati, a job that paid better than farm work. But after a couple of years, his earnings began to slip, as making sales became increasingly more difficult. Barney had a keen mind and saw the reason why. Customers felt they weren't receiving full value for their money. Barney's employer was cutting corners, buying cheaper goods and charging full price. In his later years Barney recalled, "This was my first experience with the principle that you can't fool people." He quit that job and moved on to another—selling tea and coffee for William White and Company, where he drove a delivery wagon and took orders three days a week. The other days he worked behind the counter.

But business faltered for this company too, and again young Barney spotted the reason. It was poor customer service. The owners of William White and Company were incompetent; they lost nearly all their initial investment and young Barney made mental notes as to why. Desperate, the owners offered Barney the job of managing their firm. He accepted on the condition that he'd have the final say in business decisions and receive 10 percent of the profits. They agreed.

As a manager, Barney changed things around. He first moved to improve customer service. He discharged incompetent employees and retained good ones. He kept his delivery boy and hired a cashier to wait on customers and keep an eye on the cash. Barney ordered a new cash register from NCR in nearby Dayton to discourage the owners from "dipping into the till." Barney demanded

hard work but he always worked even harder himself. As an early riser, Barney had no difficulty starting the workday before dawn. In the summer months he opened the store at 5 o'clock in the morning—while competitors slept. By the time his competitors had opened their stores, Barney had already taken in half his day's receipts. His trick was a simple one. He put his customers' interests ahead of his own convenience. He knew that the produce farmers who supplied his store came to town very early to deliver their fresh fruits and vegetables. Barney wasn't about to keep them waiting. Because his store opened first, he got the pick of the best produce and he earned the favor of farmers, too.

Barney was determined to give his customers what they paid for—quality products. Customers recognized this and it paid off. His business thrived. Sales increased. By the end of the first year, profits were up and the balance sheet looked good. Barney felt that by rescuing the business from certain failure, he ought to become a full-fledged partner. He offered to buy one third of the business. The two partners laughed at him. Barney quit. He'd begin his own business.

But Barney's savings were insufficient to launch an enterprise on his own. So he turned to a friend. Together they had enough to get started. Barney was only 23 years old when he and his partner, B. A. Branagan, opened their little store on July 1, 1883, in downtown Cincinnati. It was called the Great Western Tea Company. Their first year was not an easy one. Tragedies struck. Each one was a body blow to their tiny enterprise. Through carelessness, Branagan attempted to beat out a train at a crossing. It was a dumb thing to do. The collision destroyed their delivery wagon and killed the horse. The next setback was a flood. The mighty Ohio overflowed its banks. Three feet of water covered their store, destroying their entire stock. But Barney's positive attitude wasn't dampened a bit; he resolved to try even harder.

Another year passed and the small firm was once again in the black and profits were rising. Barney stuck to the principle of fair dealings. He priced his goods low, making a small profit margin on each transaction. But he more than made up for it with higher turnover. Customers got full value for their money and his business prospered with greater overall profit.

A dapper, fast-talking salesman called on Barney once, trying to sell him canned corn. The salesman had a convincing sales routine; he was especially proud of the fancy label on the can. Customers won't be able to resist it, he told Barney. "Might as well give the salesman's product a chance," he thought. "Let's see how it tastes." Young Barney had a small stove at the rear of his store where he brewed tea and tested products. As he walked to the back of his store, Barney tore off the colorful label and deliberately threw it on the floor. "My customers don't eat labels," he told the salesman, just to make a point. "They eat what's inside." Barney opened the can—it was full of hulls! He sent the salesman on his way without an order. Word spread and Barney's business grew.

After another year Barney bought out his partner, Branagan. A year later he opened three more stores. By 1893, there were 17 stores. Growth continued. Today, Barney Kroger's business is one of the largest retail grocery chains in the United States (Laycock, 1983).

Honesty Pays

My second story shows how policies of simple honesty and fairness can draw customers, lots of customers. At a time when fake medical cures, bordering on outright dishonesty, were prevalent, there was one magazine publisher who lived by the creed of only printing what he believed was true.

Cyrus Curtis was known as "the reformer in the marketplace." He was ahead of his time in that he refused to print misleading ads or advertise fraudulent medical cures. This he did even though he could have taken in hundreds of thousands of additional dollars in revenues had he chosen otherwise. Curtis wouldn't have anything to do with any product or any ad copy in which fraud or dangers to the product's user were present. This was partly a business decision but mostly it was based on his solid convictions about simple honesty.

Curtis believed that anything printed in his magazines reflected his character. And he felt that advertisements represented endorsements. If a product was advertised in the pages of his magazines, then it meant that he endorsed the product. To Cyrus Curtis, fraud was not just dishonest, it was also bad business. By refusing to accept questionable advertising, his readers came to trust what they read. As a consequence, those products that were trusted and did make their way into his publications, like *The Ladies Home Journal*, sold even better.

Business Knows the Importance of Integrity

Several years ago I received a letter from Carl Menk. At the time, Carl was chairman of Canny, Bowes, Inc., a prestigious executive search firm in New York City. He wrote to tell me about a survey his organization had recently conducted among senior executives to determine what attributes they considered important for executive leadership. They did not survey any executive whose name came out of a directory. Indeed not. This was a carefully planned piece of research. Carl's firm had tracked the career progress of over 1,000 senior level executives for many years. Only those who had demonstrated the greatest success were invited to participate. In a survey he asked these individuals to identify which characteristics were "very important," "important," or "less important" to success. After tabulating all the surveys, this is what they found: Integrity topped