

**Harvard Business School  
Negotiation, Organizations and Markets  
Research Papers**

HARVARD NOM RESEARCH PAPER NO. 10-087  
BARBADOS GROUP WORKING PAPER NO. 10-03

**A New Model of Integrity: The Missing Factor Of Production  
(PDF file of Keynote and PowerPoint Slides)**

One-Day Executive Program Seminar  
Olin School of Business  
Washington, University in St. Louis  
St. Louis, MO  
March 23, 2010

**MICHAEL C. JENSEN**

Jessie Isidor Strauss Professor Emeritus, Harvard Business School  
Senior Advisor, The Monitor Group  
[mjensen@hbs.edu](mailto:mjensen@hbs.edu)

**KARI GRANGER**

Center For Character and Leadership Development, Fellow United States Air Force Academy  
[kgranger02@gmail.com](mailto:kgranger02@gmail.com)

**WERNER ERHARD**

Independent  
[werhard@ssrn.com](mailto:werhard@ssrn.com)

FAIR USE: You may redistribute this document freely, but please **do not** post the electronic file on the web. We welcome web links to this document at: <http://ssrn.com/abstract=1559827>

We revise our papers regularly, and providing a link to the original ensures that readers will receive the most recent version. Thank you, Michael C. Jensen, Kari Granger, Werner Erhard

Drawn from the work by Werner Erhard, Michael Jensen and Steve Zaffron in creating a new model of integrity: "Integrity: A Positive Model that Incorporates the Normative Phenomena of Morality, Ethics and Legality", available at SSRN. See: <http://ssrn.com/abstract=920625>

Some of the material presented in this course/paper is based on or derived from the consulting and program material of the Vanto Group, and from material presented in the Landmark Forum and other programs offered by Landmark Education LLC. The ideas and the methodology created by Werner Erhard underlie much of the material.

Electronic copy available at: <http://ssrn.com/abstract=1559827>

Electronic copy available at: <http://ssrn.com/abstract=1559827>

## **Abstract**

An Actionable Pathway To Dramatic Increases In Individual And Organizational Performance.

Full Day Executive Program Seminar taught at Olin Business School, Washington University, St. Louis, MO.

Workshop Objectives:

To provide you and your organization(s) an unambiguous and actionable access to the causal link between integrity and superior performance, quality of life, value creation and competitive advantage.

We define integrity as a state or condition of being whole, complete, unbroken, unimpaired, sound, perfect condition. We distinguish integrity as a matter of a person's (or an organization's) word being whole and complete. One's word is whole and complete when one honors one's word.

During the course, we rigorously define your word, and we distinguish honoring one's word from keeping one's word. Honoring your word, as we define it, means you either keep your word or as soon as you know you will not, you say that you will not, and clean up any mess you cause by not keeping your word. Thus, even when you do not keep your word, you have a way to maintain your integrity.

Honoring one's word provides a powerful and actionable pathway to earning the trust of others.



## INTEGRITY WORKSHOP

**Title:** A New Model of Integrity: The Missing Factor Of Production

**Tag Line:** An Actionable Pathway To Dramatic Increases In Individual And Organizational Performance

**Instructors:**

Dr. Michael C. Jensen, Harvard Business School

Michael Jensen is the Jesse Isidor Strauss Professor of Business, Emeritus, at the Harvard Business School. He is also Co-Founder and Chairman of Social Science Electronic Publishing Inc. He is widely respected as a leading financial economist and organizational theorist and lecturer and is regarded as the intellectual father of private equity. He has been responsible, among other things, for developing Jensen's Alpha (a widely-used portfolio performance measure) and Agency Theory (with his co-author, Bill Meckling), co-founding a highly successful academic journal (the Journal of Financial Economics), promoting social science scholarship in general (Through Social Science Electronic Publishing), advancing the theory and practice of managerial compensation and corporate governance, and designing and teaching path-breaking courses (such as the Coordination, Control and Management of Organizations (CCMO) course at Harvard Business School). Professor Jensen has a BA in Economics from Macalester College and an MBA and PhD in Business from the University of Chicago.

Captain Kari L. Granger, United States Air Force Academy

Kari Granger is an Assistant Professor at the United States Air Force Academy where she develops and teaches transformational leadership courses and seminars. A decorated military officer, Kari has taught and applied the concepts of transformative leadership under the most challenging of conditions, including under enemy fire during combat duty in Iraq. Kari is known for consistent breakthrough performance results running logistical operations for hurricane evacuations, humanitarian aid and combat airlift missions. Her commitment to leadership transformation has extended to working with numerous military organizations, state universities, the US Ski and Snowboard Association, as well as in partnership with the US State Department as a leadership development expert working with defense force institutions outside the United States. Kari is a distinguished graduate of the US Air Force Academy and holds a Master's degree from the University of New Mexico.

**Course Purpose:** To provide you and your organization(s) an unambiguous and actionable access to the causal link between integrity and superior performance, quality of life, value creation and competitive advantage.

We define integrity as a state or condition of being whole, complete, unbroken, unimpaired, sound, perfect condition. We distinguish integrity as a matter of a person's (or an organization's) word being whole and complete. One's word is whole and complete when one honors one's word. During the course, we rigorously define your word, and we distinguish honoring one's word from keeping one's word. Honoring your word, as we define it, means you either keep your word or as soon as you know you will not, you say that you will not, and clean up any mess you cause by not keeping your word. Thus, even when you do not keep your word, you have a way to maintain your integrity.

Honoring one's word provides a powerful and *actionable pathway* to earning the trust of others.

### **Course Schedule**

- Pre-Course Reading Assignment (to be completed before workshop)
- 0900 – 1030 – Session 1
- 1030 – 1045 – Break
- 1045 – 1200 – Session 2
- 1200 – 1330 – Lunch Break & Integrity Inventory Assignment
- 1330 – 1430 – Review & Coaching For Integrity Inventory Assignment
- 1430 – 1530 – Session 3
- 1530 – 1600 – Working Break & Assignment
- 1600 – 1700 – Session 4

# A New Model Of Integrity: The Missing Factor Of Production

## Introduction

Executive Program Seminar  
Olin School Of Business,  
University of Washington St. Louis  
March 23, 2010

### INSTRUCTORS

#### **Michael C. Jensen**

Jesse Isidor Straus Professor of Business, Emeritus,  
Harvard Business School  
Chairman, Social Science Electronic Publishing

#### **Kari L. Granger**

Center for Character and Leadership Development, Fellow  
United States Air Force Academy

© Copyright 2009-10, Werner Erhard, Michael Jensen, Landmark Education LLC. All Rights Reserved.

Drawn from “Integrity: A Positive Model that Incorporates the Normative Phenomena of Morality, Ethics and Legality”, available at SSRN.

See: <http://ssrn.com/abstract=920625>

AUTHORS

**Werner Erhard**

Independent

**Michael C. Jensen**

Jesse Isidor Straus Professor of Business, Emeritus,  
Harvard Business School  
Chairman, Social Science Electronic Publishing

**Steve Zaffron**

Senior Program Leader, Landmark Education LLC  
CEO, Vanto Group

---

Some of the material in this presentation is based on or derived from the consulting and program material of the Vanto Group, and from material presented in the Landmark Forum and other programs offered by Landmark Education LLC. The ideas and the methodology created by Werner Erhard underlie much of the material.

# Introductions

What propelled you to say “yes” to a seminar on integrity?

What are you committed to producing for yourself today?  
(Write this down and keep it as we will reference it at the end of the day)

What are you committed to providing for others today? (Write this down and keep it as we will reference it at the end of the day)

Please share the areas you identified in the following pre-seminar work you did:

- Identify 1 area in which you would like to realize a significant breakthrough in your own personal performance or your life.
- Identify 1 area in which you would like to realize a significant breakthrough in the performance of your team, unit or organization.

# Our Promise to You

You will leave this seminar with an actionable pathway to dramatic increases for you, your family, and your organization's performance, quality of life, value creation and competitive advantage.



# Outline of the Day

## Morning:

- Introduction

- Ground rules for the day

- Background of this work

- Integrity as one of the three foundations of leadership

- A new model of integrity

- Break and assignment

- A new model of integrity continued

- Lunch assignment

Working Lunch (approximately 1200)

## Afternoon:

- Discuss lunch assignment

- Structure for honoring your word

- Break and assignment

- Structure for honoring your word continued

- Integrity in organizations discussion

## Closing:

- Where to go from here

## Background Of This Work

One result of our team's 7 years of research into leadership and the development of a new leadership course that actually creates leaders in one semester.

# A Note On Our Presentation Technology

We create slides with rigorously written sentences and paragraphs and read them directly from the screen to the students as they silently read along with us – interrupted by us with comments on and examples of what it says on the slide, and by questions from and discussions with students, etc.

- This results in a more than 40% increase in comprehension of the material by the students.

Source: U. of Regensburg, Department of Computer Science,  
[http://www.linguatec.de/products/tts/references/uni\\_regensburg](http://www.linguatec.de/products/tts/references/uni_regensburg)

We will be employing this technology today.

# Ground Rules

Be seated and ready to begin at the announced start time of each session.

Be in each session fully present.

Please hold any private comments between yourself and another participant until a break.

During seminar sessions, refrain from doing any non-seminar work. (For example: reading non-seminar material, or writing anything that isn't course related.)

## Ground Rules

Cell phones, iPhones, PDAs, Blackberries, and the like must be turned off and not even in airplane mode during class time.

No open computers during sessions unless requested by us. Copies of the slides and any other material shown during the course will be available for download. If you find it necessary, you can make hand written notes.

We may use our computers in the conduct of the seminar and for making notes regarding the development of the seminar.

## Ground Rules

Do not be an observer, rather participate actively in the seminar.

Be open and be coachable.

When you have a question or comment, please raise your hand, and raise it high so that we see you as soon as possible.

So that we include everyone in the conversation, from time to time we will call on people who do not have their hand raised.

## Ground Rules

During the class when another participant is speaking, do whatever you have to do to be engaged with what they are saying.

Experience has shown that, to the degree that you work to find elements of yourself in what others share about themselves, you will have important insights about yourself, even though you are not speaking.

Don't let yourself get "bored" when we are working with others – put yourself in their place and you will realize value for yourself.

"Bored" is often an unconscious cover-up (or a conscious ruse) to avoid looking at something about yourself.

## Ground Rules

Honor confidentiality regarding what other participants share during the seminar.

With people who are not in the seminar you may share what has been shared by participants in the seminar, **but do not ever mention the name of the person who shared it, or any company or other institution name, or the names of anyone else who was involved in that sharing.**

You are responsible for managing this request; obviously we are not able to guarantee that. You should know that in our years of doing this work, we have not heard of people violating this request.



## Ground Rules

We invite you to share with others anything about yourself or the material that we cover in this seminar – and, because of the value you will find for yourself, we encourage you to do so.

We also encourage you to share the insights that you produce for yourself out of your participation. And, you are welcome to share anything that we, the instructors, share about ourselves.

Complete each of the break assignments before the next class session. You will have assignments on every break including lunch. Since it is important to realizing the promise of the seminar that you complete each of these assignments, do not schedule personal engagements or obligations for yourself during the breaks and lunch.

# Conditions For Realizing The Promise Of The Seminar

Be willing to be open and ruthlessly straight about your ways of being and acting.

Be open to having your *worldview* (model of reality) & *frame of reference* (mindset) regarding what it is to be a person of integrity examined and questioned, and be open to transforming that *worldview* & *frame of reference* (mindset).

Be willing to take on fully what is presented in this seminar before deciding to accept it or reject it.

## Conditions For Realizing The Promise Of The Seminar

Respect the dignity, thoughts and confidentiality of your classmates.

Participate fully and completely in the course, with nothing held back.

Be a full partner in producing value for yourself.

Continuously be looking for the application of these principles to your personal life, your family life, your professional life, and in your organization(s).

# First Break Assignment, A Head's Up

Write down three questions, comments, things to follow-up on, or insights you have about the material presented thus far.

# The Three Foundations Of Leadership

## **Integrity** (in our model a positive phenomenon):

- Being whole and complete — achieved by “honoring one’s word” (creates workability, develops trust).

## **Being Committed to Something Bigger than Oneself:**

- Source of the serene passion (charisma) required to lead and to develop others as leaders, and the source of persistence (joy in the labor of) when the path gets tough.

## **Authenticity:**

- Being and acting consistent with who you hold yourself out to be for others, and who you hold yourself to be for yourself. When leading, being authentic leaves you grounded, and able to be straight without using force.

While this seminar is about integrity, we will take a brief moment to introduce you to the other two foundational elements required for being a leader and exercising leadership effectively.

## A Word About Values

As you have seen in your pre-seminar reading on integrity, today's seminar is not an examination of normative values, that is, not about good or bad, or right or wrong, and it is not a discussion of morality.

While legitimate from other perspectives, in this seminar we are not concerned with Integrity (or for that matter Authenticity, and Bigger Than Oneself) as normative values. That is, we are not concerned with integrity as being right or good, or with inauthenticity being wrong or bad.

We advocate these principles not because they are “right”, but simply because they are in each individual's personal self-interest and in each organization's corporate self-interest.

# Being Committed To Something Bigger Than Oneself

What we mean by “committed to something bigger than oneself” is being committed in a way that shapes one’s being and actions so that they are in the service of realizing something beyond one’s personal concerns for oneself – beyond a direct personal payoff. As they are acted on, such commitments create something to which others can also be committed and have the sense that their lives are about something bigger than themselves. This is leadership!

## Being Committed To Something Bigger than Oneself is the Source of Passion

Moreover, without the passion that comes from being committed to something bigger than yourself, you are unlikely to persevere in the valley of tears that is an inevitable experience in the lives of all true leaders. Times when nothing goes right, there is no way, no help is available, nothing there except what you can do to find something in yourself – the strength to persevere in the face of impossible odds. When you are committed to something bigger than yourself and you reach down inside you will find the strength to continue (joy in the labor of).

And finally, being committed to something bigger than yourself leaves you with the passion required to empower the brain's executive function to “not eat the marshmallow”.



## Example of a Crucible That Almost Everyone Experiences: The Mid-Life Crisis

At some point in life we all stop measuring time from the beginning and start measuring it from the end, how much is left.

No matter how good you look, no matter how good you've gotten your family to look, and no matter how much wealth, fame or power you have amassed, you will experience a profound lack of fulfillment – the incompleteness, emptiness and pain expressed by the commonly occurring question:

**Is That All There Is?**

## Leadership and “Is That All There Is?”

No matter how good you look or how much you have personally amassed, it will never be enough to avoid this crisis. Dealing with the crisis of “Is that all there is?” lies in having a commitment to the realization of a future (a cause) that leaves you with a passion for living.

This applies to corporate entities as well as to human beings. Value creation for both is the scorecard for success; it is not the source of corporate or personal passion and energy.

## Summary:

### Committed To Something Bigger than Oneself

The following is a quotation from George Bernard Shaw from his play “Man and Superman” (the epistle dedicatory to the play) that captures this idea of being committed to something bigger than oneself:

## Summary:

### Committed To Something Bigger than Oneself

“This is the true joy in life, the being used for a purpose recognized by yourself as a mighty one; the being a force of nature instead of a feverish selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.

“I am of the opinion that my life belongs to the whole community and as long as I live it is my privilege to do for it whatever I can.

“I want to be thoroughly used up when I die, for the harder I work the more I live. I rejoice in life for its own sake. Life is no “brief candle” to me. It is a sort of splendid torch which I have got hold of for the moment, and I want to make it burn as brightly as possible before handing it on to future generations.”

# Are You Being Authentic?

Quoting Harvard Professor Chris Argyris, who after 40 years of studying us human beings, on the subject of our inauthenticity says:

“Put simply, people consistently act inconsistently, unaware of the contradiction between their espoused theory and their theory-in-use, between the way they think they are acting, and the way they really act.”

Harvard Business Review,

“Teaching Smart People How to Learn” (1991, pp. 99-109)

# The Path To Authenticity:

## Being Authentic About Our Inauthenticities

Being authentic is being willing to discover, confront, and tell the truth about your inauthenticities – where you are not being genuine, real, or authentic. Specifically, where in your life you are not being or acting consistent with who you hold yourself out to be for others, and where you are not being or acting consistent with who you hold yourself to be for yourself.

Stated more rigorously, the path to authenticity is to:

Be authentic about your inauthenticities.

## The Path To Authenticity: Being Authentic About Our Inauthenticities

Most of us think of ourselves as being authentic; however, each of us in certain situations, and each of us in certain ways, is consistently inauthentic. And, because we avoid at all costs confronting our inauthenticities, we are consistently inauthentic about being inauthentic – not only with others, but with ourselves as well.

If you cannot find the courage to be authentic about your inauthenticities, you can forget about being a leader.

The attempt to be authentic on top of our inauthenticities is like putting cake frosting on cow dung, thinking that that will make the cow dung go down well.

# Is Being Authentic Important To Being A Leader?

Quoting former Medtronic CEO and now Harvard Business School Professor of Leadership, Bill George:

**“After years of studying leaders and their traits, I believe that leadership begins and ends with authenticity.”** (2003, p. 11)

To be a leader you must be big enough to be authentic about your inauthenticities. This kind of bigness is a sign of power, and is so interpreted by others.

Being a leader requires that you be absolutely authentic, and true authenticity begins with  
being authentic about your inauthenticities, and  
almost no one does this.



## Examples Of Our Inauthenticities

We all want to be **admired**, and almost none of us is willing to confront just how much we want to be admired, and how readily we will fudge on being straightforward and completely honest in a situation where we **perceive** doing so threatens us with a loss of admiration.

We also all want to be seen by our colleagues as being **loyal**, protesting that loyalty is a virtue even in situations where the truth is that we are acting “loyal” solely to avoid the loss of admiration. And, in such situations, how ready we are to sacrifice integrity to maintain the pretense of being loyal, when the truth is that we are “being loyal” only because we fear losing the admiration of our close colleagues.

In addition, most of us have a pathetic need for **looking good**, and almost none of us is willing to confront just how much we care about looking good – even to the extent of the silliness of pretending to have followed and understood something when we haven’t.

© Copyright 2009-10. Werner Erhard. Michael Jensen. Landmark Education LLC. All Rights Reserved.

## Each Of Us Is Inauthentic In Certain Ways

While this may sound like a description of this or that person you know, it actually describes each person in this room, including your instructors. We are all guilty of being small in these ways – it comes with being human. Great leaders are noteworthy in having come to grips with these foibles of being human – not eliminating them, but being the master of these weaknesses when they are leading.

# There Is Power In Seeing Our Inauthenticities

For example, right in this seminar you may catch yourself being limited in your ability to perform, or even just plain stuck, when acknowledging that you aren't clear, or acknowledging that you were mistaken, or failing to be straight with another participant when that will contribute to that participant, any of which evokes a fear of:

- 1) the loss of admiration,
- 2) being accused of being disloyal, or
- 3) being wrong and therefore looking bad.

Welcome such insights. You will benefit from them.

## The Actionable Access to Authenticity

As we have said, being authentic about your inauthenticities is the path to authenticity.

In order to achieve this you must find in yourself, that “self” that leaves you free to be authentic about your inauthenticities.

**That “self”, the one required to be authentic about your inauthenticities, is who you authentically are.**

And you will know when this process is complete when you are free to be publicly authentic about your inauthenticities, and have experienced the freedom, courage, and peace of mind that comes from doing so. And this is especially so when you are authentic with those around you for whom those inauthenticities matter (and who are likely to be aware of them in any case).

# Power, Freedom, and Full Self-Expression

The three foundational elements of leadership that we have summarized,

being a person of integrity,

being committed to something bigger than oneself, and

being authentic,

are each necessary but not sufficient for maximum performance in life.

While each of these are conceptually independent, when all three are fully present in your life, you will find extraordinary power, freedom, and full self-expression.

We now turn to a detailed development of our new model of integrity, which model when mastered, will provide you actionable access to integrity with all its competitive advantages.

© Copyright 2009-10. Werner Erhard. Michael Jensen. Landmark Education LLC. All Rights Reserved.

# End of Introduction

# A New Model of Integrity: The Missing Factor of Production

*Executive Program Seminar*

*Olin School of Business*

*University of Washington St. Louis*

*St. Louis, MO*

*March 23, 2010*

**Michael C. Jensen**

Jesse Isidor Straus Professor of Business, Emeritus,  
Harvard Business School

Chairman, Managing Director, and Integrity Czar  
Social Science Electronic Publishing

Drawn from: Werner Erhard, Michael C. Jensen and Steve Zaffron, "Integrity: A Positive Model that Incorporates the Normative Phenomena of Morality, Ethics and Legality", unpublished working paper in process, available at:  
<http://ssrn.com/abstract=920625>

# Before Going On Let's Take An Awareness Test

— [ Watch carefully because you will be graded on your answers

— [ For those reading the pdf file of these slides please go to the following link to view this video:

— <http://www.youtube.com/watch?v=oSQJP40PcGI>



# Results of the Awareness Test

— [ 90% or more of the people who take this test fail

# Perceptual Constraints

— [ While most of us believe we see the world and what we are dealing with as it is, that (as we have just observed) is clearly false.

— [ Neuroscientists have shown that we do not see what the eyes see, we see what the “brain sees”.

— If visual sensations were primarily received rather than constructed by the brain, you’d expect that most of the fibres going to the brain’s primary visual cortex would come from the retina. Instead, scientists have found that only twenty per cent do; eighty per cent come downward from regions of the brain governing functions like memory. Richard Gregory, a prominent British neuropsychologist, estimates that visual perception is more than ninety per cent memory and less than ten per cent sensory nerve signals.”

Gawande (2008). See also Gregory (1998, p. 5)

# Why Is This Relevant To Us Today?

— [ We did not see the bear because the announcer and I (through language) shifted the frame of reference you had for viewing the video

— [ I intend to do the equivalent today of rewinding the tape so we can see what we do not see regarding integrity.

— In effect, integrity is the bear in our lives and my intention is to shift the parts of our worldview and frames of reference relevant to our view of integrity so that we see it differently, in fact as it is.

— [ I will do this by outlining a new positive model of integrity that allows things to show up that did not show up before.

— The intellectual point is that distinguishing something newly can make visible what was always there but not seen, and in the case of integrity will allow for new possibilities to show up in our lives and in our organizations that were not visible to us before.

# Questions For The Day

- [ Do violations of integrity make any real difference to organizational performance, the bottom line, or the quality of organizational life?
- [ Do violations of integrity make any real difference to your performance, or your bottom line, or the quality of your life?
- [ What is integrity?
  - For an Object or System?
  - For a Person?
  - For an Entity – across a spectrum of entities from Family through Organization to Society
- [ What conceals the impact of integrity on organizations and individuals?

# My Intention Today: Introduce a New Model of Integrity

— [ Begin the development of a language to deal powerfully with, and provide actionable access to, the effects of integrity on organizational, market, and personal issues

— [ Distinguish integrity in a way that involves no normative aspects

— [ Distinguish the Law of Integrity, which like the Law of Gravity operates whether you like it or not

— [ Distinguish integrity as a hidden yet critical factor of production — equivalent in importance to labor, capital, technology, knowledge, and strategy and one that is invisible to economists and to most businesses.

— Reveal the effects of integrity on the performance of individuals, groups and organizations — including its effects on the quality of life

— [ Distinguish Ethics, Morality, Legality (and Sincerity) from Integrity, and show how they relate to integrity (and therefore to performance).



# Along the way I will:

- [ Provide an actionable pathway to *integrity*
- [ Show you an effective and fast pathway to being *trusted* by others
- [ Show how applying cost/benefit analysis to your *integrity* virtually guarantees you will be out of integrity
  - And guarantees that you are an untrustworthy person
- [ I will show why, despite the damaging consequences, people often behave in ways that violate the Law of Integrity
  - And thereby reduce their performance and quality of life, and dramatically limit their opportunity for performance
  - And finally, give you access to the power to reject this path

# A Warning

- [ I intend to stretch everyone here today, but especially economists and ethicists
- [ What we are talking about today is highly relevant to, and complementary to economics, business, management and ethics
- [ Yet, it is NOT economics and it is NOT ethics. The roots of what we are talking about today are from *ontology*, the philosophical or scientific inquiry into the nature of the existence or being of something.
  - In our case, the nature of **being** for human beings.
- [ Integrity is but one of many Ontological Laws of Human Nature that provide effective access to the so-called “people problems” that drive us crazy

# Two Requests

— [ I ask you to please bear with me — since much of what I will be saying will not fit your current world view or frame of reference

— If I am successful, it will shift your world view to a place from which you will experience more power.

— Do not try to make it “LIKE” anything you know in Economics or in Ethics

— If you try to make it like something you already know you will miss what is here for you

— [ I ask you to judge at the end of the presentation.



# My Commitments

— [ About ME: I have a deep intellectual interest in these issues,  
— I am also convinced that the everyday application of these principles is powerful and I intend to get them known

— [ About YOU: If you take the essence of what is available here today with you when you leave:

— You will notice a difference in your life, your family and your organization

— You will not have to wait for studies, evidence and proofs

— Although I want that science to be produced as well

# What is Integrity?

— [ **Definition:** *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**

— [ 3. the quality or state of being of sound moral principle; uprightness, honesty, and sincerity

— [ We use integrity in this model according to Definitions 1 and 2.

— [ Defined this way integrity is a positive phenomena, not a virtue

— Nothing inherently good or bad about it, it is just the way the world is

— We will show how morality & ethics are related to integrity

# The Long-Neglected Role of Integrity As A Factor of Production

- Economics, Finance, and Business scholars tend to avoid discussions or considerations of integrity because it occurs to them as “normative”
- Whether you *like* integrity or not is a *normative* value judgement on your part
- The *effect* of integrity or the lack of it on value, productivity, etc., is a *positive (empirical)* proposition
- Our posited link between integrity and value is no more normative than the posited link between the net present value rule for investment decisions & corporate value.
- “Long run value creation requires integrity” is a positive proposition that is testable and refutable
- And the positive effects of integrity or its absence on firm performance have too long been invisible in the business community

# Integrity of an Object: Definition

- [ An **object** has integrity when it is whole and complete
  - Any diminution in whole and complete results in a diminution in workability
    - Think of a wheel with missing spokes, it is not whole, complete. It will become out-of-round, work less well and eventually stop working entirely.
- [ Likewise, a **system** has integrity when it is whole and complete

# The Integrity of an Object or System Consists of 3 Elements or Dimensions

[ To be whole and complete an object or system must have integrity (whole and complete) in three dimensions

— 1-DESIGN: the design must be capable of delivering on its purpose

— 2-IMPLEMENTATION: the design must be implemented completely and accurately

— 3-USE: the system or object must be used for what it is designed, intended purpose

[ To be in integrity an object or system must have no missing parts and no extraneous or unnecessary parts



# The Integrity-Workability-Performance Cascade

- [ When an object is out of integrity it becomes less workable
- [ Workability is the bridge to performance
  - As an entity becomes less workable its opportunity set (the available opportunity for performance) declines
- [ Thus, integrity becomes a necessary (but not sufficient) condition for maximum performance.
  - Many things affect performance, including (obviously) your mental physical endowments
  - And for organizations, competitive, organizational, financial and human strategy are important factors

# The Law of Integrity

- The **Law of Integrity** states:
  - As integrity (whole and complete) declines, workability declines, and as workability declines, value (or more generally, the opportunity for performance) declines
  - Thus the maximization of whatever performance measure you choose requires integrity
- Violating the Law of Integrity generates painful consequences just as surely as violating the law of gravity
- Put simply (and somewhat overstated) :
  - **“Without integrity nothing works”**
    - Think of this as a heuristic
    - If you or your organization operate in life as though this heuristic is true, performance will increase dramatically
- And the impact on performance is huge: 100% to 500%

# If Integrity Is So Important To Productivity and Accomplishment . . .

- [ Why are violations of the Law of Integrity so universally observed?
- [ You will see the causes when we deal with:
  - The Integrity-Performance Paradox, and
  - The Veil of Invisibility
    - The seven factors that make up the Veil of Invisibility



# Integrity for A Person

- [ In this positive model, integrity for a person is a matter of a person's word, nothing more and nothing less
- [ You are a man or woman of integrity, and enjoy the benefits thereof, when your word is whole and complete
- Your word includes the speaking of your actions as in "actions speak louder than words"
- Later we will explicitly define what constitutes one's word in matters of integrity

# Integrity Is *Honoring* Your Word

— [While ***keeping*** your word is fundamentally important in life, you will not be able to always keep your word (unless you are playing a small game in life)

— [However, you can always ***honor*** your word

# Integrity: Honoring Your Word

1. Is **keeping** your word
- **OR:**
2. **Whenever you will not** be keeping your word, 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).

# The Power Of Honoring Your Word When You Will Not Keep Your Word

— [ When the literature on trust talks about “walking the talk”, it says that to be trusted you must keep your word

— [ However, unless you give your word to virtually nothing, you will not always keep your word. In fact **leadership** is all about giving your word to something that no one knows how to accomplish.

— [ *When it is impossible or inappropriate to keep your word, or even when you just choose not to keep your word, honoring your word allows you to maintain your word as whole and complete*

— Surprising to most people is the fact that you will engender a greater degree of trust (and admiration) when you **do not keep** your word, but

— You **do honor** your word

# The Power Of Honoring Your Word When You Will Not Keep Your Word (continued)

— [ 23.3% of the “ . . . ‘memorable satisfactory encounters’ involve difficulties attributable to failures in core service delivery. . . From a management perspective, this finding is striking. It suggests that even service delivery system *failures* can be remembered as highly satisfactory encounters if they are handled properly. . . One might expect that dissatisfaction could be mitigated in failure situations if employees are trained to respond, but the fact that such incidents can be remembered as **very satisfactory is somewhat surprising.**” (*Italics* in original.) (Bitner, Booms and Tetreault – “The Service Encounter: Diagnosing Favorable and Unfavorable Incidents,” *Journal of Marketing*, 1990, pp. 80-81).



# The Power Of Honoring Your Word When You Did Not Keep Your Word

— [ Honoring your word when you have not kept it starts with being open and honest about the fact that you **gave your word**, and you **did not keep it**.

— [ This is sufficiently uncommon that sometimes this alone cleans up the mess you caused and therefore is enough to maintain your integrity

# Sincerity: Definition

— [ Webster's New World Dictionary variously defines "sincere" as: without deceit, pretense, or hypocrisy; truthful; straightforward; honest; being the same in actual character as in outward appearance; genuine; real.

— [ In this new model of integrity we distinguish sincerity as an internal state phenomenon regarding what one says, and define it as: The degree to which a person, group or organization is well-meaning regarding that to which they give their word.

— Webster's defines "well-meaning" as: having good or kindly intentions; said or done with good intentions, but often unwisely or ineffectually.

# Sincerity

- [ Sincerity is irrelevant to my word as it relates to integrity.
- [ If I gave my word, I gave my word. Period.
  - If I did not intend to keep my word and did not say that when I gave it, I lied. And by definition that puts me out of integrity.
- [ In terms of results produced, dealing with someone who is sincere (but does not honor his word) gives exactly the same results as dealing with someone who is an outright liar.
  - Not producing a result + **REALLY** meaning to do it  $\neq$  The Result



# Sincerity

- [ Substituting the virtue of sincerity for integrity is often a subconscious (and effective) ruse to avoid being responsible for failing to honor my word when I do not keep it.
- [ An Example we are all familiar with:
  - LATE + a Sincere Excuse  $\neq$  *ON TIME*
  - LATE + a Sincere Reason  $\neq$  *ON TIME*
  - LATE + a Dramatic Tale  $\neq$  *ON TIME*
  - LATE + a Persuasive Justification  $\neq$  *ON TIME*
  - LATE + a Logical Explanation  $\neq$  *ON TIME*

# Integrity of an Organization: Definition

- An organization (or any human *system*) is in integrity when:
  - 1. It is whole and complete with respect to its word
    - This includes that nothing is hidden, no deception, no untruths, no violation of contracts or property rights, etc.
  - 2. That is to say: An organization honors its word:
    - **Internally**, between members of the organization, and
    - **Externally**, between the organization and those it deals with
      - This includes what is said by or on behalf of the organization to its members as well as outsiders

# Integrity of A Person

## Your Word Defined:

**W1. What You Said:** Whatever you said you will do, or will not do (and in the case of do, doing it on time). (Note: Requests of you become your word unless you have responded to them in a timely fashion.)

**W2. What You Know:** Whatever you know to do, or know not to do, and if it is 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.

**W3. What Is Expected:** Whatever you are expected to do or not do (and in the case of do, doing it on time), unless you have explicitly said to the contrary. (Note: What you expect of others is not for you their word.)

**W4. 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 makes what you have asserted valid for themselves.

**W5. What You Stand For:** Whether expressed in the form of a declaration made to one or more people, or to yourself, as well as what you hold yourself out to others as standing for (formally declared or not).

**NOTE: This is your Word, not Integrity**

# Keeping Your Word

— [ You keep your word by:

— [ doing what you **said** you would do and on time

— [ doing what you **know** to do and doing it the way it was meant to be done, and on time, unless you have said you would not do so

— [ doing what others would **expect** you to do even if you have never said you would do it, and doing it on time, unless you have said you would not do it

— and you have made your expectations of others clear to them by making explicit requests

— [ being willing to be held **accountable** (when you assert something) that others would accept your evidence on the issue as valid

# Relation Between My Word and Morality, Ethics, and Legality

- [ Morality, Ethics and Legality are all about right and wrong, good and bad behavior: They are the standards for good and bad behavior
- [ 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 I enjoy the benefits of membership
- **Are also part of my word (Word 6)** (what I am expected to do)
  - Unless I have explicitly and publicly expressed my intention to not keep one or more of them and
  - I am willing to bear the costs of refusing to conform to these Standards (rules of the game I am in)
  - In this case I have honored my word with respect to these standards



# Morality, Ethics and Legality and Your Word

- In summary, Morality, Ethics and Legality are part of your word by your mere presence – unless you explicitly say that you do not give your word to one or more of those “rules”.
- Converts the word of others that is imposed on you to your word
- To be in integrity you must inform all those in the game you are playing when you are not going to follow one or more of the rules of the game
- Gandhi is an example. He was explicit about the rules he would not follow and was willing to bear the consequences

# A Sobering Note: Integrity Is A Mountain with No Top

With all the critical elements of this new model of integrity on the table we can see how difficult it is to be fully in integrity as a person or organization.

One would have to be in integrity with respect to every instance of Words 1 through 6 in one's life at each moment in time:

W1. What You Said

W2. What You Know To Do or Not To Do

W3. What Is Expected of You by Each of Those With Whom You Wish To Have A Workable Relationship (unless you have explicitly declined that expectation)

W4. What You Say Is So

W5. What You Stand For

W6. The Moral, Ethical and Legal codes of each and every society, group, and governmental entity of which you are a member

Thus we had better *enjoy climbing* because this is a mountain with no top

Notice that every time we put something into integrity in our lives or organizations, workability and the opportunity for performance increase.

The effect is huge and we will never get it all done

# The Costs of Dealing with an Object, Person, Group, or Entity that is Out of Integrity

— [ Consider the experience of dealing with an object that lacks integrity.

— [ Say a car or bicycle or air conditioning system

— When it is not whole and complete and unbroken (that is a component missing or malfunctioning) it becomes unreliable, unpredictable, and it creates those characteristics in our lives

— The car fails in traffic, we create a traffic jam, we are late for appointments, fail to perform, disappoint our partners, associates, and firms

— In effect, the out-of-integrity car **creates** a lack of integrity in our life with all sorts unworkability fallout

— [ And this is true of **all** our associations with persons, groups or organizations that are out of integrity. The effects are huge, but generally attributed to something other than the lack of integrity.

— [ Remember this when you associate yourself or your organization with entities that are out of integrity. It **will** impose a cost on you



# Examples of Out-Of-Integrity Behavior are Legion

- I list but a few examples. As individuals we regularly:
- make promises and commitments we do not keep, late or non-delivery of tasks
  - show up late and/or not prepared for meetings, or don't show up at all,
  - surreptitiously read documents, answer emails, work on other matters while in meetings,
  - fail to return telephone calls when promised,
  - violate or play games with negotiated agreements,
  - lie to others including our spouses, children, partners, friends, organizations (including not being straight when it is merely uncomfortable to do so),
  - cheat on spouses,
  - cheat on taxes,
  - steal (e.g., keep the excess change mistakenly given at the checkout counter, or padding expense reports),
  - fail to return found items even when the identity of the owner is clear,
  - using the web for personal reasons while working, including shopping on line,
  - and on and on.

# Examples of Out-Of-Integrity Behavior are Legion (continued)

Raising the ante to more serious levels, one only has to peruse the pages of any recent newspaper to find examples of violations of integrity of the following kinds:

- students cheating in their undergraduate and graduate courses
- corporate officers not enforcing their stated ethical codes
- corporate managers not honoring their word
- corporate managers not honoring their company's word
- corporate officers stealing from their companies
- corporate officers secretly backdating their options award so that the exercise prices were the lowest for the quarter or the year
- individuals, brokers and corporate officers engaging in insider trading
- corporate officers knowingly lying to shareholders, creditors, customers and others about their financial status
- millions of people stealing music and movies over the internet in violation of copyright law while denying those violations
- Catholic priests sexually abusing children
- doctors abusing their patients and defrauding Medicare and other insurance companies
- lawyers committing fraud in their practice of law
- scholars, news reporters and writers committing plagiarism or other fraud

# Common Violations of Integrity in Governance Systems

## [ Failure to establish and monitor integrity of the organization

- Managing Earnings (Polite Language for Lying to the Capital Markets)

- As Board members and officers what do you and I stand for in relation to our company's Values? Has the board constituted itself as the company's values? Do we as officers and board members invite others to call us out when we do not honor our word we give to the company? We all err, that is what it is to be human.

## [ Undiscussables in the board room (and in management teams)

- No system, especially a governance system can be in integrity if there are issues that cannot be discussed.

- Yet undiscussables are rampant in virtually all board rooms and management teams

- And it is undiscussable that there are undiscussables

# 10 Hints For Uncovering Undiscussables

Excerpts From *The Thin Book® Of Naming Elephants: How To Surface Undiscussables For Greater Organizational Success* [http://www.thinbook.com/pages/resources/op\\_top10.htm](http://www.thinbook.com/pages/resources/op_top10.htm)

- 1. Start small:** Ask at the end of each meeting: What didn't we talk about today that we should have? What should we do about it? Go around the room and ask everyone to speak.
- 2. Check your gut:** Pay attention to your gut feelings. If you feel strongly about something, chances are someone else does too. Speak up.
- 3. Use tentative language:** Say it like this: "I'm not sure if I have this right, but I see it this way or I am concerned about...";
- 4. Use contrasting language:** Say it like this: "What I am not saying is... What I am saying is..."
- 5. First, determine your intent:** Why do you want to speak up? Who benefits more? You or the organization? If it's all about you, think it over again.
- 6. Build the business case:** What is the potential impact both good and bad to the organization of the unnamed elephant? Be concrete about how it could affect the organization's goals or image.
- 7. Don't make it personal:** People ask us, "what if the unnamed elephant is a person?" Define it as actions impacting the organization, not as someone's personality, style or characteristics.
- 8. If the elephant is arrogant leadership:** Try to engage the arrogant person in dialogue about multiple alternatives. Arrogant people often do not realize they are being arrogant so if you can get them to talk, their curiosity may kick in.
- 9. Surface the assumptions you are relying on:** Say: "Here's how I thought. I assumed... because of... What do you see differently?"
- 10. Ask the 6 what's:** "What do we know? What do we not know? What will we never know? What can we agree on? What do we disagree on? What do we need to do to move forward?"



## The Lack of Integrity In CEO Compensation Systems Prevalence of “for cause” definitions

Definition of “Cause”	Percent of Companies
Conviction of a crime or felony	62%
Dishonesty, fraud, or embezzlement	56%
Willful failure or refusal to perform duties	54%
Commission of an act of moral turpitude	36%
Willful or gross misconduct	35%
Breach of contract	35%
Violation of company policy	23%
Gross negligence	20%
Breach of restrictive clauses	18%
Malfeasance	9%
Use (or abuse) of drugs or alcohol	6%
Unsatisfactory performance	6%
Breach of fiduciary duty	4%

Source: Robert Salwen and Gail McGowan, *Guide to Executive Employment Contracts*. Third Edition, Executive Compensation Advisory Services, 2001. Percentages are based on 100 employment agreements from 100 companies analyzed by ECAS. The companies are sampled from the top 1,000 U.S. corporations, and include employment agreements filed with the Securities and Exchange Commission and signed during 1999 or 2000.

# Some Clues to Out of Integrity Behavior in Organizations

— [ Win at any cost

— [ Everyone else is doing it.

— [ We've always done it. This is the way this business works.

— [ If we don't do it, somebody else will.

— [ Nobody's hurt by it.

— [ It doesn't matter how it gets done, as long as it gets done.

— [ It works, so lets not ask too many questions.

— [ No one's going to notice.

— [ It's legal, but . . .

— [ It's too expensive, or It takes too much time

Source: Peter Forstmoser, Integrity in Finance (speech given to Swiss Banking Institute, 11-15-2006

# Costs of Lack of Integrity and The Veil of Invisibility

- [ Almost all people, and organizations fail to see the costs imposed by violations of the Law of Integrity.

- The unworkability generated by the lack of integrity occurs to people and organizations as the consequence of something other than violations of the Law of Integrity

- [ For most of us the breakdowns and confusion, that is the mess in our lives, is just the way life is —Like water to the fish or air to the birds.

- Most people “rationalize or explain” the mess in their organizations and in their lives without getting to the out-of-integrity behavior that is the actual source.

- This state of affairs is an example of:

- “You cannot manage what is undistinguished. Therefore it will run you.”

# Costs of Lack of Integrity and The Veil of Invisibility

## *The “Integrity-Performance” Paradox*

People & organizations while committed to performance systematically sacrifice integrity in the name of increasing performance and thereby reduce performance.

### **How can this occur?**

*If Operating With Integrity Is So Productive, Why Do People Systematically Sacrifice their Integrity and Suffer the Consequences? And, why are they blind to these effects?*



# Seven Causes of the Veil of Invisibility-1

## 1. Integrity Is A Virtue

For most people and organizations integrity exists as a *virtue* rather than as a *necessary* condition for performance. **As a virtue, integrity is easily sacrificed when it appears a person or organization must do so to succeed.**

For many people virtue is valued only to the degree that it engenders the admiration of others, and as such it is easily sacrificed especially when it would not be noticed or can be rationalized.

Sacrificing integrity as virtue seems no different than sacrificing courteousness, or new sinks in the mens room.

# Seven Causes of the Veil of Invisibility-2

## 2. **Self Deception** about being out of integrity

People generally do not see when they are out of integrity. In fact they are mostly unaware that they have not kept their word. What they see is the “reason”, rationalization, or excuse for not keeping their word.

In fact, people systematically deceive (lie to) themselves about who they have been and what they have done. As Chris Argyris, after four decades of studying human nature, concludes:

“Put simply, people consistently act inconsistently, unaware of the contradiction between their espoused theory and their theory-in-use, between the way they think they are acting and the way they really act.” (Argyris, Teaching Smart People How to Learn, Harvard Business Review, 1991)

And if you think this is not you, you are fooling yourself about fooling yourself.

**Because people cannot see their out-of-integrity behavior, it is impossible for them to see the cause of the unworkability in their lives and organizations — the direct result of their own violations of the law of integrity .**

# Seven Causes of the Veil of Invisibility-3

## 3. Integrity Is Keeping One's Word

The belief that integrity is keeping one's word – period – leaves no way to maintain integrity when it is not possible, or when it is inappropriate, or one simply chooses not to keep one's word.

**And that leads to concealing not keeping one's word which adds to the veil of invisibility about the impact of violations of the Law of Integrity**

# Seven Causes of the Veil of Invisibility-4

— [ **4. FEAR** of acknowledging you are not going to keep your word

— [ When maintaining your integrity (acknowledging that you are not going to keep your word and cleaning up the mess that results) occurs for you as a **threat** to be avoided (like it was when you were a child), rather than simply a **challenge** to be dealt with, then you will find it difficult to maintain your integrity.

— [ When not keeping their word, most people fear the possibility of looking bad and the consequent loss of power and respect. They choose the apparent short-term gain of avoiding the fear by hiding that they will not keep their word. This conceals the long-term loss caused by violations of the Law of Integrity

— [ **Thus out of fear we are blinded to (and therefore mistakenly forfeit) the power and respect that accrues from acknowledging that one will not keep one's word or that one has not kept one's word**

# Seven Causes of the Veil of Invisibility-5

- **5. Integrity is not seen as a factor of production.**
  - Leading people to make up false causes and unfounded rationalizations as the source(s) of failure
  - Which in turn conceals the violations of the Law of Integrity as the source of the reduction of the opportunity for performance that results in failure



# Seven Causes of the Veil of Invisibility-6

## **6. NOT Doing Cost/Benefit Analysis on GIVING One's Word**

When giving their word, most people do not consider fully what it will take to keep that word. That is, people do not do a cost/benefit analysis on giving their word.

In effect, when giving their word, most people are merely **SINCERE** (well-meaning) or placating someone, and don't even think about what it will take to keep their word. This failure to do a cost/benefit analysis on giving one's word is **IRRESPONSIBLE**.

Such irresponsible giving of one's word is a major source of the mess left in the lives of people and organizations. Indeed people often do not even **KNOW** they **HAVE** given their word.

People generally do not see the giving of their word as:

- “I **AM** going to **MAKE** this happen”

- If you are not doing this you will be out of integrity

- Generally people give their word **INTENDING** to keep it. That is, they are merely sincere.

- If anything makes it difficult or even inconvenient to deliver, then they provide **REASONS** instead of results.

# Seven Causes of the Veil of Invisibility-7

## **7. DOING Cost/Benefit Analysis on HONORING One's Word**

People almost universally apply cost/benefit analysis to honoring their word.

**Treating integrity as a matter of cost/benefit analysis guarantees you will not be a trustworthy person, or with a small exception, a person of integrity.**

# Integrity, Trust and the Economic Principle of Cost/Benefit Analysis

- [ If I apply cost/benefit analysis to honoring my word, I am either out of integrity to start with because I have not stated the cost/benefit contingency that is in fact part of my word (I lied), or to have integrity when I give my word, I must say something like the following:
  - [ “I will honor my word when it comes time for me to honor my word if the costs of doing so are less than the benefits.”
  - Such a statement, while leaving me with integrity is unlikely to engender trust.
  - **In effect I just told you that I am an unmitigated opportunist.**



# Cost/Benefit Analysis and Integrity (continued)

- [ In a sense, I have given you my word that you cannot trust me to honor my word.
- [ At best you are left guessing what costs and benefits I will be facing when it comes time for me to honor my word.
- And if the costs are greater than the benefits (as I see them) I will not honor my word
- Therefore I would be for you an untrustworthy person.
- The Bottom Line: If you choose to be a person of integrity, **you have no choice** when it comes time to honor your word.

# Cost/Benefit Analysis and Integrity (continued)

- [ Nevertheless, the economic prediction that as the apparent or immediate costs of being in integrity rise, more people or organizations will be out of integrity (and vice versa)
- Is highly likely to be consistent with observed behavior.
- [ The problems in education and business thinking arise when we do not hammer home the personal and organizational dangers of applying cost/benefit thinking to honoring one's word.
- [ We then inadvertently teach or induce students, employees and managers to NOT see the costly consequences of out of integrity behavior

# Cost/Benefit Analysis and Integrity (continued)

- [ To Repeat: In order to be in integrity you **must** apply cost/benefit analysis to **giving** your word
- [ If I take on integrity as who I am, then I should and will think carefully before I give my word, and I will recognize I am putting myself at risk when I do so
- [ And I will never give my word to two or more things that are mutually inconsistent.

# Cost/Benefit Analysis and Integrity (continued)

- [ In a very real sense being a person of integrity starts with me giving my word to myself: My word to myself that I am a person of integrity.
- [ And when I do that I say to myself:
  - “I am going to make this happen.”
  - Not: “I am going to try to make this happen” or “I hope this will happen”
  - As Yoda says in “Star Wars”: “There is no TRY. Only DO or NOT DO.”

# The Golden Rule vs. Integrity

# The Golden Rule:

**"Do unto others as you would have them do unto you."**

A world in which everyone followed the golden rule would be wonderful.

However, this rule for action leaves one with no power.

One is left depending on the good will of others to benefit personally,

Moreover, it turns one into a Pollyanna or Patsy that can easily be preyed upon by others



# The Golden Rule vs. Integrity (Continued)

— [ In contrast integrity is something one does for oneself. It is actionable and does not require the cooperation of others

— It pays one to behave with integrity even if those around you are not, because those around you will trust you and that is valuable to you.

— [ Integrity is privately optimal and does not make one into a Pollyanna or Patsy that can be preyed upon.

— Just because you behave with integrity does not mean that you trust those around you who do not behave with integrity. You are not a Pollyanna or Patsy

— [ The result is workability, greater performance, greater value and joy; and in the equilibrium that results something close to the Golden Rule will be realized.

# Integrity and One's Relationship to One's Self, and Others

- [ It is my word through which I *define* and *express* myself, both
  - For myself, and For Others
- [ It is not too much to say that who I am **is** my word, both who I am for myself and who I am for others
  - It follows that, in order to be whole and complete as a person, my word to **myself** and **others** must be whole and complete

# One's Integrity and One's Relationship to One's Self, and Others

- [ But there is a problem: people systematically do not honor their word to themselves:
  - Remember what Chris Argyris concludes:
  - **“Put simply, people consistently act inconsistently, unaware of the contradiction between their espoused theory and their theory-in-use, between the way they think they are acting and the way they really act.”** (Argyris, Teaching Smart People How to Learn, Harvard Business Review, 1991)



# Self Disintegration

- [ Violating the law of integrity
  - that is, not honoring your word to yourself and others
  - results in Self Disintegration
- [ And Self Disintegration limits
  - “what you can be”

# Out-Of-Integrity Behaviour Prevents You From “Being All You Can Be”

- [ Said another way, each out-of-integrity act reduces your opportunity for performance
  - Thus reducing “what it is **possible** for you to be”
- [ And, each out-of-integrity act also reduces your ability to **realize** what “it is possible for you to be” in that now-shrunk opportunity set.

# What Is It Like To Be Whole and Complete As A Person?

[ When you honor your word to yourself and others:

- You are at peace with yourself, and therefore act from a place where you are at peace with others and the world, even those who disagree with or might otherwise threaten you.
- You live without fear for your selfhood, that is who you are as a person.
- No fear of losing the admiration of others
- You do not have to be right; allows you to act with humility naturally
- Everything or anything that someone else might say is ok for consideration, no need to defend or explain yourself, or rationalize yourself, you are able to learn

[ Often mistaken as courage where in fact courage is not required because there is no fear. This is a result of being whole and complete, that is, being a man or woman of integrity

# A Picture of Integrity

— [ What would your life be like, and what would your performance be, if it were true that:

- You have done what you said you would do and you did it on time
- You have done what you know to do, you did it the way it was meant to be done, and you did it on time
- You have done what others would expect you to do , even if you never said you would do it, and you did it on time, including meeting all relevant ethical, moral and legal standards, or you have informed all others that you will not meet those expectations and standards.
  - and you have informed others of your expectations for them and have made explicit requests to those others.
- Your being, actions and words are consistent with what you say you stand for, who you hold yourself out to be for others and who you hold yourself out to be for yourself.

# Picture of Integrity: Continued

- [ And whenever you realized that you were not going to do any of the foregoing, or not going to do it on time:
  - You have said so to everyone who might be impacted, and you did so as soon as you realized that you wouldn't be doing it, or wouldn't be doing it on time, and
  - If you were going to do it in the future you have said by when you would do it, and
  - You have dealt with the consequences of your not doing it on time, or not doing it at all, for all those who are impacted by your not doing it on time, or not doing it at all
- [ In a sentence, you have done what you said you would do, or you have said you are not doing it; you have nothing hidden, you are truthful, forthright, straight and honest. And you have cleaned up any mess you have caused for those depending on your word.

# Picture of Integrity: Continued

— [And Almost Unimaginable

— [What if others operated in this way with you?



# END

## A NEW MODEL OF INTEGRITY: THE MISSING FACTOR OF PRODUCTION

Executive Program Seminar  
Olin School of Business, Washington University  
Kari L. Granger & Michael C. Jensen  
23 March 10

### Integrity Inventory

*For this assignment you will need something to write or type on, a partner and your calendar.*

- A. Take out your pre-seminar preparation where you identified:
  1. One area in which you would like to realize a significant breakthrough in your own personal performance or your life, and
  2. One area in which you would like to realize a significant breakthrough in the performance of your team, unit or organization.
- B. Be ruthlessly honest in developing a rigorous list of instances for each of the areas listed above in the following three categories:
  1. Where in this area you are IN integrity, that is, where you are honoring your word.
  2. Where you are OUT of integrity, that is, where you are not honoring your word.
  3. Where you are OUT of integrity by not having been clear on what your word consists of (examine all definitions of your word, including what is expected of you even though you have not explicitly given your word).
- C. What will you do to get back in integrity? How will you restore integrity in those areas where you are OUT of integrity?
- D. Go over the list with a partner.
  - *Note to partners: Be committed to your partner having all their spokes intact. Be a stand for them to experience the enormous power they will experience when they are 'in' integrity in those areas where they previously were not. Ensure they get everything possible out of this assignment – don't let them sell themselves short.*



- E. Allocate the necessary time in your calendar required to restore integrity in the way you listed it in Part C above. Set up times to meet or have conversations with your partner after this seminar to check in on each other on how you are doing in restoring your integrity in the areas you declared you wanted a significant breakthrough in.
- At least one meeting/conversation should be in the two weeks following the seminar.
  - At least one meeting/conversation should be 4-6 weeks following the seminar. You will decide if it makes sense to have more conversations.
  - After these two meetings/conversations, create a structure for yourself to keep the distinctions of integrity alive and present in your life.

**Note: Your listing should include all 6 types of your 'word'.**

- W1. What You Said: Whatever you said you will do, or will not do (and in the case of do, doing it on time). (Note: Requests of you become your word unless you have responded to them in a timely fashion.)
- W2. What You Know: Whatever you know to do, or know not to do, and if it is 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.
- W3. What Is Expected: Whatever you are expected to do or not do (and in the case of do, doing it on time), unless you have explicitly said to the contrary. (Note: What you expect of others is not for you their word.)
- W4. 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 makes what you have asserted valid for themselves.
- W5. 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.
- W6. Moral, Ethical And Legal Standards: The moral, ethical and legal standards which you have not explicitly declined are a part of your word.

**Tips:**

1. Integrity dealt with as a positive phenomenon is not a values measurement or a judgment of you! You are not 'right' or 'wrong', 'good' or 'bad', a 'success' or 'failure' if you are in or out of integrity. This is an accounting of the areas in your life where you are keeping or honoring your word, as well as areas where you are not keeping your word (by the giving of your word without knowing what was required of you), and not honoring your word.
2. This seminar promises an actionable pathway to dramatic increases in your and your organization's performance, quality of life, value creation and competitive advantage. As such, this assignment is designed to be a *rigorous* investigation, meaning a deep, intellectual, objective analysis is required of you and your integrity – in most cases this may be uncomfortable, but don't shy away – it probably means you're on to something big.
3. This exercise is designed to give you *power* in your integrity! Realizing you may not be in integrity in an area you never questioned before may initially seem to take power 'away' from you, but stick with it – and remember #1 – it's not a value judgment of you! The only way to create breakthrough results is to objectively find the areas where something is missing that would otherwise make a positive difference.
4. The goal of finding areas where you are out of integrity is to get back into integrity and you will thereby realize an expanded opportunity for performance. In doing so, you begin to realize the significance of what is implied when you give your word – and your word becomes something very powerful and meaningful, something you don't give lightly and when you do, you honor it for sure!
5. INTERACT WITH EACH OTHER! Hearing where others are in and out of integrity will shed light on your blind spots, and sharing will give you increased ownership over your integrity, and greater power in areas where you are out of integrity.

## A NEW MODEL OF INTEGRITY: THE MISSING FACTOR OF PRODUCTION

Executive Program Seminar  
Olin School of Business, Washington University  
Kari L. Granger & Michael C. Jensen  
23 March 10

### Veil of Invisibility

Consider the following two questions with respect to all dimensions of your life (e.g. personal, professional, family, organizational, etc...).

- a. Which of the factors contributing to the Veil of Invisibility are you most susceptible to? (see below)
- b. Are there certain situations where your vision is more clouded than others?

### A Summary of the Seven Factors Contributing to the Veil of Invisibility:

1 - **Integrity is a virtue:** For most people and organizations, integrity exists as a *virtue* rather than as a *necessary condition for performance*. When held as a virtue rather than as a factor of production, integrity is easily sacrificed when it appears that a person or organization must do so to succeed.

2 - **Self deception about being out-of-integrity:** People are mostly unaware that they have not kept their word. All they see is the 'reason', rationalization or excuse for not keeping their word. In fact, people systematically deceive themselves about who they have been and what they have done.

3 - **The belief that integrity is keeping one's word:** The belief that integrity is keeping one's word – period – leaves no way to maintain integrity when this is not possible, or when it is inappropriate, or when one simply chooses not to keep one's word. This leads to concealing not keeping one's word.

4 - **Fear of acknowledging that you will not be keeping your word or have not kept your word:** When maintaining your integrity (i.e., acknowledging that you are not going to keep your word and cleaning up the mess that results) appears to you as a threat to be avoided (like it was when you were a child) rather than simply a challenge to be dealt with, you will find it difficult to maintain your integrity.

5 - **Integrity is not seen as a factor of production:** This leads people to make up false causes and unfounded rationalizations as the source(s) of failure.

6 - **Not doing a cost/benefit analysis on giving one's word:** When giving their word, most people do not consider fully what it will take to *keep* that word. That is, people do not do a cost/benefit analysis on giving their word. In effect, when giving their word, most people are merely sincere (well-meaning) or placating someone, and don't even think about what it will take to keep their word.

7 - **Doing a cost/benefit analysis on honouring one's word:** Conversely, people almost universally apply cost/benefit analysis to *honouring* their word.

# Structure For Honoring Your Word: Bringing Integrity To Your Life

## **A New Model Of Integrity: The Missing Factor Of Production**

Executive Program Seminar

Olin School Of Business,

University of Washington St. Louis

March 23, 2010

**Kari L. Granger**

Center for Character and Leadership Development, Fellow  
United States Air Force Academy

© 2008-2010 W. Erhard, M. Jensen, Landmark Education LLC.. All Rights Reserved.

# Leadership Could Be Defined As....

The realization of a future  
that wasn't going to happen anyway,  
that fulfills (or contributes to fulfilling)  
the concerns of the relevant parties.

In the areas in which you said you wanted a significant breakthrough with respect to your or your organization's performance,

- What is the future that is not predictably going to happen that you are committed to having be realized?

We will call this future that is not going to happen anyway, the Created Future.

# What future are you organized for?

- If you look at your calendar, what are you organized for? What do you see?
- What future is your calendar fulfilling on? Is what you are spending your time on in fulfillment of the created future?
- How are you organized for the predictable future? (the future that was going to happen anyway)

# Everything there is for you to do and handle in life

- Things you said you would do
- Things you were asked to do
- Things you always wanted to do
- Recurring things
  - Expense reports
  - Backing up computer files
  - Balancing checkbooks
  - Haircuts
  - Mowing the lawn
  - Doing the wash
  - Things you do over & over
  - Handling email
- Things in your physical environment that need attention
  - Clean your house
  - Clean your office
  - Clean the spaces around you
  - Caring for your clothing
- Project Management
  - Reporting on progress
  - Tracking progress
  - Managing timelines

# Everything there is for you to do and handle in life

- Things you said you would do
- Things you were asked to do
- Things you always wanted to do
- Recurring things

- Expense reports
- Backing up computer files
- Balancing checkbooks
- Haircuts
- Mowing the lawn
- Doing the wash
- Things you do over & over
- Handling email

- Things in your physical environment that need attention

- Clean your house
- Clean your office
- Clean the spaces around you
- Caring for your clothing

- Project Management

- Reporting on progress
- Tracking progress
- Managing timelines

## Training, development & education

- Seminars to go to
- Classes to go to
- Seminars to teach
- Professional education
- New computer programs to learn
- Physical Fitness
- Training others
- Learning to use your new GPS device on your car

## Things to do with finances

### Message Management

- Incoming calls
- Office voicemail
- Cell Phone messages
- Mail & memos
- Calls you need to make



# Everything there is for you to do and handle in life

- Things you said you would do
- Things you were asked to do
- Things you always wanted to do
- Recurring things

- Expense reports
- Backing up computer files
- Balancing checkbooks
- Haircuts
- Mowing the lawn
- Doing the wash
- Things you do over & over
- Handling email

- Things in your physical environment that need attention

- Clean your house
- Clean your office
- Clean the spaces around you
- Caring for your clothing

- Project Management

- Reporting on progress
- Tracking progress
- Managing timelines

## Training, development & education

- Seminars to go to
- Classes to go to
- Seminars to teach
- Professional education
- New computer programs to learn
- Physical Fitness
- Training others
- Learning to use your new GPS device on your car

## Things to do with finances

### Message Management

- Incoming calls
- Office voicemail
- Cell Phone messages
- Mail & memos
- Calls you need to make

## Writing/Reading Projects

- Writing reports and memos
- Reports to read
- Piles of reading

## Management Activities

- Performance Evaluations
- Coaching

## Organizing and prioritizing

- Things on your to do lists
- Things you should do
- Urgent things
- Deadlines
- Interruptions

## Meetings

- To plan for
- To attend
- To write reports for
- Invitations to send

# Everything there is for you to do and handle in life

- Things you said you would do
  - Things you were asked to do
  - Things you always wanted to do
  - Recurring things
    - Expense reports
    - Backing up computer files
    - Balancing checkbooks
    - Haircuts
    - Mowing lawns
    - Doing the wash
    - Things you do over & over
    - Handling errands
  - Things in your physical environment that need attention
    - Clean your room
    - Clean the spaces around you
    - Caring for your clothing
  - Project Management
    - Reporting on progress
    - Tracking progress
    - Managing timelines
- Off-sites**
- Writing reports and memos**
- Managing your finances**
- Volunteering**
- Church committees**
- Neighborhood activities**
- Coaching sports**
- Political activities**
- Girl scout cookies to sell**
- Donations to make**
- Training, development & education**
- Seminars to go to
  - Classes to go to
  - Seminars to teach
  - Professional education
  - New computer programs to learn
  - Physical Fitness
  - Training others
  - Learning to use your new GPS device on your car
- Message Management**
- Incoming calls
  - Office voicemail
  - Cell Phone messages
  - Mail & memos
  - Calls you need to make
- Spiritual activities**
- Exercising**
- Doctors & dentist visits**
- Buying clothes**
- Holidays/Vacations**
- Hobbies**
- Your love life**
- Flights to take**
- Trips to plan**
- Writing/Reading Projects**
- Writing reports and memos
  - Reports to read
  - Things to read
  - Management Activities
  - Performance Evaluations
  - Organizing and prioritizing
  - Things on your to do lists
  - Things you should do
  - Urgent things
  - Deadlines
  - Interruptions
- Meetings**
- To plan for
  - To attend
  - To write reports for
  - Invitation to send

**ETC.**

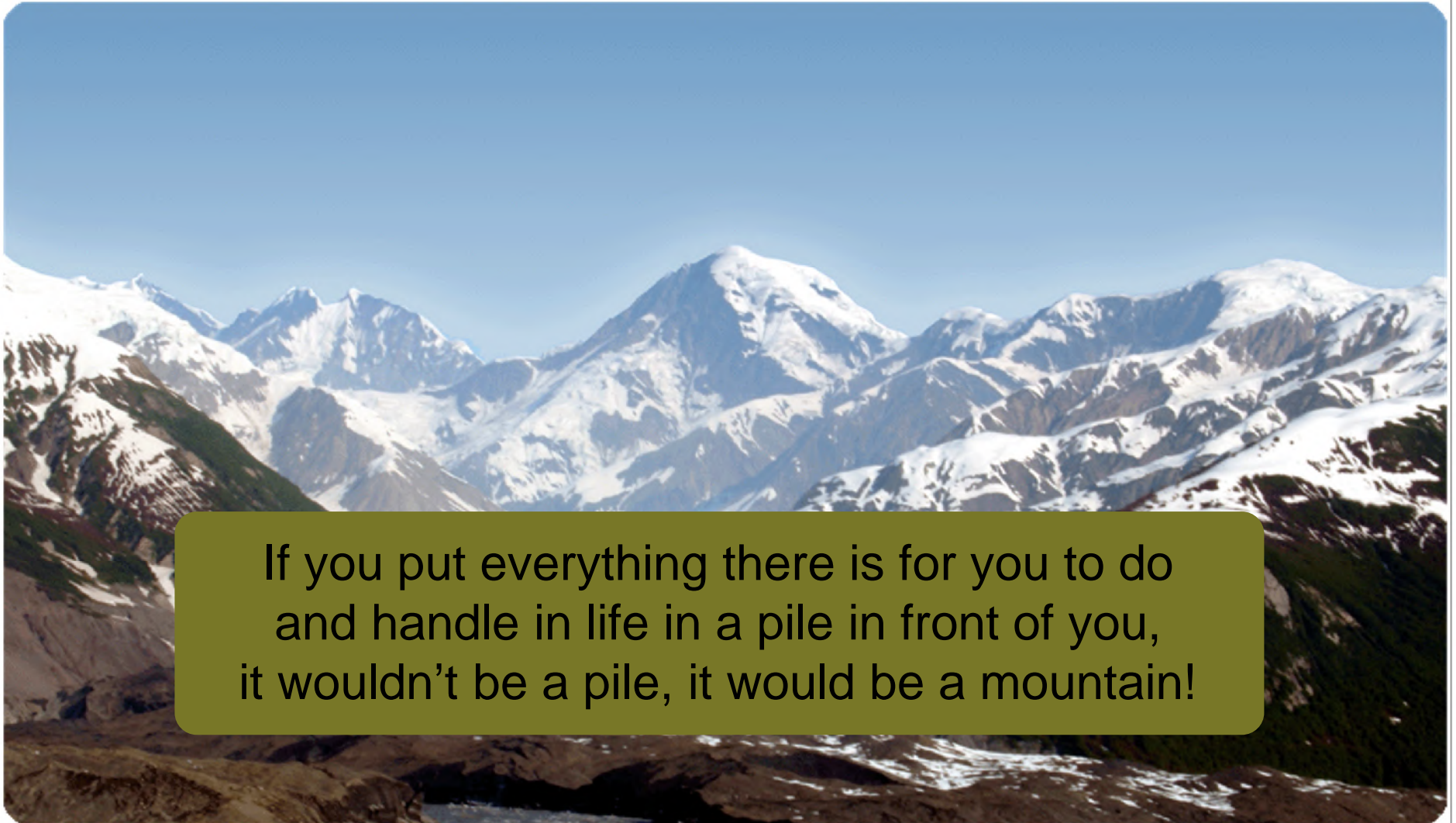
ETC. ETC. ETC.

[illegible]

Electronic copy available at: <https://ssrn.com/abstract=1559827>



**What is your overall  
experience of the totality  
of everything there is for  
you to do and handle in  
life?**



If you put everything there is for you to do  
and handle in life in a pile in front of you,  
it wouldn't be a pile, it would be a mountain!

# Everything There Is For You To Do And Handle In Life

The big question is,

Is it actually possible for anyone to get done everything there is for them to do or handle?

**NO!**

## NOTICE...

### The habit of “trying to get it all done”

1. You understand that you will never get it all done – **but you still hope you can!**
2. It makes intellectual sense that you will never get it all done, **but you still want to try!**
3. It is interesting to consider that you will never get it all done, but **you are the exception!**
4. It's obvious that you will never get it all done, but you habitually **think you should get it all done!**
5. Good people should get it all done, & are failures if they don't & since you are a good person you will - get it all done, anyway – **even if you can't!**



# Getting it all done and handled

The common ways of being, strategies, and practices for getting it all done leave you with

- Insufficient energy (vitality)
- The inability to focus to full completion
- Procrastinating
- Doing the routine rather than the creative and challenging
- Confusing frenetic activity with constructive action

## 21<sup>ST</sup> Century Reality

- It is not possible to get it all done! No matter how much more you increase your output each day, you still will not get it all done!
- No matter how much you reduce the demands on you, you still will not get it all done!
- Not confronting the fact that you will never get it all done allows you to hope you might get it all done someday.
- When you die, you will die without having gotten it all done!

Trying to get it all done

Your **habit** of trying to get it all done  
will not go away easily! It will be  
one of the most **unrelenting** habits  
you may ever take on altering!

**You will never get it all done!**  
**(And, it doesn't mean there is something wrong with you!)**

## Expanding Your Foundation Of Integrity

Given the current foundation of integrity with which you are operating, it will be all too easy to look outside of yourself to account for why the created future has not been realized. It will look to you as if it is the other people in your life or any number of external factors (e.g. politics, resources, funding, time, etc) that is preventing the created future, the magnificent one you once created, from being realized.

And, given the level of integrity with which you are currently operating, rather than realize the created future, you will satisfy yourself with reasons, excuses, justifications and dramatic tales of the great injustices you face. If only 'they' would get in step, the created future could be realized, but alas, they just don't get it, do they?

Some of you will even trade busy martyrdom for the created future. If only you could get it all done, then you'd have time for the future, the future you gave your word to.

## Expanding Your Foundation Of Integrity

When attributing the lack of results to some set of circumstances, you end up honoring your reasons rather than honoring your word, all the while being sincere in your desire to realize the created future. In doing this, you become blind to your level of sincerity that displaces integrity, which is a necessary condition for performance.

This blindness to the impact of your own integrity on the realization of the created future will cost you the created future.

## Expanding Your Foundation Of Integrity

To expand your foundation of integrity to be sufficient for the realization of the created future, you will need a powerful answer to the question,

**Where Is Your Word When It Comes Time For You To Keep Your Word?**



# Where Is Your Word When It Comes Time For You To Keep Your Word?

“We all know that when we give our word, our word is so to speak in our mouths (and if we are awake, then also in our ears in being aware that we have just given our word). When one is giving one’s word, one’s word exists in one’s mouth, but exists there only for the duration one is speaking.

The question is where does your word go – where does your word exist – after you have closed your mouth? More critically, the question is where is your word when it comes time for you to keep your word?” (Erhard, Jensen and Zaffron, 2008)

## SIDE BAR: Where Does Your Word Exist?

If we asked you to reach for your wallet, where would you reach? You would likely go to the place where you left it last. You would look for your wallet where you last left it because, through your experience, you have come to realize a fundamental aspect of the nature of objects. That is, unless acted upon by some outside force, objects stay put.

Now, if we asked you to reach for the word you gave, where would you reach? Where does the word you gave exist?

When you give your word, your word exists in your mouth, more specifically in language, and even more specifically, your word exists in conversation.

If the nature of objects is they stick around, what is the nature of conversations? Once you have already given your word, where does it go?

## SIDE BAR: Where Does Your Word Exist?

The nature of conversations including conversations in which you give your word is that they disappear.

Conversations aren't like objects. Unlike your wallet, conversations don't just stay where you left them. Conversations disappear, especially new conversations.

Your word, including your word regarding the created future, is a new conversation and therefore, its nature is to disappear.

Most people attempt to deal with this by using their memory as the existence structure for their word. They erroneously believe they will remember whatever is required of them to honor their word when they give their word. And, if you are like most people, your memory is a bad existence system, completely unreliable for honoring your word.

# Where Is Your Word When It Comes Time For You To Keep Your Word?

In the midst of all there is to do and handle in life and now that we know we will never get it all done...

Being reliable in honoring your word and having a foundation of integrity necessary for the realization of the created future requires an **existence system** beyond your memory. To have such an existence system, one that provides a powerful answer to the question, Where Is Your Word When It Comes Time For You To Keep Your Word, you must confront when things *actually get done*.

# The Nature Of What Actually Gets Done

With each and every thing  
that you in fact **do**  
or in fact **handle** in life,  
there is an attribute that is  
**always** and unfailingly present.

The question is,  
What is always unfailingly present when something  
actually gets done?

# What Is Always Required To Do Something

What is always unfailingly present when something actually gets done?

**A “NOW” IN WHICH TO DO IT**

# The Time Called Now

What is always unfailingly present when something actually gets done, is the kind of time called *now*.

If something got done, there was a time called *now* to do it in.

People talk about what they are going to do someday, but someday never comes. It is not possible to do something someday. If you listen to what people say is going to happen someday, you know that amazing stuff is going to happen someday.

The truth is that it's never going to be someday. Someday will never come. And as for the stuff that you are going to make happen later, or tomorrow, or next week... none of those kinds of somedays, actually ever happen. When you are actually doing or handling something, it is never actually later, or tomorrow, or next week.



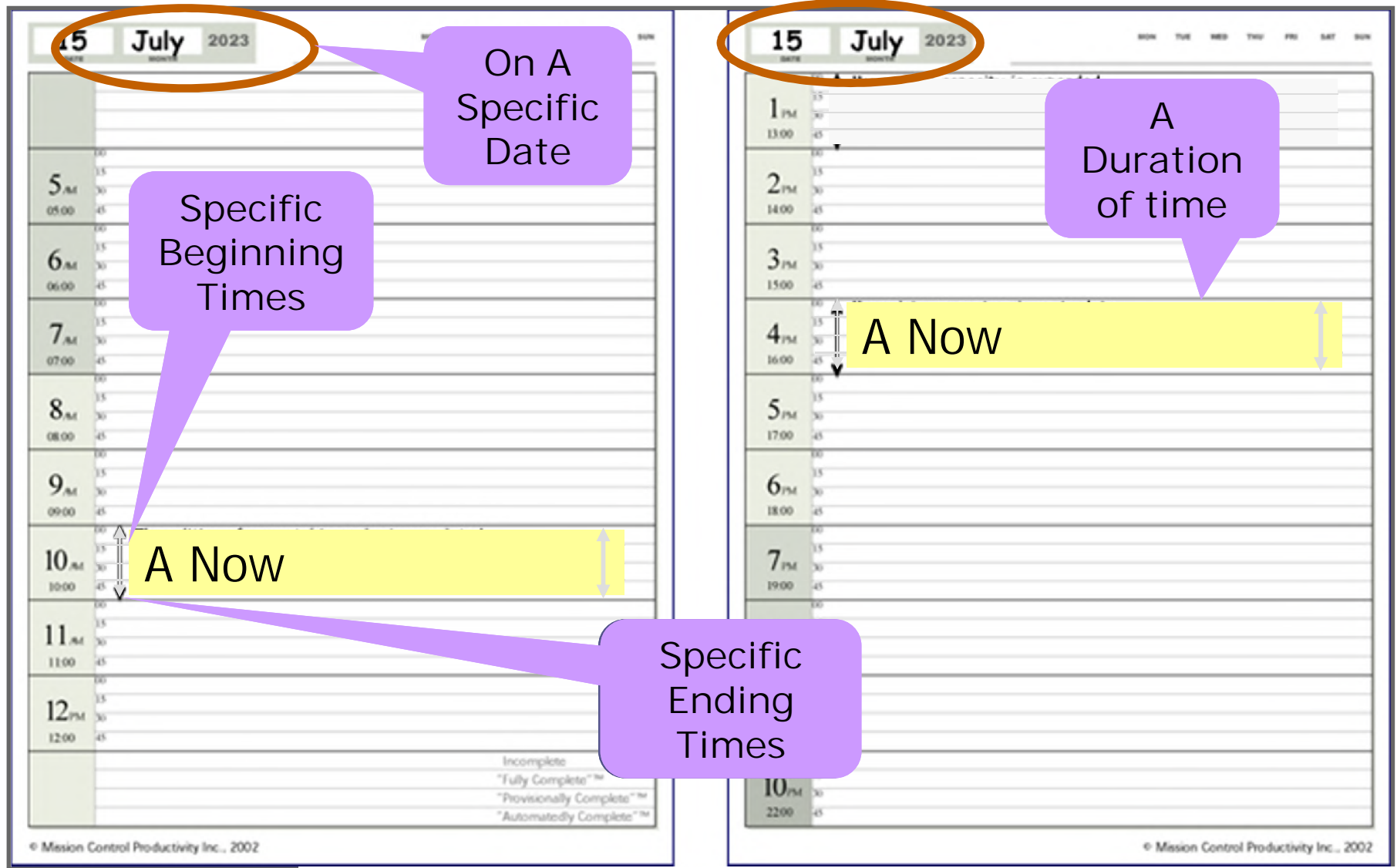
## The Time Called Now

While people talk about doing something “someday”, you cannot **do** something “someday”; “someday” has no *now* in which to do it.

If there is no *now*, there is no accountability for completing something. When you actually **do** something, you will be doing it *now*.

How long is *now*? There are two kinds of *now*. *Now* can exist as an instant of time or as a period of time. The kind of *now* required for doing something is a period of time on a specific date, starting at an exact beginning time, and ending at an exact ending time.

# The Time Called Now



# The Truth About Each And Every Thing There Is For You To Do And Handle

If I have a now in which to do something, it is *What I Am Doing Now*. Once you are clear what a now is, you will see that with each and every thing there is for you to do and handle, there is only ever

- 1) *What I Am Doing Now* for which you have a *now* in which to do it, OR
- 2) *What I Am Not Doing Now* for which I do not have a now in which to do it.

Given the mountain of all there is for you to do in handle in life, we will soon explore more fully how to powerfully manage *What I Am Not Doing Now*.

# The Application Of What I Am Doing Now

A created future is realized in time. More specifically, a created future is realized in time that is committed for fulfilling on your created future.

If we talk **about** the created future without putting in the necessary structure to fulfill on that created future, we have had what is called a social conversation. That is, if we don't create sufficient *nows* when we give our word, we have only had a social conversation, not a promise with the integrity required to bring that promise into existence.

Creating *occasions* in which to complete what you choose to do or handle is the first step in organizing yourself for the created future.

# Organizing For The Created Future: What I Am Doing Now

To create an occasion, schedule a now of sufficient duration with a specific starting and ending time to complete something there is for you to do or handle.

You take what there is to do or handle or produce and transform it into an accomplishment for yourself.

State that something as an accomplishment, a result completed connected to a fundamental concern or commitment that moves you into action. Occasions act as a compelling opening for action that reliably and powerfully call you into action.

## Creating Occasions: An Example

The research directorate team has declared a created future  
*“By 2015, we are the Premier Center for Leadership – internationally recognized for our cutting edge research and program development in the leadership discipline.”*

They have cleared out what is not consistent with that future from their calendars. They are now intentionally creating occasions that pull them forward in realizing that created future.

*On Friday, 3 July, starting at 12:30 with an effective alarm or alert that I cannot help but notice, and ending at 13:30:*

*“We are on the cutting edge of leadership research – Joe and I synthesized recent research on ‘Authenticity’ and have made new connections to our model.”*

MT	
05 00	
	☀️ I have plenty of time - Drive
06 00	☀️ I'm healthy and feel good (Base Gym)
	☀️ I'm clean and look professional (Shower)
07 00	☀️ I have plenty of time - Drive
	☀️ I am caught up and complete to start the day doing Email
08 00	
09 00	☀️ 08:50-09:50 I am connected, educated and aligned auditing P&I (4D49)
10 00	☀️ I am trained and developed as someone who can deliver effective leadership programs (Andrew will call me at office)
	☀️ I am knowledgeable about what my academic community values - look up references
11 00	
12 00	☀️ I am healthy and connected (lunch)
	☀️ I am peaceful and available - responding to interruptions
13 00	☀️ I have created a powerful course creating the syllabus for Beh Sci 480
14 00	☀️ I am prepared, excited, and inspired to lead 310 class
15 00	
	☀️ USAFA CC's are trained and developed - I hafve uploaded 360 feedback names
16 00	
	☀️ I am caught up and complete to end the day (Email)
17 00	☀️ I'm home on time (drive)

## Exercise Part III: Practicing The Existence System

1. Imagine yourself successfully standing in your created future, look back to see what actions you took that resulted in the realization of your created future. What did you accomplish? What actions did you take? Who did you talk to?
2. Take what you created above and turn them into occasions in your calendar for what you are doing *now*.



## Bringing Integrity To Your Calendar Of Occasions

You now have an answer to the question, “Where Is Your Word When It Comes Time To Keep Your Word.” Your Calendar of Occasions will only work as long as you relate to what you put in your calendar as your word. In other words, occasions are not something you ‘try’ to do. Rather, the Calendar of Occasions requires a powerful relationship to your word. As you now know, “Without integrity, nothing works”.

So you have scheduled a now (or series of nows) to do what you have given your word to, what about the items that you can’t schedule or aren’t willing to schedule?

As we said earlier, to realize a created future, you will need to expand your foundation of integrity, you will need a powerful way of dealing with not only what actually gets done, but given you will never get it all done, you will need a powerful way of dealing with what you are not doing now.

© 2001-2010 Mission Control Productivity, LLC, © 2008-2010 W. Erhard, M. Jensen, Landmark Education LLC. All Rights Reserved.

# Organizing For The Created Future: What I Am Not Doing Now

You must have a way to deal with the fact that you will not get it all done.

What I Am Not Doing Now consists of those items that you do not have a *now* for, but the totality of which you can confront without any sense of overwhelm. What you can see being able to create a *now* for in the foreseeable future. Until these items are scheduled into the Calendar of Occasions, they are not being done.

Lastly, is the category What I Am Never Doing Now and consists of everything else. These are all the things that you will get to 'someday'. To be in integrity, you will need to notify each person who cares that you are never doing that now.

# A Structure For Honoring Your Word

Everything you have to do and handle in life is captured in one of the following:

1. Calendar of Occasions
2. What I'm Not Doing Now (no "now" scheduled, but small enough to be able to schedule over your relevant scheduling horizon)
3. What I'm Never Doing Now (no "now" scheduled and not on the horizon to be scheduled)
4. One and Only One "Capture Tool" to catch everything throughout the day (small notebook/PDA/etc)

# Nothing To Remember

**If you follow this system, at any moment in time, you nothing to do other than what you are currently doing.**

Because everything you have given your word to exists in this system, you are left able to give your full self to whatever you are dealing with from moment to moment as a leader.

You now have a structure for honoring your word.

# A Review Of Our Promises & Commitments

Our Promise to You: You will leave this seminar with an actionable pathway to dramatic increases in you, your family, and your organization's performance, quality of life, value creation and competitive advantage.

Review what you said you were committed to producing for yourself and what you said you were committed to providing for others today (consult the sheet you produced this morning).

## Reflecting On What You Got Out Of Today

- Take a few minutes and write down what value you generated for yourself today.
- Write down anything you would like to give your word to.

# A More Thorough Coverage Of These Ideas

This presentation is derived from the Mission Control Productivity Workshop presented by Mission Control Productivity, LLC. For more information on the full workshop and other presentations, see:

Website: [www.missioncontrol.com](http://www.missioncontrol.com)

Contact: [questions@missioncontrol.com](mailto:questions@missioncontrol.com)

1-888-793-8323 or 1-707-554-2773

# Protected Terms

The following terms are protected by Mission Control Productivity, LLC:

- Now
- What I Am Doing Now
- What I Am Not Doing Now
- What I Am Never Doing Now
- Occasion
- Capture Tool



End

© 2008-2010 W. Erhard, M. Jensen, K. Granger. All Rights Reserved.

# **A NEW MODEL OF INTEGRITY: THE MISSING FACTOR OF PRODUCTION**

Executive Program Seminar  
Olin School of Business, Washington University  
Kari L. Granger & Michael C. Jensen  
23 March 10

## **Structure for Fulfillment**

*For this assignment you will need something to write or type on, a partner and your calendar.*

### **Part I: Declare your created future:**

1. State the future that is not predictably going to happen that you are committed be realized.

### **Part II: What future are you organized for?**

2. If you look at your calendar, what are you organized for? What do you see?
3. What future is your calendar fulfilling on? Is what you are spending your time on going to fulfill the created future?
4. How are you organized for the predictable future? (the future that is going to happen anyway)

### **Part III: Practice in Creating A Sufficient Existence System:**

5. Imagine yourself successfully standing in your created future, look back to see what actions you took that resulted in the realization of your created future. What did you accomplish? What actions did you take? Who did you talk to?
6. Take what you created above and turn them into occasions in your calendar for what you are doing *now*.

#### Elements of an Occasion:

- a. It has a specific starting and ending time.
- b. It is of sufficient duration (if something takes you five hours, you may have five hours blocked off, or you may have five 1-hour sessions).
- c. It is stated as something accomplished connected to your created future.
- d. It includes the specific action you are taking.

[End]