



LEADER AS AN INTEGRITY BUILDER

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Session outlines

- Integrity leader/ integrity builder
- Ethical dilemma during decision making
- Solving integrity problem
 - ▣ Compliance vs. Integrity



- Think of an ideal person who you find with high integrity. Why?
- Please share some of his/her characteristics.
- Individual Work .



□ Characteristics of Integrity Leader

□ Is it enough ?



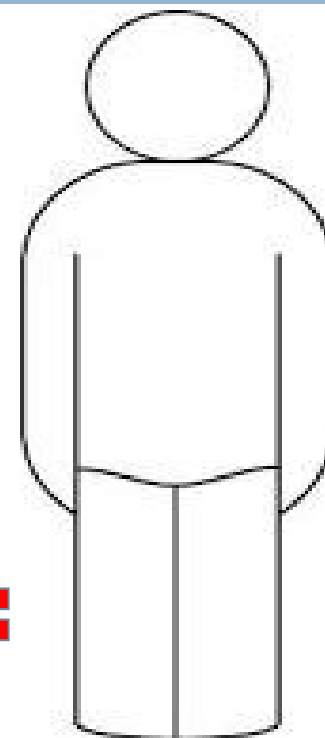
Integrity Leader and Builder

Integrity leader

- Consistency in actions
- Committed to do the right thing for the right reason.
- Shows concerns on public interest
- Transparency
- Believes in zero tolerance to corruption



- Establishes and constructs ethical culture
- Communicates and follows ethical standards consistently
- Innovates and takes risk
- Shows courage



**Integrity
Builder**

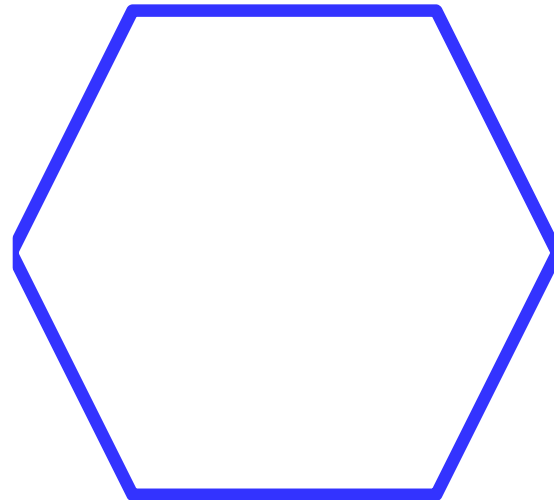


Core Characteristics of Toxic Leader

1. Commitment to public interest

2. Incorruptibility

3. Consistency of goal



4. Experimentation

5. Competence

6. Institutional intelligence

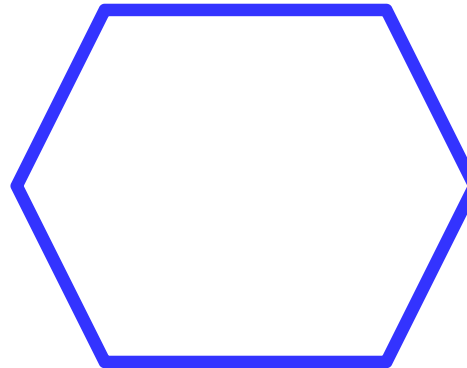


Core Characteristics of Popular and Self-serving Leader

1. Commitment to public interest

2. Incorruptibility

3. Consistency of goal



4. Experimentation

5. Competence

6. Institutional intelligence



Core Characteristics of Integrity Builder

1. Commitment to public interest

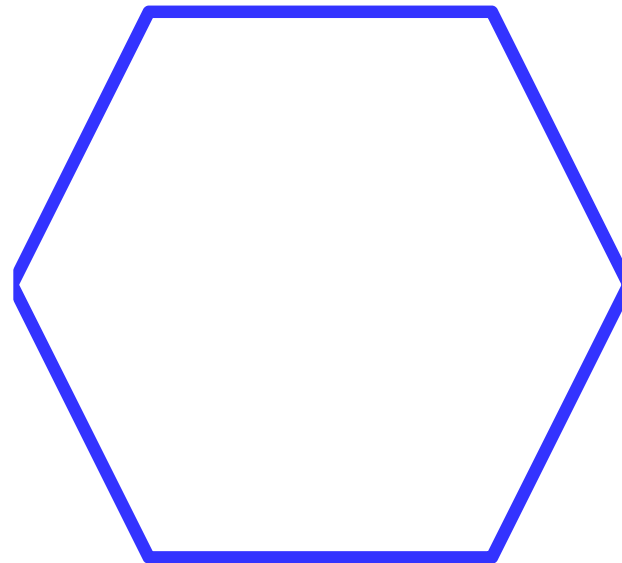
2. Incorruptibility

3. Consistency of goal

4. Experimentation

5. Competence

6. Institutional intelligence





Integrity Building Approaches

- A lawyer's approach
 - ▣ Toughening laws & legislations
- A businessman's approach
 - ▣ Offering incentives to officials to disengage from corruption (buy out corruption).
- A market or an economist's approach
 - ▣ Introduce or increase competition
- An institutional approach
 - ▣ Genuine political/leadership commitment



Ethical Dilemma

- An ethical dilemma is the situation
 - to choose between two options, both of which are morally correct but in conflict.
- Ethics and morals are inseparable. They both deal with questions of right and wrong. What constitutes ethical behavior is determined by societal or cultural norms. What constitutes moral behavior is up to the individual to decide based on his own sense of right and wrong.



Ethical Decision Making

- E:\Presentation at NASC\Decision Making\Ethical Dilemma (360p).mp4



Ethical Framework for Decision Making

Five Sources of Ethical Standards for Decision Making

The Utilitarian Approach

The ethical action is the one that will produce the greatest balance of benefits over harms.

The Rights Approach

The ethical action is the one that most dutifully respects the rights of all affected.

The Fairness or Justice Approach

The ethical action is the one that treats people equally, or if unequally, that treats people proportionately and fairly.

The Common Good Approach

The ethical action is the one that contributes most to the achievement of a quality common life together.

Virtue Approach

The ethical action is the one that embodies the habits and values of humans at their best.



Forethought....

- We encountered lots of ethical dilemma in our everyday life, but when we make decision we need to follow/base on an appropriate approach.



Integrity building: compliance v/s integrity

- When going on the journey of integrity leader has to choose various approaches
 - Based on compliance (reactive and proactive)
 - Based on integrity building (reactive and proactive)



Compliance Approach

- ❑ A Compliance Approach to reducing corruption and/or solving integrity or ethical challenges is characterized by being:
 - Rules-based
 - Focused on the application and enforcement of rules and procedures
 - Adversarial: naming, shaming, litigation
 - Problem-focused
 - Less Discretion



Integrity Approach

- The Integrity Approach to reducing corruption and/or solving integrity or ethical challenges is characterized by being:
 - Values-based
 - Aware of discrepancies between policies, rules and laws, and its implementation
 - Collaboration-focused
- - Solution-focused
 - More discretion



Proactive

Reactive

- Compliance training
- Integrity testing
- Zero tolerance policy
- Code of Conduct
- Business Collective Action
- Supplier “white lists”
- Rewards to whistle-blowers
- Integrity Pact

Medium return, Medium risk

- Whistle-blower hotline
- Whistle-blower protection
- Supplier “black lists”

Low return, Low risk

- Community Integrity Building
- Multi-stakeholder initiatives with oversight
- Integrity as competitive differentiator
- Holistic/step change

High return, High risk

- Ethics advice center
- Ethics officer
- Code of Ethics
- Compliance-plus ethics

Low return, Low risk

Compliance

Integrity

Adopted from Integrity Action



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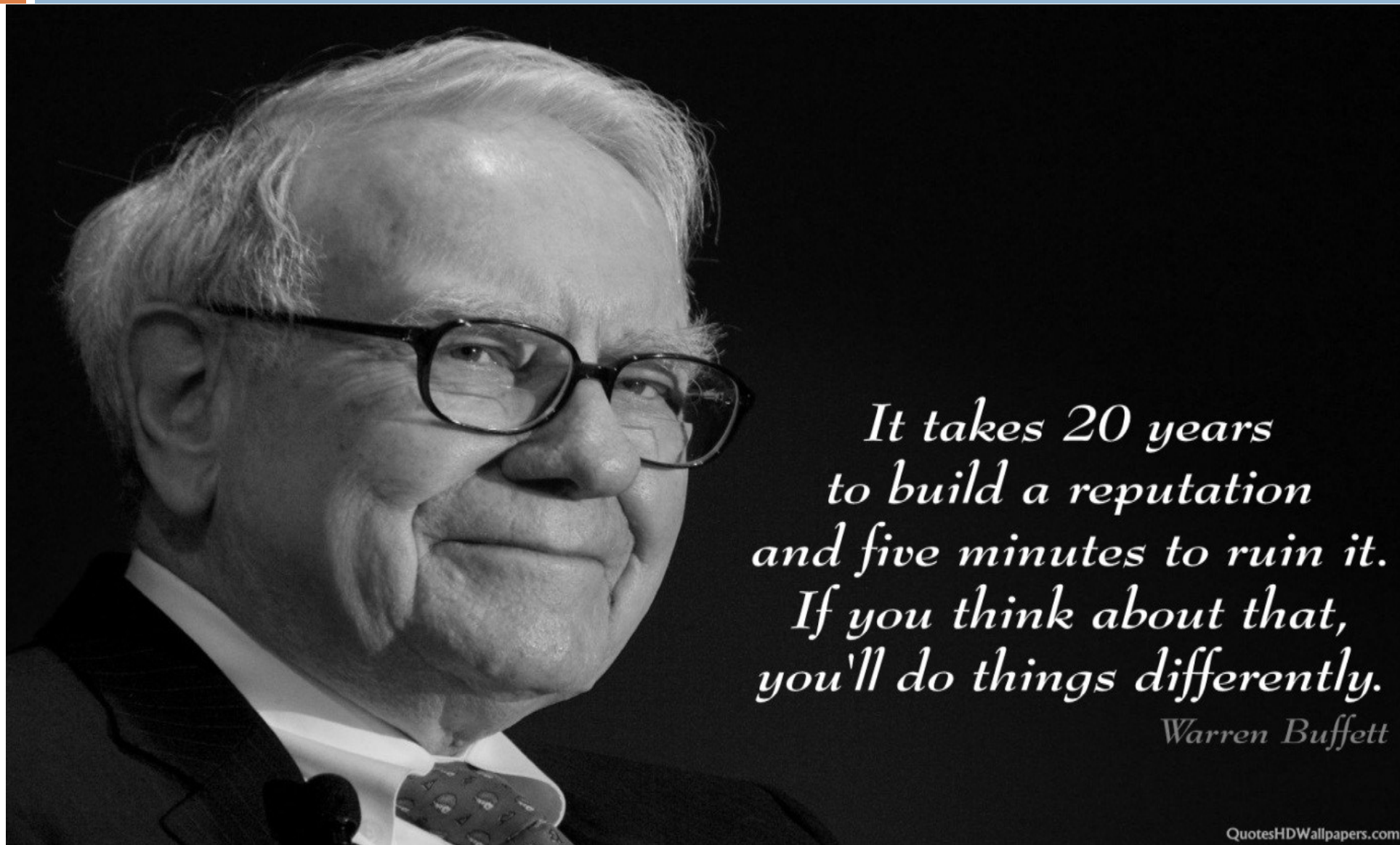


Conclusion

- ❑ No single way or quadrants is enough.
- ❑ But everyone base their action based on one way and move to and fro.
- ❑ Integrity leader based their efforts being on reactive compliance to proactive integrity and Integrity builder based their approach based on proactive integrity and use reactive compliance as on means when necessary.



Thank you



*It takes 20 years
to build a reputation
and five minutes to ruin it.
If you think about that,
you'll do things differently.*

Warren Buffett