

THE CALL FOR INTEGRITY

By RaeAnne Marsh

Walk three miles to return a penny? Granted that when Abraham Lincoln is reputed to have made this trek, the penny's buying power was somewhat greater than today, the action is evidence that integrity mattered to him.

In spite of headlines screaming examples of the opposite, integrity is a value espoused by many of today's business leaders. Internationally known sports executive Jerry Colangelo, of JDM Partners, believes his reputation for integrity is what enabled him, in his negotiations with a player or an agent, to do a deal on a handshake. "The deal was done; the paperwork followed, but no one needed to worry. Operating with integrity, you have trust," he says, affirming, "Integrity is not optional in business!"

Jun Li, VP and chief governance and compliance officer of electronics distribution powerhouse Avnet, states that Avnet formally identified integrity as its number one core value about 10 years ago. "Avnet, as a distributor, is in the business of relationship," he explains. "How we go about building that trust is critical." The company culture is built on a belief that, at all levels, relationship has to be anchored on integrity. "At the employee level, Avnet is a company they're proud to be associated with. At the business level . . . our mission is to be the premier distributor, and 'premier' is defined as associating the brand with an upstanding company."

While corporate culture starts at the top, businesses are challenged to ensure the message is consistent throughout the organization, whether that's a handful of employees or, as in Avnet's case, 17,000. Russell Johnson, president and CEO of Merchants Information Solutions, which helps businesses screen potential employees, says he's seen an increased interest in the past couple of years by organizations wanting to do more than traditional background screening. "They downsized, and now want to be as careful as possible in making the right decision in who they hire," he explains, observing that companies are realizing there are tremendous consequences of a lack of integrity in their work force. He refers to a recent Cornell University study in the hospitality industry that found there was an 846 percent return on investment over the cost of the pre-employment integrity testing. "Companies will see a reduction in turnover, and workers comp claims drop dramatically," he says. But, he observes, "the notion of integrity — how you conduct yourself — you can't put a price tag on that." Recalling his 20-year career in banking before coming

to Merchants Information Solutions in 2004, he says, "You learn early in that profession that your word is your bond. Your personal reputation, your professional reputation — if people can't trust you, who you are and what you're representing yourself as, you really don't have much."

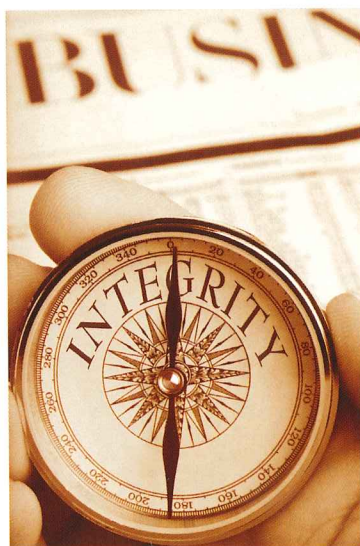
Media consultant Gregg Ostro, of Go Media, was inspired by his work with Merchants Information Solutions' integrity testing product and conversations on the subject with Colangelo to found Integrity Business Institute. "Integrity is all we really have," he says. The Institute's mission is to show why integrity must be the number one core value in an organization — and that the organization will profit from it.

"Corporate integrity is, to me, so very important," says Sharon Harper, president, CEO and co-founder of Plaza Companies, which focuses on developing and managing healthcare and biotech facilities and senior living projects. She notes that corporate integrity should not be confused with not making a profit, as that

is a company's responsibility to investors and employees, but "also addressing the greater needs of society is integral to good business practices." She believes in the triple bottom line promoted by economist John Elkington: people, planet, profit.

Engaging the community in the company's projects is a hallmark of Plaza Companies operations, and Harper credits that ethic with contributing to the success of individual projects and the company as a whole. "Impacting the communities in a way that carries on forever is what integrity is all about," she says. "Our economy and our society benefit if companies focus not only on their bottom line but on doing things a better way."

"It's time to make integrity the predominant value!" says Colangelo. "Look at the recent breaches of integrity that have cost big: A stock insider deal sank the career of a Berkshire Hathaway executive and damaged their brand, *News of the World* shut after a century-plus of success . . ." On the plus side of integrity, he cites Avnet, Plaza Companies and other businesses involved in Integrity Business Institute as he points to "the huge, enduring successes of well-known companies who make integrity number one."



Direct sources:

Sharon Harper, Plaza Companies
Russell Johnson, Merchants Information Solutions
Jun Li, Avnet
Gregg Ostro, Go Media

Indirect sources:

Jerry Colangelo, JDM Partners