

Why Business, Nonprofits, and Education Must Partner to Energize a Commitment to Character, Ethics, and Integrity

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Author's Acknowledgement

I'd like to begin by extending my heartfelt thanks to Garry Frank for his invitation to participate on the occasion of the inaugural Herb and Karen Baum Symposium on Ethics and the Professions. It's indeed a great honor for me to be here today. I'd like to thank Sandy Hatfield-Clubb for her warm introduction. Over the past two plus years I've had the great pleasure to collaborate with Sandy and her administrators, coaches, and student-athletes. Sandy is a passionate advocate for creating an intentional culture of excellence and ethics. I respect and admire her and her staff. I'd like to thank Scott Raecker and his team at Character Counts in Iowa, with whom our Institute for Excellence & Ethics (IEE) has proudly partnered for nearly five years. During the time of our partnership we have worked together to advance the cause of character and ethics in school, sport, workplace, and youth development.

INTRODUCTION

The Institute for Excellence & Ethics (IEE) is a nonprofit organization dedicated to the development and dissemination of research-based tools and strategies for building intentional cultures of excellence and ethics. At IEE we develop teaching and learning resources, conduct professional development, design and deliver assessment tools and services, and provide organizational consulting to our partners and clients both nationally and internationally. In Iowa, we have partnered with Character Counts in Iowa to advance our mutual commitment to developing excellence and ethics. The IEE work focuses on eight broad groups of essential competencies drawn from our own field research and the existing theoretical and empirical knowledge about factors that contribute to—or detract from (when missing or underdeveloped)—individual and organizational success.



Overview

I've been asked to share some thoughts based on our work regarding why business, nonprofits and education must partner to energize a commitment to character, ethics, and integrity. I could probably answer this quickly and persuasively by simply recommending that you read the newspapers of today, yesterday, and yesteryear. Take any newspaper from anywhere in the world on any day and you will read story after story illustrating the net cost to society resulting from the lack of character, ethics, and integrity. In the breaches of integrity observed in government, sport and entertainment, church and community, and in every business sector, we see again and again the cost of poorly formed and/or underdeveloped character, ethics, and integrity. So, why must business, nonprofits and education partner to energize a commitment to character, ethics, and integrity? One major reason: atrocities great and small against humanity, by humanity.

In her book, *The Economics of Integrity*, author Anna Bernasek (2010) provides a more pragmatic but no less powerful reason why we must energize a commitment to character, ethics and integrity. In her analysis of the 2008 financial crisis she persuasively argues that the financial crisis was first and foremost a crisis of integrity, "whereby great numbers of people sought their own short-term advantage, knowing that they were putting others at risk." Here is Bernasek's distillation of the root causes of the financial crisis, the aftermath of which we are still experiencing today:

Homeowners took out mortgages that they knew were likely to prove unaffordable later on. Banks lent money knowing it was unlikely to be repaid. Wall Street operators bought junk mortgages and resold them in the guise of sound investments. Accountants, lawyers, and ratings agencies collected hefty fees for misleading assurance. Investors giddily chased outlandish returns, frauds great and small multiplied and spread like potent germs in a warm petri dish (Bernasek, 2010, p. 7).

Why do we need to energize a commitment to character, ethics and integrity? Because, as we have discovered in the financial crisis that has plagued our country and other countries around the world, billions and even trillions of dollars are at stake if we do not. Real money, real jobs, real lives in real communities are directly impacted by breaches of integrity. So, I would simply argue that we must energize a commitment to character, ethics, and integrity to avoid the extraordinary human and economic costs that inevitably and horribly result when and if we do not.

However, I'd like to try to go beyond *why we should* to *how we could* partner to energize a commitment to character, ethics, and integrity. What follows are seven ways in which business, nonprofits and education could partner to energize a commitment to character, ethics, and integrity.

Seven Ways in which Business, Nonprofits, and Education Can Partner to Energize a Commitment to Character, Ethics, and Integrity

1. Develop moral AND performance character

Our work has presented a paradigm shift from an exclusive focus on moral character (that is, ethics) to a focus on both performance character *and* moral character (that is, excellence *and* ethics) (c.f., Lickona & Davidson, 2005, Davidson, Khmelkov, and Lickona, 2008). We define character as “values in action” and then emphasize the two interconnected and inseparable aspects of character: performance character and moral character. We define performance character as a mastery orientation. Performance character values—such as diligence, work ethic, positive attitude, perseverance, and grit—are needed to realize, or master, one’s potential for excellence. Moral character values such as integrity, justice, caring, respect, and responsibility are put into action for successful interpersonal relationships and ethical behavior. Both moral and performance character are needed for human and organizational flourishing (Lickona & Davidson, 2005). These two dimensions of character operate in integrated and interconnected ways in individuals and organizations defined by excellence and ethics.

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From Lickona & Davidson (2005).

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New York Times author Paul Tough wrote an article in which he argued that the secret to success is character—which he defined around the IEE framework of moral and performance character (Tough, 2011). In this article and in his recent book on grit (Tough, 2012), Tough lays out persuasive evidence in support of the power of moral and performance character to impact essential educational and workplace excellence goals. We believe that a focus on moral and performance character has the potential to energize a commitment to character because it integrates the quest for performance goals with a commitment to relationships and community.

In the diverse settings that we operate in, it is the dual focus on moral and performance character that has generated the sustained commitment to character and ethics. For example, the emphasis on the development of moral and performance character aligns with the Iowa Department of Education’s focus on the Common Core, 21st century skills, safe and supportive

schools, college and career readiness, and it supports the twin goals of academic achievement and whole person development of the Iowa School Counselors and the School Administrators of Iowa. In addition, the importance of moral and performance character has been highlighted by the Iowa Business Council in its outline of current priorities for the state of Iowa, where it asserts that K-16 schools in Iowa, [need to] “promote excellence and ethics in all aspects of performance and moral character strengths needed for 21st century skills, [including] effort, diligence, work ethic, positive attitude, self-discipline, honesty, respect, dependability, integrity” (2010-11, p. 7).

Whether we are working with the athletic department at Drake University, classroom teachers or school leaders, workforce development advocates, community colleges and universities, or leaders from diverse business sectors, we find that they all are unified in their belief in the need for and the power of an enhanced focus on developing moral and performance character.

2. Educate for conscience AND competence

When it comes to the development of character, ethics, and integrity we would do well to heed the wise advice of Blaise Pascal, who famously observed, “the heart has its reason, which reason doesn’t know” (Brailsheimer, 1966). Ethical development that targets the head and neglects the heart, tends to create ethical legalists who can reason themselves into, or out of, most any action or inaction. Thus, it is critically important that we educate for conscience; it is essential that through education and advocacy we cultivate self-awareness and awaken the values voice inside every individual. And yet, as Mary Gentile (2010) has argued, the development of conscience alone is insufficient. Conscience—a sense of right from wrong—also requires competence—a sense of practical know-how. Competence speaks to what Gentile and others have referred to as “post-decision making” when we have figured out what we ought to do, but need to figure out how to make it happen within the challenges of the real world pressures and stresses (Gentile, 2010).

In our own work this has meant that we distill complex and multifaceted moral and performance character values into more specific competencies that underlie them. Our definition of character as “values in action” gets operationalized by identifying and focusing on the development of specific character competencies needed for values to be successfully acquired and realized. Competent means “able to”; incompetent means “unable to”. Organizations seeking excellence and ethics want and need “*individuals who are able to ...*”, for example, give and receive constructive criticism, manage priorities and reduce stress, be fair to all involved, continue trying in the face of difficulty, and so on.

More specifically, competencies are process skills that connect awareness and sensitivity, to reasoning and judgment, to behavior. The development of competencies requires action and reflection, practice with feedback, real-world simulation that targets practice of essential skills in settings that are similar to the real challenges one would face, and yet still safe enough to allow the development of mastery. When skills for each of these processes are fully developed and become automatic, cognition and action become intertwined and an individual consistently engages in positive behavior (see, for example, review of related research in Narvaez, 2006).

The focus on the development of competencies has meant the ability for us to teach general skills that are universal to all settings, while also targeting skills that are specific to particular settings—be they in school, sport, or work. A contextualized view allows us to approach each situation as having its own challenges and requisite skills, and look for simulations of the most common situations one will face in this specific context. Often training for ethics and character is

too amorphous to teach or learn—certainly to assess. IEE’s solution to this challenge is research-based **tools** that distill theory and research into replicable guides for thinking and behavior. These expectations and models represent what Mary Gentile would call “scripts” that guide implementation, thereby ensuring a consistent standard of output. Clear and concise (i.e., simple, concrete, memorable, action-oriented) tools become models to guide behavior across the organization. Consistent and pervasive use of the tools over time leads to individual and organizational habits.

The support for and value of IEE’s work in character, ethics, and integrity has increased in school, sport, and workplace settings as we have begun to translate conscience (a belief that I ought to) into competence (a belief that I am able to).

3. Develop ethical conscience AND conscience of craft

As just discussed, the development of ethical conscience is a critical need of individuals, organizations, and society at large. However, in our work we have continued to advocate for the importance of developing an ethic of excellence, or what Thomas Green has called the “conscience of craft” (Green, 1984). It is inconceivable to think of a professional with a well-formed moral conscience who would not feel a sense of obligation to do their work well. Or, as we have argued, nobody wants an honest, respectful, kind but incompetent doctor, lawyer, mechanic, or carpenter: someone who is respectful and kind as they report with honesty and candor that they have botched the job. There is indeed something moral about doing our work well. And there is a growing consensus that we must be more intense and intentional in developing our individual and collective “conscience of craft,” and a commitment to the power of hard work.

Consider for example, Jonathan Zimmerman’s (2010) analysis of why students from China, Japan, South Korea, Singapore, and Hong Kong all outperformed American students in science, math, and reading. He argues that by every measure we can find Asian students work harder than American students. However, more importantly, he asserts, “Asian students believe that hard work is the prime determinant of their success. By contrast, Americans and other Westerners typically ascribe academic performance to innate ability” (Zimmerman, 2010). Belief in and dedication to good old fashioned hard work seems to be a critically deficient asset that is negatively impacting education and economic vitality in the U.S. For example, the report *Pathways to Prosperity* (2011) argues that “within the U.S. economy...many adults lack the skills and work ethic needed for many jobs that pay a middle-class wage.” And in the report, *Are They Really Ready to Work*, which describes survey data from several hundred employers, the authors conclude that “when basic knowledge and applied skills rankings are combined for each educational level, the top five ‘most important’ are always applied skills,” with work ethic and professionalism at the top of the list (2006, p. 10). When asked to rate the importance of work ethic and professionalism, approximately 80% indicated it was very important for high school graduates, approximately 83% reported it was very important for two-year college and tech school graduates, and approximately 94% reported it was very important for four-year college graduates (2006, p. 20).

Work ethic is an integral part of true professionalism: being very important, but often deficient it needs to become an intentional focus for business, nonprofits, and education partnering to energize a commitment to character, ethics, and integrity.

4. Ensure that character, ethics, and integrity are taught AND caught

It is critically important that character, ethics, and integrity are taught with great intensity and intentionality, through targeted courses, professional development, retreats, and other learning experiences. However, character, ethics, and integrity cannot be taught through educational courses alone—they must also be caught through the lived reality of a shared culture. In his book, *An Ethic of Excellence*, Ron Berger (2003) argues that “excellence is born from a culture”—not from a course, from a culture. Courses and curriculum introduce a skill, competency, or norm, but it is the shared habits or ways of the organization that nurture the novice to expertise. To have an impact, the culture of an organization needs to be direct and intentional, which is achieved through clearly defined norms, beliefs, and standards for behavior (i.e., cultural norms or a “shared way”). These cultural norms or habits are in turn strengthened when they are explicitly taught, deliberately practiced, and regularly assessed. When organizations are not proactive and intentional, they risk having to reactively respond to the negative behaviors shaped by the unintentional de facto culture—what Dewey (1938) called “mis-education” or “collateral learning.”

When what is taught around character and ethics is at odds with the lived experience, cynicism results. Thus, the espoused values of the organization must operate in alignment with the lived values. When there is alignment between espoused and lived values, a nurturing environment is created that supports the emerging expertise of individual character competencies. Strong cultural norms shape and reinforce individual competencies: individual habits are shaped by the standards which we practice and upon which we are held to account. Character competencies—or values in action—become automated habits when they are consistently and pervasively learned, practiced, refined, and reinforced—explicitly taught and culturally reinforced, or caught.

5. Foster whole-person development (i.e., integrity)

Dictionary definitions of integrity speak in terms of adherence to moral principles, rectitude, honor, and honesty. But integrity, in Latin *integritas*, from the root, *integer*, can also be understood as “wholeness.” A person of integrity is whole; a person of integrity is not broken or divided. A person of integrity has developed the relational orientation of moral character and the mastery orientation of performance character. As we strive to help organizations achieve excellence, we often must find ways to help them look beyond the technical aspects of performance. Clearly, essential knowledge and well-honed skills matter deeply to peak performance. But time and again we see that in a bottom-line world, many miss the direct contribution of living a balanced, purposeful, and fulfilling life to productivity and work performance. Consider evidence from a study of Canadian CEO’s and employees which found that “stress, burn-out, or other physical and mental health problems are the top issue that is negatively impacting productivity,” one that eight in ten CEO’s said they were either “very or somewhat concerned” about (2005). In school, sport, and workplace settings we find the experience to be eerily similar: stress, burnout, lack of balance, neglect of home and family relationships is a major obstacle to peak performance.

In the fast-paced, technology-driven world we live and work in, where days have no clear beginning and end, where the boundaries of work and home have long since evaporated, business, nonprofits and education must come together to find better ways to serve our deepest human needs and performance goals. We are, as has often been observed, human beings, not human doings. We are spiritual beings, called to human vocations. In this regard, spirituality can be understood as religion, but it can also be understood as meaning-making, self-reflection,

mystical knowing, emotion, morality, creativity, ecology, a quest for connectedness (c.f., Johnson, 1999; Lickona & Davidson, 2005). And, as the spiritual author, Henri Nouwen once observed, “the term ‘burnout’ is a convenient psychological translation for ‘spiritual death’” (1989, p. 10-11). We kill our spiritual selves and dismantle the soul of our organizations when we fail to provide time and attention to the development of community, creativity, reflection, rest, and rejuvenation.

In his book, *Living a Life that Matters*, Rabbi Harold Kushner (2001) describes the battle to live a life of integrity. He states:

Too often we compromise our integrity. We do something we really don't believe in doing, to reach some important goal, only to find out one of two frustrating things happening: Either we gain the prize and realize that it wasn't worth gaining, or we end up with neither the prize nor our integrity... Integrity means being whole, unbroken, undivided. It describes a person who has united the different parts of his or her personality, so that there is no longer a split in the soul. (p. 33, 87).

In our work in education, sport, and the workplace, we are seeing tangible evidence of fractured, broken, divided and distracted human beings—and that is not right or good for the individuals or the organization. This is another opportunity for business, nonprofits, and education to partner.

6. Measure Character Performance Assessment (CPA) AND Grade Point Average (GPA)

It's a bottom line world. We get that. We embrace that. We know that what matters gets measured. However, the science of character has grown in its rigor and its implications on the bottom line. Carol Dweck's *Mindset* (2006), Daniel Pink's *Drive* (2009), Anders Erickson's *Handbook of Expertise and Expert Performance* (2006), Christopher Peterson and Martin Seligman's *Character Strengths and Virtues* (2004), Angela Duckworth's work on grit (2007)—all of this research provides rigorous evidence indicating that the development of moral and performance character is a mediating variable in expert performance. Consider, for example, that grit—defined as “perseverance toward a long term goal”—has been shown to be a better predictor of who will graduate from West Point Academy than class rank, GPA, SAT, or physical fitness.

It is fairly widely known and acknowledged by colleges and universities and in the workplace that GPA and standardized tests do not tell the whole story about what it means to be prepared for college and career success. In fact, a recent Hart Research Associates report indicates that “employers believe that two- and four- year colleges should be placing more emphases on several key learning outcomes to increase graduates potential to be successful and contributing members of today's global economy, top among these learning outcomes include, critical thinking and analytical reasoning, the ability to analyze and solve complex problems, the ability to connect choices and actions to ethical decisions, teamwork skills and the ability to collaborate with others in diverse group settings” (2010, page 9).

In education and workplace settings, we agree that character performance is a powerful and important predictor of success; and yet, there is still very little actual systematic assessment of the growth and development of character competencies. Business, nonprofits, and education can energize a commitment to character, ethics, and integrity by working together to establish a rigorous system of character performance assessment to ensure that what matters gets measured.

7. Proactively invest in formation rather than spend reactively on remediation

In our work to develop character, ethics, and integrity we are constantly challenged to secure the requisite time needed to develop the desired outcomes. In K-12 settings there is less and less time available to develop the needed and desired culture and competencies. The what is perceived as high cost of formation is first and foremost in the minds of the organizations we serve. We accept that and have increasingly worked to develop ways of distilling the cost for materials, training, and assessment down to the per person cost. We must understand the cost for intentional efforts to develop character, ethics, and integrity. It is much more difficult to calculate the cost-benefit ratio of character formation and its impact on organizations and society. One way to do that is to compare the cost for formation against the cost to organizations and society for remediation. Using the 2008 financial crisis as an example, it's hard to imagine that the cost for formation could have been more than a fraction of the cost for remediation. Unless or until we can compare formation and remediation costs we will continue to beg and borrow for meager commitments of resources for this monumentally important undertaking.

Conclusion

In concluding, business, nonprofits, and education must partner to energize a commitment to character, ethics, and integrity or we will replicate in our own way and time the age-old fable of the blind man and the elephant. In this fable, a group of blind men touch an elephant to learn what it is like. Each one feels a different part, but only one part, such as the side or the tusk. As they compare their experiences, each is convinced that he alone knows what the elephant is like. They are all right, and yet they are all wrong. It is the sum total of their observations that is required for them to truly understand the essential nature of the elephant. So too, business, education and nonprofits each understand a part of the need for and solutions to our character, ethics, and integrity challenges. But we can and must combine our knowledge and experiences to energize a commitment to character, ethics, and integrity.

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