Enhancing Leadership Integrity Effectiveness Strategy Through The Institutionalization Of Anorganizational Management Integrity Capacity Systems

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August 2012

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Aims / objectives: This paper aims to analyze organizational management integrity capacity system as an improvement concept for enhancing leadership integrity effectiveness in a university setting. It departs from the analysis of the current organizational culture, values, virtues, managerial capabilities and attitudes to assume any organizational task. This paper aims also to propose a strategic model for the institutionalization of an organizational management integrity system.

Study design: Cross-sectional study.

Place and Duration of Study: University Center for Economic and Managerial Sciences, University of Guadalajara. The study is conducted for one academic year during the term 2011-2012.

Methodology: The research methods used are the analytical based in the literature review and interpretative of the main findings to provide a synthetic model.

Results and conclusion: The outcomes of the research on the application of organizational management integrity capacity systems may demonstrate that the drama of leadership effectiveness is centered on dysfunctional organizational integrity culture and leadership. This chapter provides a sound strategies and institutionalization for organizational integrity capacity philosophy focused on leadership integrity effectiveness that empowers management professionals to act with integrity and supported by an organizational integrity culture.

Implications: The results provide the basis to develop strategies for an organizational integrity leadership framed by an organizational integrity culture, sustained by a code of conduct, regulation policies and overall the development and institutionalization of an organizational integrity capacity system which can positively influence the behavior of key stakeholders and actors.

Introduction

The purpose of this study is to analyze the relationship between organizational management integrity capacity and leadership integrity effectiveness. Organizational integrity and managerialism are schools of thought to frame and support strategic choices and measures in corruption prevention and control. Organizations face challenges to "do the right thing" and ensure organizational integrity by creating an ethical leadership culture capable to ensure sustainable management integrity.

Organizational integrity should be considered within the context of a wide range of leadership variables. The effects of leadership integrity on organizational effectiveness have been well studied and reported on the literature (Brenner and Molander, 1977; Mortenson, Smith, and Cavanagh, 1989; Posner and Schmidt, 1984), although there is a lack of concern to analyze the impact of organizational management integrity on leadership effectiveness. The link between organizational management integrity capacity system and leadership integrity effectiveness has not been adequately tested empirically. Usually the organizational management is not aware of its integrity, moral and ethical issues and principles exercised or it is reluctant to articulate and admit its organizational values to sustain good governance practices, such as anticorruption rules.

Traditional educational organizations and institutions of higher education are considered by Meyer and Rowan (1983) as tightly coupled through the traditional ritual classifications that create the façade of organizational integrity.

Conceptual and theoretical background

Concept of integrity

The word integrity derives from the Latin, meaning wholeness, completeness, conscientious coherence, or committed responsibility. Integrity comes from the Latin for whole and complete. The concept of integrity is multidimensional and should be specified.

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The term integrity refers to strict fidelity to own personal principles embedded in the moral and ethical complexity and responsiveness to sustain integrity capacity (Hampshire, 1983, 1989; Williams, 1985; Nagel, 1979; Fernandez and Barr, 1993; Benjamin, 1990; Kahane, 1995). Bennis (1989) states that integrity is one of the best qualities of leadership. Integrity is an attribute related to ethics (Kerr, 1998) that reflects more adherences to a moral code (The American Heritage Dictionary of the English Language, 1992) and incorporates honesty and trustworthiness (Northouse, 1997). Werhane and Freeman (1997) define integrity as the quality of moral self-governance at the individual and collective (organizational) levels.

Becker (1998, pp. 157–158) defines "integrity is commitment *in action* to a morally justifiable set of principles and values . . ." in such a way that it is assumed as a moral justification based on the reality of a universal truth. Integrity is an integral part of good leadership (Batten, 1997; Covey, 1996; Fairholm, 1998; Manz, 1998; Nix, 1997; Northhouse, 1997; Rinehart, 1998; Sanders, 1994; Wenderlich, 1997; Winston, 1999). Huberts (1998) defines integrity as the quality of acting in accordance with socially accepted moral values, norms, and rules. Integrity is a functional attribute prominently cited in servant leadership literature (Covey, 1996; Fairholm, 1998; Kouzes and Posner, 1993: Nair, 1994; Pollard, 1996; Rinehart, 1998; Winston, 1999).

Integrity is about not doing the wrong thing, not necessarily doing "ethical" things but also about doing the right thing and being perceived as positive, active and proactive (Becker, 1998; Butler, 1991; Butler and Cantrell, 1984; Hosmer, 1995; Jarvenpaa, Knoll and Leidner, 1998); Mayer, Davis and Schoorman, 1995; Murphy, 1999; Parry and Proctor-Thompson, 2002). Integrity is a moral foundation for effective leadership (Clawson, 1999). Leaders with integrity are honest even when the situation is self-damaging (Russell and Stone, 2000). Integrity refers to an analytical decision-making process based on envisaged organizational principles and values that simultaneously may function as an ideal and a constraint (Karssing, 2000, 2006). A person of integrity has an awareness resulting in an attitude to follow the spirit of the rules, adhering to deeply held ethical principles and values and making right decisions (Badaracco 2002). Integrity is an attitude that surrenders to ethical commitment, the "gateway to operating from one's deepest purpose, in concert with a larger whole" (Senge, Scharmer, Jaworski, and Flowers, 2004, 103).

Lasthuizen (2008) defines integrity as the quality of individual behavior in accordance with the organizational values, norms, rules and

obligations and its organizational environment. Personal moral integrity is central to individual integrity that is an individual who accept full responsibility for his actions and any negative consequence. Using the analogy of the water thank, Thomas, Schermerhorn and Dienhart (2004) explain the commitment to integrity, where the floor is the legal baseline and above is the level of ethics that the organizational management adopts.

The components of process integrity, according to Petrick and Quin (2000) are moral awareness, moral deliberation, moral character and the practices and actions carried out by personal and collective agents. This process incorporates characteristics of integrity: conscientiousness and discernment, resolution and accountability, commitment and readiness, and coherence and authenticity in moral conduct.

The integrity literature has advanced from personal integrity to collective integrity, organizational integrity, and more recently to global collective level (Benjamin, 1990; Solomon, 1992; Carter, 1996; Paine, 1997; Petrick and Quinn, 1997; LeClair, Ferrell, and Fraedrich, 1998; Westra, 1998).

Organizational integrity

The concept of organizational integrity has its origins in Weber who argued that economic development was closely link to the emergence of formal bureaucracies and management routines or universal rules and regulations which provide secure and predictable basis for individual interests and capabilities to be channeled to collective projects. The concept of organizational integrity includes the concept of autonomy of capacity, competence and credibility of local political institutions and the efficiency of administrative bureaucracy either of local public institutions or private organizations.

Integrity capacity is "the individual and/or collective capability for repeated process alignment of moral awareness, deliberation, character and conduct that demonstrates balanced judgment, enhances sustained moral development and promotes supportive systems for moral decision making" (Petrick and Quinn, 2001:332). The growth of integrity capacity is intrinsically valuable and utilitarian - instrumental enhances the reputational capital as an intangible organizational asset (Fombrun, 1996; Petrick, Scherer, Brodzinski, Quinn and Ainina, 1999).

Organizations framed by outcome-oriented transcendent - teleological ethics sustain the balanced application of judgment integrity capacity and

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ethical judgments in organizational settings leads to have good consequences and to achieve good ends (Trevino and Youngblood, 1990; Cohen, 1993; Trevino and Nelson, 1995). Organizational judgment integrity capacity is related to the balanced application of management and leadership integrity employing management, ethics and legal theories and promoting moral progress.

Personal integrity involving the well-being of the other embedded in moral principles and an ethical culture, it fosters the integrity to have beneficial effects at organizational level. Moral integrity may be subject to some conditions raising some moral dilemmas about the existence of organizational integrity even in for-profit organizations. Personal and organizational integrity are interactive attitudes between different stakeholders in relationships concerned and framed with moral principles and ethical issues. Organizational integrity means that corruption and fraud are absent in the individual behaviors of organizations. Integrity is a specific value instead of the related value incorruptibility (Van der Wal *et al.* 2006).

Organizational integrity is both a standard of personal moral excellence, and a relational value (Adler and Bird 1988). Organizational integrity refers to the integrity of individual working inside and outside in and on behalf of the organization (Klockars, 1997; Solomon, 1999). Organizational integrity is a social virtue emphasized by relationships and connectedness between persons and stakeholders of an organization, all of them behaving and acting with integrity, morally reasonable rational values (Becker 1998).

Organizational integrity creates standards to provide the cultural cohesion for professional responsibility and competence in a right attitude to approach organizational problems and dilemmas (Karssing, 2000, 2006). Organizational integrity is more than having a mechanism for holding individuals responsible. Organizational moral issues focusing on individual responsibility does not necessarily are a matter of, and can even detract from organizational integrity. The search for individuals responsible for misbehaviors may inhibit organizational integrity (Bowie, 2009).

Organizational integrity is defined "as organizational conduct compliant with the moral values, standards, norms, and rules accepted by the organization's members and stakeholders, but also as the commitment to an equal distribution of public services to all citizens" (Kolthoff, 2010: 43). As a social phenomenon, organizational integrity involves both consistency between principles and action embedding adherence to principles socially accepted and consensually validated with a comprehension of what is fair and

just (Habermas, 1998).

Personal integrity is a process of maturing growth, something to pursue not something one possess as an attribute or moral trait (Wolffe 1988). The extended notion of personal integrity into the social domain may become perceived as "organizational" integrity (Trevinyo-Rodriguez 2007, 82). Both levels of integrity, personal and organizational can be determined by the emphasis in the type of strategic implementation.

Practicing managers, scholars and professional associations are fostering organizational integrity, promoting ethics codes and building ethical workplaces (Bohte and Meier 2000; Jurkiewicz and Brown 2000; Zajac and Al-Kazemi 2000). To develop beneficial cooperation between persons and organizations, it is required trust-generating integrity (Axelrod 1984). Cameron, Bright and Caza (2004) consider that the ethical factors in organizations can be measured by organizational integrity among other four factors such as organizational forgiveness, organizational trust, organizational optimism, and organizational compassion.

Selznick (1957. 1969, 1992) argues that constituencies want the organization to evince organizational integrity by being self-consistent, trustworthy, non-opportunistic, and distinctively competent organizational self. People attempt to preserve a sense or organizational integrity through self justification, self integrity, and self affirmation processes, internal coherence (Staw, 1980 and Steele, 1988) and behave authentically to maintain integrity (Gecas, 1982).

Organizational integrity is an attribute of a dynamic organizational self, making possible the autonomy, as suggested by Kraatz and Block (2008). Individuals and organizations displaying commitment to values commonly shared by commitments that may sustain trustworthiness, can generate attitudes of personal and organizational integrity. An attitude of integrity framed by shared commitments can unfold to extend benefits to all the stakeholders in any organizational setting.

Relevant societal value can be added to the organizational integrity by designing and implementing strategies and policies centered on fostering the organization's overall social and environmental good standing. Organizational integrity can unfold by the awareness of the other (Srivastva and Barrett, 1988, 318). Kaptein and Wempe (2002, pp. 237 – 46) contend that corporate integrity is a value related to sustainability, social responsibility, accountability and specifically to empathy, solidarity, reliability and fairness.

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The incentive structures require fitting the organizational moral integrity to be related. Organizational integrity may have adverse effects due to the wrong design of structures, procedures and incentives. A fair distribution of incentives and rewards play an important role in supporting or inhibiting organizational integrity. Individual's responses to organizational incentives and rewards are important for a practical account of organizational integrity.

The utilitarian - instrumental perspective considers organizational integrity as an instrumental tool is perceived ethically inferior to the intrinsic worth´s perspective that assumes that organizational integrity has more relevance. Under an utilitarian - instrumental and pragmatic framework of reference to integrity, it requires the existence of an entity, only to be assessed tentatively on a case by case basis, which maybe questionable.

Organizational integrity is embodied in an organizational ethical culture of open communication, interaction, diversity and dialogue within a common moral framework of principles and ethical values. Organizational integrity can be used to justify utilitarian - utilitarian - instrumental ethical discourse although it does not necessarily really foster standards of organizational ethics. Emphasis on the intrinsic value of organizational integrity matching actual performance and avoiding potential damages of utilitarian - instrumental misuse allows organizations to develop a genuine caring environment for all the internal and external stakeholders. Cameron, Bright and Caza (2004) reported integrity as one of the virtues that appears strongly related to firm performance and to prevent unethical and dysfunctional behaviors in organizations and the negative effects associated.

Organizational integrity as a theoretical approach aimed to minimizing corruption in organizations "refers to the integration of an organization's operational systems, corruption control strategies and ethical standards" (Larmour and Wolanin, 2001: xx). Organizational integrity has been advocated by professionals involved in human resources development and individual and group work processes (Swanson, 2001). According to Lyn (1994:111) organizational integrity is based on "the concept of self-governance in accordance with a set of guiding principles" more than normative - compliance to avoid legal sanctions. The definition of governance as a perceptual intrinsic activity is the organizational scaffolding supporting stakeholder trust.

Between the two levels of personal integrity and organizational integrity maybe a conflict when an individual's autonomous values and deeply held principles are not aligned with the organizational ethical culture.

A litigious society makes more difficult to achieve organizational integrity. Therefore, Hampshire (1983) sustains that personal integrity and ethical behavior should be distinguished from integrity at an organizational level. By maintaining personal wholeness and integrity in the battlefield, organizational behavior strives for organizational integrity.

The maintenance of any organizational integrity system faces a representational framework of means and requirement. One of these requirements is to have reliable agents to acquire, maintain and reason the dynamics of changing organizations. This notion of organizational integrity regulates the organizational dynamics of any system. Demazeau, and Rocha Acosta (1996) develop a model for multi-agent systems with dynamic organizations in terms of a population-organization structure for dealing with the notion of organizational integrity.

The interactions among the different components of organizational integrity give the identity to the integrity system. Organizational integrity systems are "policy and operational frameworks that are intended to integrate an organization's anti-corruption strategies. They usually comprise standard elements including risk assessment, audit and investigation capacity, reporting, education and training, organizational controls and policies, administrative structures, leadership and communication" (Plibersek and Mills, 2009:3).

When the identity is not strong, the organizational integrity may be shaky and the organization has not clear what stands for on their current operations and functions. However, the presence of an organizational integrity system formed by a set of integrity policies and operational procedures (ICAC, 2009) is not capable to stop workplace corruption despite the anti-corruption strategies designed and implemented by this framework. Failure in implementing an organizational integrity system may be a factor in workplace corruption.

Bowie (2009) associates some features of individual integrity and organizational integrity. Both are committed to moral principle. Organizational integrity is a reference to any issue involving wrongdoing that has legal individual and organizational consequences on efficiency, effectiveness, welfare, image, etc. The wrongdoing maybe is more of an individual involvement concerning a specific grievance in the workplace and less likely concerning issues involving all the stakeholders in organizational integrity.

The organizational integrity is in tension and conflict with the developments of global economic and political processes. Organizational

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integrity may not necessarily be in conflict with financial success. Hicks (2007: 14) assumes that "organizational integrity is a reflection of an agency's reputation for delivering on its promises and being true to its stated values and ideals in everything it does....Organizational integrity is not the sum of individual or professional integrity in a particular entity."

There is lack of organizational integrity (Wollcock, 1998) in the situation of collapsed states (Zartman, 1995) where rules out the anarchy, the state institutions practically are non-existent. On the situation of predatory states (Evans, 1992, 1995) there is organizational synergy with a bureaucratic state apparatus formally constituted but corrupt, which is without organizational integrity. The situation of weak and inefficient communities or states (Migdal, 1988) with a considerable level of organizational integrity but an inexistent organizational synergy where the state apparatus and the functions of civil society are subject to the rule of law, although they are not efficient and not capable to respond to the citizens' demands.

Having positive organizational capital reputation is not a sufficient condition for possessing organizational integrity, but it may have an empowering influence with all the relevant stakeholders. Reputational capital for organizational integrity is part of the corporation's brands grounded in the values, giving them a competitive advantage and positioning them in the market place (Bowie, 2009).

The dynamics of any information system links the courage required to achieve organizational integrity (Dewey 1909, 403) sustained by structural process to develop strong institutions of unity (Murdoch 1970, 95). An information system should maintain the organizational structures in their own organizational ethical culture to support organizational integrity. Dhillon and Backhouse (1999) identified the technical, formal and pragmatic basis for developing an information system to maintain organizational integrity.

Social networks and interactions provide a theoretical framework to analyze corruption prevention and resistance in terms of the existing organizational integrity. Organizational integrity establishes social norms in organizational settings seeking to define a schema of ethical values to resist corruption under the assumption that "deviance stems largely from the nature of the organization rather than the nature of the individual (Larmour and Wolanin, 2001: xx)." Boardman and Klum (2001) contend that corruption resistance depends on the key elements including the right ethical values, which are a prerequisite to

organizational integrity, leadership driving the development and integration of the values and communication.

Any change on the organizational environment may create challenges, opportunities or threats for the equilibrium of organizational integrity. According to Wollcock (1998), there are some important emerging conditions which may erode organizational integrity. The increasing economic globalization processes have a strong impact in changing organizational activities and functions, labor patterns and stakeholders relationships. Individuals in organizations have principles they want to adhere to, which implies organizational integrity based on relationships of identity. Chang (2000) argues that these changes require to revaluating the principles of individual and organizational integrity and accountability. To do this, it is necessary besides to reassess the organizational management integrity and the leadership integrity in organizations settings.

Research question

To what extent does strategic organizational management integrity capacity system influences the institutionalization of leadership integrity effectiveness?

Hypothesis

Variable Independent (X): Strategic organizational management integrity capacity system

Variable dependent (Y): Institutionalization of leadership integrity effectiveness

Variable	Description	Indicators
Independent X	Strategic organizational management integrity capacity system	
Dependent Y	Institutionalization of a leadership integrity effectiveness	

Based on the theoretical rationale that there is a positive relationship between organizational management integrity capacity system and leadership

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integrity effectiveness, the following hypothesis is proposed:

Hypothesis 1: A positive relationship exists between perceptions of strategic organizational management integrity capacity system and the institutionalization of leadership integrity effectiveness.

Objectives

A. To analyze the relationship between the institutionalization of leadership integrity effectiveness and the strategic organizational management integrity capacity system.

B. To contribute empirically to normative - compliance research on organizational management integrity capacity system.

C. To operationalize the notion of leadership integrity effectiveness.

D. To analyze how organizational management integrity capacity system contributes to leadership integrity effectiveness.
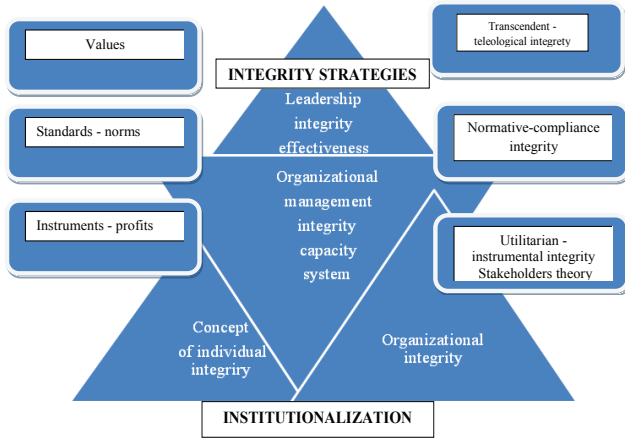
Theoretical framework research model

Figure 1. Theoretical framework research model

Organizational management integrity capacity system

Management integrity in organizational settings is a main issue of critical concern in leadership effectiveness. Organizational management integrity is concerned with the existence of a morally stable organizational

system to sustain an integrity capacity system. The strength of the organizational integrity capacity system determines the implementation of the organizational integrity and ethics development system. Any improvement of any organizational integrity capacity system requires more than controlling ethical behaviors and enforcing normative - compliance (Petrick and Quinn, 1997). Organizational management integrity is concerned with moral principles and ethical behaviors that increase self-awareness with respect to individual interrelationships within the organization and with stakeholders outside the organization that increases.

Organizational integrity-based management is focused on managerial decision making and actions taken to integrate ethical principles, values and judgments into specific decisions and actions through dialogue (Waters, 1988). The knowledge of organizational management integrity would help to develop leadership effectiveness behaviors and therefore, at thus, at the end the integrity against organizational effectiveness performance. Organizational management and leadership may reflect the awareness, officially convey and communicate the integrity as mission statements, codes of ethics and corporate culture (Simons, 1999). Smith (2003) inquiries the use of corporate ethics on managerial effectiveness and study some initiatives that contribute to organizational integrity.

Organizational integrity to be effective requires the code of ethics and other factors that may contribute to an effective application. Codes of ethics embedded in organizational settings are organizational behavior guides but cannot substitute moral climate. The existence of moral climate in an organization is a requirement for organizational integrity. Moral climate is the key notion of organizational integrity characterized by asset specificity, which can be created, difficult to reproduce and can be lost easily. Once the organizational integrity is lost, it has an immediate impact and it is not easy to regain it. (Bowie, 2009). Moral climate cannot be substituted by codes of ethics in organizational settings although.

Theoretical approaches to organizational management integrity system

Organizational management integrity cannot be approached from transcendent - transcendent - teleological ethics as an ideal standpoint but from the findings of economics, sociology, psychology, anthropology, etc. Organizational management integrity should balance the ideal, the possible

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and the practical. Ideals of organizational integrity must be practical and affordable (Bowie, 2009). The normative - compliance organizational commitments to mission, values and principles within the organization and among stakeholders lead toward a movement from organization to institution (Selznick, 1992, 1996) to legitimate organizational choices in a sustainable organizational integrity (Paine, 1994; Selznick, 1992).

A managerial decision at organizational level is whether to focus on a normative - compliance-directed system or an integrity-directed system (Ferrell et al., 1998; Weber, 1993). An integrity-directed system goes beyond normative - compliance of collective commitment and can be found in organization ethics development systems (OEDS). An ethical integrity system over normative - compliance clarifies moral and ethical behaviors, empowers the people to achieve moral autonomous reasoning and operationalize the organizational values.

To ensure personal and organizational integrity and functioning framed by the theory of organizational functional integrity, the members should maintain proper appearances linked to specific organizational formalities, such as hiring a manager, thus resignation does not poses a threat to organizational integrity. The organizational model of functional integrity shows that the normative - compliance of some activities and events may affect the functioning of the whole organization evolving as a multi eclectically process on specific activities. Thus, organizational management should be aware of management and ethics theory assumptions and the implications of managerial responsibilities and functions implicitly linked to integrity (Petrick and Quinn, 1997).

The organizational functional integrity may be linked to the rules and policies, demonstrating the normative - compliance as the condition. The behavior displayed by an organizational setting may be problematic and disruptive of the organizational functional integrity. In the organizational model of functional integrity, the members' normative - compliance is an imperative to prevent long term problems and the defenders' image is essential to continue functioning (Gephart, 1978).

Stakeholder theory provides the moral framework for organizational integrity. All organizational stakeholders can provide inputs to enhance moral climate and thus, organizational integrity. The stakeholder management in organizational integrity must balance the interests and benefits of all stakeholders involved. A stakeholder single-minded that ignores the interests

of others will result in failures to achieve organizational integrity. Conflict of interest between stakeholders and within organizations is a roadblock to organizational integrity. Attempting to manage the perceptions and impressions of organizational stakeholders, top management may be unaware of the damages that may create new reputational crises and problems of organizational integrity and honesty (Dutton, Dukerich and Harquail, 1994).

Thomas, Schermerhorn and Dienhart (2004) contend that sustainable – integrity programs build and confirm organizational cultures and supported by empirical evidences, they argue that integrity programs outperform normative - compliance programs on several ethical features. Creating sustainable organizational integrity is an important goal that requires a great deal of work to build and maintain organizational ethical cultures.

Bowie (2009) considers that the essential conditions for organizational integrity are competent people, effective monitoring and normative - compliance. According to Payne (2003) organizational management integrity has two choices related to ethics leadership, the integrity programs that is sustainable and normative - compliance programs. Integrity programs focus on excellence, self governance, encourage shared commitment, leadership is management driven and values drive actions. Normative - compliance programs focus on laws, organizational regulations and rules, the goal is conformity to standards to prevent misconduct, and the leadership is lawyer driven.

An old management paradigm is more focused on control; organizational ethics is dependent on more selective integrity rules, tools and screening instruments. An organization that has a deficient or lacking an integrity capacity system, is prone to control ethical conducts at the workplace with all sorts of sanctions and punishment are imposed as the result to enforce the rule. A coordinated assurance paradigm in organizational ethics is driven by external standards to promote organizational internal integrity capacity systems. Organizational management is responsible to adopt a management paradigm as a framework for the implementation of an integrity capacity system.

Ethics codes, professional associations and ethics management play an important role in fostering organizational integrity. Ethics management is "a systematic and conscious effort to foster organizational integrity" (Menzel, D. C. 2005, 157). At the core of the organizational management integrity is embedded in an organizational ethical culture capable to embody the organizational strategic vision as the result of negotiated expectations between

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the internal and external stakeholders' interests. Promoting alignment between personal goals and development of shared vision contributes to organizational management integrity (Cacioppe, 2000).

Petrick, Scherer, Brodzinski, Quinn, and Ainina (1999) link managing integrity capacity as an eventual strategic resource for sustainable global competitive advantage. Managing organizational integrity capacity as an intangible strategic asset, it may contribute to the organizational core capability enhancing the benefits to the different organizational stakeholders and held them accountable (Korten, 1999; LeClair et al., 1998). Within this integrity framework, organizational leadership practices must function and foster the aggregate strategic asset of integrity capacity (Dunphy and Griffiths, 1998).

Managerial skills on system integrity capacity are crucial to sustain an organizational ethical culture committed to organizational integrity capable to develop a leadership and managerial integrity environment and to enhance organizational integrity capacity. System integrity capacity is defined by Petrick and Quinn, (2000:12) as "the aligned implementation of organizational policies that institutionalize ongoing moral improvement within and between organizations and enable extra organizational contexts to provide a morally supportive framework for integrity-building environments through statistically measured performance improvements" (Lindsay and Petrick, 1997; Petrick, 1998).

Petrick and Scherer (2002) suggest that the neglect of individual organizational managerial integrity capacity lead to managerial immoral and illegal conduct to managerial malpractices which have adverse impacts on the interests of all the stakeholders. Cruver (2002) and Swartz and Watkins (2002) explain based on the Enron executives case the consequences of these adverse effects when individual and organizational management integrity capacity is neglected. Organizations should enhance management integrity capacity systems to provide supportive structures and contexts for ethical behaviors in the workplace. Organizational management integrity may under estimate or ignore personal responsibilities in some specific situations. Strong organizational management integrity is grounded on moral and ethical priorities that give the sense of mission and purpose to face any emerging challenge.

Management integrity must realize that stakeholders should never be treated as simply utilitarian - instrumentals, mere means to an end and never

abandon one´s humanity (Habermas, 1998). The Habersian discourse ethics centered on true dialogue may fosters the intrinsic worth of organizational integrity. Organizational management integrity is an interdependent and synergistic process under a framework of communication and dialogue to make decisions and problem-solving. Strategic dialogue between the management integrity and all relevant stakeholders can develop and institutionalize organizational integrity.

Organizational ethics and values may become a tool for strengthening organizational integrity and organizational culture's identity aimed to sustain and enhance achievement of economic, financial, social and environmental goals. Organizational ethics is defined as "the principles, norms and standards that guide an organization's conduct of its activities, internal relations and interactions with external stakeholders. Ethics refers to the ethical standards identified, defined and implemented within organizations to achieve a culture of organizational integrity" (Plant, 2008/9:9).

To gain organizational management integrity requires specific structures, methods and strategies of organizational forms. A simple mechanism to obtain and enable organizational integrity management requires an understanding of the structures of organizational forms. Integrity management is a safeguard of the spread of unethical behaviors and integrity violations in organizational settings. Among these organizational forms is the management of relationships between the different organizational stakeholders of the firm. A structure of organizational form that sustains the unity with processes and products, it provides organizational integrity.

Structural unity with simplicity of organizational forms, structures and relationships is the base for organizational management integrity and good communication shared by all the participant stakeholders. Organizational management integrity through structural unity offers the potential to manage processes with complete control within virtual organizations, configuration management and supporting software deployment (Murer and Scherer, 1998).

The ethical principles and culture inherent in leadership behaviors at the workplace create the needed organizational culture to influence the building of organizational management integrity. Kolthoff (2007) found that organizational management integrity is represented by leadership to safeguard integrity in performance management. The leader's commitment to create and maintain an ethical organizational management culture is the key element to the best practice of organizational integrity that has an impact on efficiency,

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effectiveness, competitiveness, organizational reputation, job satisfaction, commitment, etc. (Boardman and Klum, 2001). A strong ethical culture is a requirement for organizational management integrity.

An organizational integrity system as a broad prevention program aims to promote ethical behavior rather than attack the specific unethical behaviors to reduce harm (Sparrow, 2008:36-37). An organizational integrity audit, including the organizational management integrity, can be conducted to measure organizational integrity qualities (Kaptein, van Reenen, 2001).

An organization operating on organizational managerial integrity model has duty values built in the inherently heuristic nature of a behavioral-operational-procedural-structure from which right managerial decisions are inferred. In this sense, the application of the organizational managerial integrity model at any part and level of the organization requires of a procedure and a supportive structure being capable to find the guiding ethical principles to solve any problem.

Ethical practices contribute to organizational management integrity and also to organization's operational effectiveness and decision making processes. Ethical management behavior in the workplace may be more related to organizational factors and the organization's ethical culture than to individual attributes (Zipparo, 1998). Individual integrity in organizations maybe more questioned than the overall organizational integrity and organizational management integrity. Thus, building an organizational management integrity culture leads to create a corruption resistant organization.

To manage for organizational integrity requires having knowledge of individual's integrity at the workplace. Assuming that people do the right thing in organizations, it does not necessarily lead to organizational integrity. Organizational integrity may be reinforced by theory Y individuals in organizations who do not consider either treating others or be treated as mere utilitarian - instrumentals, as well as their jobs or the organization. Organizations embedded with integrity are not utilitarian - instrumental to selfish interests of specific stakeholders. On the other hand, theory X people treat others and consider organizations are mere means and utilitarian - instrumentals and not end (Bowie, 2009). Individuals in organizations treated as utilitarian - instrumentals may behave in accordance.

It is quite difficult to focus on the positive organizational effects of the behavioral management integrity if the leadership behavior may be espoused by a mismatch between the actual ethical conduct, values and morals, and actions

(Simons, 1999). Boardman and Klum (2001) focus on building organizational management integrity in an integrated organization's operational systems, corruption prevention strategies and ethical standards.

The integration of ethical standards into organizations in the form of codes of conduct extended beyond the required by law, is a necessary action to pursue organizational management integrity. Management organizational integrity has a positive relationship with organizational integrity and thus, with organizational effectiveness. An organizational integrity system to be considered as capacity, coherence and consequences (Shacklock and Lewis, 2006) should be validated if the organizational characteristics are defined in similar way in order to deliver results.

The aim of an organizational integrity management system is to prevent integrity violations. Huberts, Pijl and Steen (1999) develop a typology of organizational integrity violations consisting in corruption, conflict of interest, fraud, theft, improper use of authority, sexual harassment and discrimination, private time misconduct, abuse and manipulation of information, abuse and waste of resources.

Management of an organizational integrity system is based on corruption risk assessment. According to OECD (2010:24) a management of organizational integrity system "includes all utilitarian - instrumentals, processes, factors and actors that influence the integrity of the members of an organization" Utilitarian - instrumentals are categorized to determine and define, guide, monitor and enforce integrity. Defining utilitarian - instrumentals determine when integrity is compromised trough risk assessments. Implementing an organizational integrity management system makes public any integrity violation and any improvement might help to observe more integrity violations in the workplace.

Organizational management integrity manifests through the organization' values sustaining diverse activities, operations and relationships taking place within the different stakeholders.

The organization should be committed to ethical values, good governance, ethics management integrity and corruption prevention consistently displayed in its activities, operations and relationships with stakeholders contributing to sustainable organizational integrity. Governance means the pervasive management of organizational integrity and accountability subsuming both process transparency and relationship honesty (Kitchin, 2003).

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Smith (2003) studies ethics management and some other initiatives that contribute to organizational management integrity. Ethics management is viewed as a planned managerial effort to foster integrity in organizations, and not as a control tool of individual and organizational behaviors Ethics codes, statements of values and professional associations play an important role in fostering organizational integrity and building ethical workplaces (Bohte and Meier 2000; Jurkiewicz and Brown 2000; Zajac and Al-Kazemi 2000).

Regarding the overall organizational mechanisms of governance aimed to maintain, sustain and enhance organizational managerial integrity, there are several forms of knowledge governing interactions between individuals and organizations, which include among others codes of ethics, ethics manuals, integrity systems and procedures, etc.

New entrants to the organizational integrity system may be the developers of the organizational management integrity to lead with integrity. A measurement utilitarian - instrumental for organizational management integrity programs would provide information on integrity leadership, ethics management, misbehaviors, fairness, etc. These measures would be the indicators to diagnose any organizational integrity as it is and to promote the management of change towards the organizational development and growth.

Creating and increasing trustworthiness further helps develop organizational integrity and through structural unity supports the information systems security in the inter phase between virtual organizations and individuals in organizations. Structural unity achieves organizational integrity despite some limitations on sophisticated specific shared structures. Simplicity in organizational forms and structural unity should support improvement of organizational management integrity. Despite the sophistication of languages to model organizational processes, not necessarily reflect organizational management integrity as a framework to integrate configuration management consisting of artifacts and corresponding processes (Murer and Scherer, 1998).

Conflicting abstract standards in legalistic normative - compliance-driven organizations, causing moral stress may be the cause of unsuccessful organizational integrity-based management (Waters 1988) and moral muteness (Bird and Waters 1989; Trevino, Hartman, and Brown, 2000). To avoid the possibility of what Hicks (2007: 15) terms "systemic ethical failure" it is important to sustain an ethical organizational culture framework for maintaining and promoting organizational management integrity and for understanding and managing people in organizational settings. The antithesis

and threat to organizational management integrity are any disconnection between rhetoric and action, such as utopianism and opportunism. Groupthink is a danger and a serious threat to achieve organizational integrity. Telepathy avoidance is necessary for organizational integrity.

A well trained and experienced professional management supported by organizational management integrity, will accomplish higher levels of organizational performance and will achieve superior economic, social and environmental goals of efficiency and effectiveness and good ethical standards.

Leadership integrity

Organizational leadership and management integrity should resolve and prevent moral and ethical problems but holding individuals responsible, and more important, to solve and prevent a crisis o organizational integrity. Leadership integrity stimulates and has direct effects organizational integrity. Leadership integrity as morally acceptable behaviors contributes to the prevalence of organizational integrity. An essential requirement for moral leadership is an attitude of integrity and genuine commitment to moral principles and ethical values to become integrity leadership (Badaracco 1997, 120).

Leadership integrity in organizations is an important concern between organizational management integrity and leadership effectiveness (Kanungo and Mendonca, 1996). The impact of leadership integrity is limited only to a few direct effects on the prevalence of organizational integrity. Integrity focused-leadership has an impact on organizational integrity and influence the incidence and prevalence of integrity.

The leadership integrity plays a key role in creating and developing policies, procedures and the whole organizational system indicated by the level of influence that the organizational management integrity has on them. Organizational leadership integrity fostering integrity capacity improves the firm´s reputation capital with their internal and external stakeholders (Fombrun, 1996). Leadership without integrity may be a risk to any organization (Morgan, 1993; Mowday, Porter and Steers, 1982; Parry, 1998b; Posner and Schmidt, 1984). Organizational leadership integrity should establish and develop the behavioral and ethical role models for process, judgment and development integrity. Also, leadership integrity should build and sustain the organizational integrity capacity building to foster organizational moral progress.

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The integrity capacity construct proposed by Petrick and Quin (2000) is focused to improve individual and organizational (collective) resources to foster moral progress in organizations, meaning the increase in stakeholders demonstrating the systems dimension of integrity capacity. Collective integrity is considered a stage of post conventional collective moral reasoning and commitment to universal ethical principles (Kohlberg, 1984; French and Granrose, 1995). Collective integrity capacity is a stream framed by integrity literature in philosophy and psychology (Erikson, 1950; Taylor, 1985; McFall, 1987; Srivastva and Associates 1988; Walters, 1988; Halfon, 1989; Calhoun, 1995).

These collective integrity capacities support judgment integrity and collective action processes. Petrick and Quin (2000) found a relationship between individuals and collectives exhibit moral processes with process integrity capacity and moral progress. Collective commitment to organizational moral can be cultivated through the implementation of collective developmental integrity capacity (Likert, 1967; Kochan and Useem, 1992; French and Granrose, 1995, Petrick, 1998). The aggregated individual development integrity capacity forms the organizational ethical culture that may support the collective commitment to developmental integrity capacity and moral progress. Taking into consideration the law for guidance is a necessary but not sufficient stage for organizational developmental integrity capacity.

Positive, active and pro-active leadership behaviors and doing the right things are perceived as having high levels of trust and integrity. Unethical and immoral behaviors, doing the wrong thing or what is not expected and valued are perceived as low integrity.

Diagnosing and developing leadership integrity effectiveness leads to identify and develop organizational management integrity and effectiveness. Organizational management integrity may be improved by developing transformational and developmental exchange leadership behaviors may reduce the non integrity and unethical behaviors. Integrity systems can be a framework of reference for the designing and implementing organizational strategy aimed to sustain the capability of leadership integrity role in the whole organizational system and to maintain the coherence of the organizational management integrity to deliver required actions.

Literature on ethical leadership integrity focus on the roles played to assess, enhance and ensure and sustain organizational management integrity.

Exercising leadership integrity and having some guiding principles such as the public interest may be part of an analysis of a corruption resistance tendering process (Boardman and Klum. Some factors that contribute to maintaining the integrity of a tendering process include openness, honesty, accountability, objectivity, courage and leadership. (2001). Organizational leadership must be aware of integrity capacity as a strategic asset by improving competence in judgment integrity and held accountable for decisions related to organizational integrity and management integrity in organizational settings.

Leadership integrity is being held accountable for balance and consistent collective judgment integrity with respect to behavioral, moral and economic complexity. Leadership should be held accountable for the nurturing and management of key intangible strategic assets in order to sustain organizational integrity capacity. High integrity capacity of organizational leadership is more concerned to stakeholder's moral issues, designing and applying sound policies and making right decisions (Litz, 1996; Driscoll and Hoffmann, 1999).

Building organizational integrity leadership based on the existing organizational culture may require to design and implement strategies and policies aimed to create and maintain key ethical standards, such as acting with integrity by being honest, open, accountable, objective and courageous (Boardman, and Klum, 2001). Organizational integrity is one organizational factor of emerging inspired leadership capable to influence and foster spirit at work.

Ethics leadership integrity – focused considers the importance of normative - compliance as the base of an ethical culture. To engage individuals and the whole organization in integrity programs beyond mere normative - compliance is a task of mindful organizational management integrity. They also report other empirical studies that found that employees are more concerned with the integrity than with rules and sanctions and the power of integrity to promote voluntary rule-following was greater.

Leadership should be facilitative in its integrity role and persuasive of vision and values and committed to develop organizational management integrity (Johnson, K.W., 2005). A research conducted by Kinjerski and and Skrypnek (2005) revealed that personal spirit at work is associated to leadership fostering a culture of caring individuals and organizational integrity aligned with its mission. They also found that alignment among individual values and organization's purpose and mission fosters organizational integrity.

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Organizational leadership integrity skills to manage situations in moral complexity and to build and maintain the organizational integrity capacity system may enhance its reputational capital among all its stakeholders (Velasquez, 1996). Integrity capacity is intrinsically and utilitarian - instrumentally valuable in organizational settings as an intangible asset of reputational capital, although it may be functional and cultural differentials based on leadership integrity capacity system. Leadership integrity capacity systems sustained on the functional and cultural differentials may have diverse perceptions of quality services leading to an opportunity of improvement (Grant, 1996).

Organizational leadership integrity is challenged by the adverse impacts of integrity capacity exacerbated by economic globalization processes, to develop and implement strategies, policies and to improve theoretical tools for managing emerging ethical dilemmas resulting from (Yergin and Stanislaw, 1998; Petrick, 1998). Brown (2005) analyzes the integrity as a wholeness challenge of the cultural, interpersonal, organizational and environmental dimensions to a leadership strategy. The integrity challenge is to develop appropriate relationships and improve their quality among individuals, corporations and civic organizations through the analysis, evaluation and redesign of communication patterns. Leaders know how to design organizational management integrity after knowing what it entails.

Recent literature on ethical and leadership integrity roles and related issues examines the implications with the organizational integrity system including the structural relationships between the individual integrity in interaction with the leadership integrity, the management organization´s integrity and the intra-organizational integrity systems (Shacklock and Lewis, 2006). Lasthuizen (2008) tested the empirical relationship based on theoretical and normative - compliance assumption between leadership and integrity and concluded that this relationship is complex and complicated. Testing theoretical and normative - compliance assumptions based on the relationship between organizational management integrity and leadership integrity.

There is a large body of the literature that claims the lack of integrity of transformational and charismatic leadership while another body of literature supports a positive relationship between transformational leadership and integrity. There are limited empirical evidences on how and to what extent organizational leadership contributes to organizational integrity.

Parry and Proctor-Thompson (2002) support with empirical evidences that transformational and active transactional leadership styles appear to contribute to perception of integrity.

Research conducted by Parry and Proctor-Thompson (2002) suggests that active and positive leadership behavior is related to integrity. Inspirational leadership has weak direct effects on the prevalence of organizational integrity. Empirically it proved not be strong in the context of organizational integrity. Problems may arise when the leadership is inspirational but not ethical.

Transformational leadership

Empirical research testing the link between integrity and transformational leadership is limited and there is also a large body of literature that argues that transformational leadership theory allows the emergence of leadership lacking integrity. Among other links between leadership integrity and transformational leadership, having a clear vision and developing trust are core factors of transformational leadership contributing to organizational integrity (Bass, 1985, 1990, 1998; Yukl, 1989). A vision incorporates a value system that protects and promotes organizational integrity, and encourages learning and adaptation (Rowsell and Berry, 1993, p. 22). Tracey and Hinkin (1994) found evidence to support that transformational leaders possessed and behaved consistent with integrity and high ethical standards.

Transformational leadership has a limited impact on the prevalence of organizational integrity and not necessarily has a positive impact on individuals' moral judgment. Petrick and Scherer (2000) define judgment integrity as the use of theoretical ethics resources to analyze and resolve individual and collective moral issues. Judgment integrity is at the core of integrity capacity and leadership integrity. For leadership integrity according to Petrick and Quinn (2001:337) judgment integrity means "being held accountable for achieving good results (outcome oriented transcendent - teleological ethics), by following the right rules (duty-oriented deontological ethics), while strengthening the motivation for excellence (character-oriented virtue ethics), and building an ethically supportive environment within and outside the organization (system improvement oriented contextual ethics).

Behavioral, legal, ethical and moral complexity shape organizational judgment integrity capacity sustained by management and ethics theories to establish balanced use managerial responsibilities. Stakeholders committed

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to handle moral complexity using judgment integrity to develop integrity capacity in organizational settings can enhance behavioral, moral and ethical progress in organizations (Petrick and Quinn, 1997).

Leadership integrity should develop judgment integrity to enhance full moral accountability by providing an integrated model of judgment integrity, merging perceptions and assumptions of behavioral, moral and economic complexities between organizational management integrity and global economics (Brunsson, 1989; Solomon, 1992). Organizational judgment integrity can be a conscious shaping and balancing of competing organizational management, macroeconomics to resolve economic complexity, behavioral, moral and ethics theories in the formation of organizational policies and leadership integrity practices (Petrick, 1999).

Pseudo-transformational leadership (Bass and Steidlmeier, 1999) arises because leadership integrity does not necessarily is effective integrity. Giampetro, Brown, Browne and Kubasek (1998) and also Price (2003) supported the assumption that transformational leaders may fail.

Carlson and Perrewe (1995, p. 5) argue that justice and integrity are values promoted by transformational leadership "as the best approach for instilling ethical behavior in organizations" although the link requires further empirical consideration. Gottlieb and Sanzgiri (1996) contend that leaders with integrity value share of information, viewpoints and feedbacks in an open and honest communication during decision making processes. Behavioral integrity is a critical component of transformational leadership (Simons, 1999). Organizational integrity may be maintained and enhanced by transformational leadership assuming that followers may behave with integrity. Transformational leadership does not necessarily develop and promotes integrity (Bass and Steidlmeier, 1999).

Bass and Steidlmeier (1999) consider that pseudo-transformational leadership may lack integrity. An empirical study found that justice connects integrity and transformational leadership in organizations (Gillespie and Mann, 2000). Focusing on the leadership behavioral integrity to enhance organizational managerial integrity, Parry and Proctor-Thomson (2002) discuss the integrity of transformational leadership drawing on the follower's interests towards the contribution to the interests of the group and away from the self (Den Hartog, Van Muijen and Koopman, 1997; Carlson and Perrewe, 1995).

Parry and Proctor-Thompson (2002) provide empirical evidences to

support that the perceived integrity of leaders and transformational leadership are positively related, although this relationship may be moderated by a range of additional variables. They found a positive relationship between perceived leader integrity and demonstration of transformational leadership behaviors, and between perceived integrity and developmental exchange leadership. There is a significant positive correlation between perceived integrity and transformational leadership. Similarly, leaders with the highest perception of integrity are engaged on high levels of developmental exchange behavior.

Top-down ratings on assessments of subordinate integrity provided higher identification of transformational leadership and developmental exchange leadership than peer ratings. Transformational leadership behavior and developmental exchange leadership was perceived to possess the higher perceived integrity levels, especially transactional behavior, a type of contingent reward.

The Multi-factor Leadership Questionnaire (MLQ) was developed by Bas (1985). The use of MLQ provides empirical evidence on integrity of transformational leadership. One MLQ factor "idealized influence" relates positively to integrity (Bass and Steidlmeier, 1999). Individualized consideration and contingent reward correlate positively with each other (Avolio, Bass, and Jung, 1999) and both may be associated positively with perceptions of integrity (Lowe, Kroeck, and Sivasubramaniam, N., 1996).

Transactional leadership

Transactional leadership has an impact on the prevalence of organizational integrity and has not moral impact on individual's moral judgment. Two components of active-transactional leadership, management-by-exception (MBE-active) may have no significant correlation with perceived integrity and contingent reward may have differing relationship with integrity. The two components of passive-transactional leadership, management-by-exception (MBE-passive) may lack correlation with integrity and laissez-faire may correlate negatively with integrity.

Parry and Proctor-Thomson (2002) found no significant correlation between perceived integrity and MBE-active. Perceived integrity has the strongest negative correlation with passive management by-exception and laissez-faire demonstrated as a transactional leadership factors. The greatest variation in perception of integrity correlates with the laissez-faire leadership.

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Thus, the lowest perception of integrity is correlated with the high performance of laissez-fair leadership style. The lowest perception of leadership integrity is correlated to high levels of laissez-faire behavior and low levels of idealized attributes.

Corrective-avoidant leadership as a form of transactional leadership explains different perceptions about leader integrity. The highest perceptions of integrity are related are related to corrective avoidant behaviors while the lowest perceptions of integrity are related to high levels of laissez-faire leadership. The empirical research conducted by Parry and Proctor-Thompson (2002) provide evidences to support a negative relationship between integrity and corrective-avoidant. Higher leadership integrity is related to low levels of laissez fair leadership style and high levels of any corrective avoidant behavior (Parry and Proctor-Thomson, 2002)

Charismatic leadership

Transformational leadership is likely to have moral integrity far better than charismatic leadership. Simons (1999) identified charismatic leadership style as a potential ethical leadership. Howell and Avolio (1992) argue that the same qualities that can make a charismatic leadership style have the potential to be unethical leadership and lacking in integrity. The results provided evidence for positive relationship between perceived integrity and transformational factor of charisma, identified as idealized attributes and behaviors.

There is a negative relationship between perceptions of integrity and charisma, although Parry and Proctor-Thompson (2002) claim that is needed more in-depth qualitative case-study analysis. However, charismatic leaders can be perceived as lacking in integrity, although more research is needed to identify moderating and intervening variables.

Leadership integrity effectiveness

Leadership integrity correlates most strongly with leadership effectiveness. Similarly, the presence of integrity related with organizational effectiveness. There is a critical relationship between integrity and measures of organizational and leadership effectiveness (Mowday, Porter and Steers, 1982) and a positive relationship between perceived integrity and a wide range of perceived effectiveness measures (Parry and Proctor-Thomson, 2002).

There are some empirical studies supporting the assumption that integrity is positively related to leader effectiveness (Kanungo and Mendonca, 1996; Mowday et al., 1982, Morgan, 1993; Posner and Schmidt, 1984; Steers, 1977). Integrity ratings are subject to bias of hierarchy, being higher and more favorable by superiors than by peers and subordinates (Morgan, 1993). Parry and Proctor-Thomson (2002) verify positive relationships between perceived integrity, leadership styles and a range of measures of organizational effectiveness. A positive correlation was found between leader and organizational effectiveness.

Empirical studies to test the relationship between perceived integrity and leader effectiveness have used the Perceived Leadership Integrity Scale (PLIS) developed by Craig and Gustafson (1998) and a revised version, the PLIS-R to determine and identify perceived integrity of leadership in organizations, although the integrity ratings of leaders may differ depending of the level of the rater. The PLIS-R measures beliefs on the intent of leadership.

To enhance integrity capacity as an intangible and organizational strategic asset, Petrick and Quinn (2001) propose some leadership practices. Leaders are often not held accountable for their neglect of integrity capacity and the cost incurred as a key intangible, strategic asset (Trevino, Weaver, and Brown, 2000; Petrick and Quinn, 2000). Petrick and Quinn (2001) identify the challenge of holding leaders accountable for the performance of organizational integrity capacity as an intangible strategic asset by focusing on judgment integrity to handle behavioral, moral and economic dimensions' complexities.

Integrity strategy as moral management

Integrity strategy is a concept related to moral management. Payne (1994) argues that integrity strategy is ethics as the driving force of the organization. Recognition of the organizational management integrity issue in influencing the strategic direction of organizations has created a greater organizational awareness of the history, ethics and culture. An organizational integrity management system may develop institutional strategies and policies aimed to building more human and ethical capabilities intended to resist corruption and other unethical organizational behaviors (Boardman and Klum, 2001).

Strategic deployment is the new paradigm of organizational integrity capacity that organizational integrity leadership by moral to guide ethical

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behaviors, to improve judgment integrity, to build and maintain collective commitment to integrity and to enhance moral reputation for system integrity capacity (Petrick and Quinn, 1997).

Organizational management integrity strategy, as part of the strategic planning to foster organizational integrity, should be aligned to the economic and financial goals with ethical, social responsibility and environmental objectives. The evolving normative - compliance and transformative process character of organizational integrity is reflected in the organization's mission and values statements declared in the strategic planning (Paine, 1994, 2003). Clear integrity strategies and policies are necessary to constitute a framework model of organizational integrity to apply the values and rules through an integrity focused leadership.

Organizational integrity-based management strategies can be focused to strengthen the link between personal integrity and organizational management integrity. Organizational integrity-based strategies should be determined to transparent adherence to moral principles and to implement an ethical culture that could result in an attitude of integrity. Organizational integrity-based strategies foster credible leadership integrity, enhance reputation capital, improve trustworthy and loyalty, takes into account the conflicting interests of internal and external stakeholders. Implementing an organization integrity-based strategy means that internal and external stakeholders should commit to good governance practices where political correctness is well appreciated (Jackson and Nelson, 2004).

Personal integrity in an organization may be perceived as the cause of integrity failure rather than organizational integrity due to the individual responsibility. Personal integrity does not necessarily leads to behave ethical under some specific organizational situations. Strategies and policies on organizational management integrity-focused designed and formulated to improve the organization's integrity, should responsible balance the possible conflicting interests, recognized by Kaptein, van Reenen (2001) as the three dilemmas: entangled hands, the many hands and the dirty hands dilemmas.

An organizational integrity-based strategy can be grounded on the definition, demonstration and dissemination of core values in a relational synergy between the diverse stakeholders of the organization. At macro level, different combinations of organizational integrity and organizational synergy lead to different results. In order to implement organizational integrity, the leadership should be able to provide relational based quality centered on the

core values from the inside out in every situation (Kingsley, K. 2005).

An organizational integrity strategy is a shared set of values-based approach designed and implemented proactively to obtain commitment from individuals, promoting individual ethical behaviors to raise the level of organizational ethics. Design and formulation of strategies to improve organizational management integrity should take into consideration surveying the programs and best practices performed by individual agencies. Best practices of corporate responsibility are essential part of strategic organizational management integrity.

An organizational strategy aimed to improve the organizational integrity should focus on leadership developing ethical policies ranging from codes of conduct, whistle- blower procedures, job rotation and applicant screening and some others (Lasthuizen, 2008). Design, formulation and implementation of strategies to improve organizational integrity, might be achieved through the monitoring of different group activities over time. Corporate social responsibility as an organizational strategy is a practice central to organizational integrity.

There are some discussions about implications of organizational management integrity related to issues questioning and rising doubts about the strategies' success of reengineering, restructuring, outsourcing, strategic skills and capabilities, core competencies, etc.

Institutionalization of an organizational management integrity capacity system

Issues of integrity and ethical dilemmas may be framed by the institutionalization of organizational ethical culture. The leadership and management of an integrity capacity system should provide the supportive institutional context to sustain the organizational commitment to collective moral progress. The institutionalization of a system integrity capacity gives support to the emergence and maintenance of an organizational moral, ethical and legal culture in the current organizational practices (Petrick and Quinn, 1997; Petrick, 1998).

Institutional coherence as a requirement for organizational integrity is concerned with all the stakeholders involved in any type of individual and organizational relationships avoiding wrongdoings. Woolcock (1998, p. 168) identifies organizational integrity at the macro level considering the

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institutional coherence and the competence capacity. An organization that institutionalizes and integrity-directed system may be able to enhance the reputational capital as a key intangible asset (Fombrun, 1996).

In the situation where there are high levels of organizational integrity and organizational synergy, the emerging institutional structure favors development through different channels to convey civil society demands in a continuous process of negotiation and embedded autonomy (Evans, 1992, 1995). The implementation of a system integrity capacity to institutionalize an organizational ethical, moral and legal culture may provide sustainable moral progress.

Clientelism and patronage in organizations may be dysfunctions when provide the basis for the institutionalization of corruption, misbehaviors, abuses, etc., and the lack of any organizational management integrity (GRECO 2002; Transparency International 2001; Papakostas 2001; *Kathimerini* 30 January 2003). Institutionalization integrity-directed systems are applied to all the internal and external organizational stakeholders, such as the Acting with Integrity Program of Nortel based upon internalized ethical principles anchored by core business values.

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