

LEVEL	Organization's Integrity Purpose	Corresponding Commitment	Corresponding Action
+7	Be regenerative + think about future generations	We want to be regenerative (restore what has been lost). We'll make decisions thinking about future generations	Set up a heritage fund with oil revenues in Alberta to invest in renewables for future generations
+6	Be sustainable + achieve positive social, environmental and economic impact	We're looking to achieve positive financial, environmental + social return...on a sustainable basis	A mining company's business strategy addresses their role after the plant gate closes
+5	Achieve positive social, environmental and economic impact	Positive social + environmental return on investment is a desired by-product of financial investment.	Set up ways to monitor, measure and report on the non-financial impacts of projects e.g. transparency
+4	Be responsible + do no harm	We are responsible. We understand the impacts of our operations and want to do as little harm as possible.	Engagement strategies really enable you to understand communities. "Responsible Care" programs
+3	Make choices that are 'beyond compliance' with laws and policies	We don't just comply with the letter of the law; we think about the spirit, or intention, of laws and policies.	Corporate managers trained to understand human rights impacts
+2	Comply with laws and policies	We believe, for civilized people, laws are essential...no ifs, ands or buts.	Involve lawyers in your risk management strategy
+1	Strictly comply with legal requirements	We'll strictly comply with the minimum legal requirements needed to stay in business...no more/no less!	Don't do anything you don't have to do; hire aggressive lawyers
	↑ integrity concentration ↑	A Measure of Integrity	↓ integrity dilution ↓
-1	Situationally justify non-compliance with laws and rules	OK to rationalize technical non-compliance with rules to achieve perceived fairness, e.g. to right a wrong	Inflate tax deductions if prior year's deductions were unfairly disallowed
-2	Rationalize sub-cultural norms to override compliance with laws and rules	If others in the company fail to comply with this law or rule, we won't put ourselves at a disadvantage by complying.	Ignore rules and follow sub-cultural norms – e.g. paying local contractors in cash
-3	Avoid criminal prosecution!	Don't do anything that is criminal!...but don't worry about technical compliance with all laws and rules	Fail to report small pollution spills if there is no criminal consequence
-4	Do cost-benefit analysis: compliance with laws vs. the risk of criminal prosecution?	Selectively comply with laws on a jurisdiction x jurisdiction, project x project basis ; assess probability of getting caught	Just ignore laws in countries where governments lack capacity or political will to enforce
-5	Be smarter than the next company; do indirectly what you can't do directly	Avoid being caught with the dirty hands. Outsource the responsibility.	Hire agents to pay bribes; have joint venture partner do the dirty work
-6	You have to exploit and be greedy; it's a competitive world!	Cover up violations of law	Design elaborate schemes to defraud investors
-7	It's all about us/me, right now!	Do whatever we have to ...to keep this company afloat, to keep your job, \$\$\$	Lie, cheat, steal, betray

A Measure of Integrity & User Guide

www.integritybridges.com



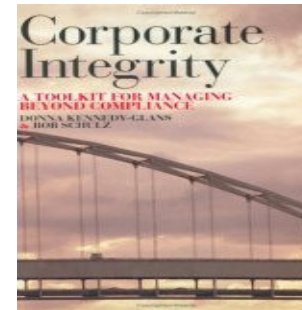


A MEASURE OF INTEGRITY & User Guide for Organizations

What is corporate integrity? Put simply, it's the full integration of your organization's values. Walking your talk. Practicing what you preach. Integrity goes beyond honesty to incorporate a wholeness, coherence and alignment that defines corporate character.

Most corporations would agree—integrity has always been a critically important value for organizations and institutions. Yet in our increasingly globalized and interconnected world, integrity is no longer assumed. It's ironic—our level of connectivity has never been so high, and our level of trust in organizations has never been so low. Organizations need to learn how to measure, manage and proactively demonstrate corporate integrity, with greater confidence, credibility and authenticity.

In Corporate Integrity: A Toolkit for Managing beyond Compliance (Kennedy-Glans and Schulz, 2005), tools were introduced to guide organizations in their alignment of integrity purpose, commitments and actions. These specialized tools have been upgraded and Integrity Bridges Inc. is excited to launch a new tool— **A Measure of Integrity**— to help organizations not only declare integrity as a core value, but as well, to transform this core value into an integral, inseparable aspect of a company's culture. We believe companies can have *integrity in their integrity*.



A Measure of Integrity can help companies answer these critical questions: What does the value of integrity mean in our organization? Where does our company want to be on **A Measure of Integrity**? Where is our organization now? What are the gaps? What can we do to close the gaps? What limits our organization's capacity to close the gaps?

Why manage integrity? Some people say acting with integrity is just the right thing to do. We don't disagree. But, we also encourage companies to think about their unique business case for integrity. Here are just a few reasons to manage integrity:

- Become more resilient
- Stop reacting to crisis
- Improve governance
- Build credibility
- Build external trust
- Reduce litigation
- Competitive advantage
- Improve access to capital
- Restore corporate confidence



Who sets an organization's integrity target? Integrity Bridges Inc. recommends that organizations be encouraged to strategically choose their targeted level of positive integrity. Not everyone agrees with us, but we believe that as long as companies and organizations aren't violating laws set by legitimate and responsible governments or regulators, they get to exercise judgement and decide what 'acting with integrity' means for them. (And, of course...live with the consequences of those choices.)

Right now, most people would agree: we need to create a breathing space for more meaningful dialogue on ethical dilemmas. Many for-profit companies have been condemned as uncaring and greedy. The same holds true for governmental organizations. People can be cynical about organizational motivators for integrity. And, consequently, critics and advocacy groups have developed their own definitions of 'integrity' that they would like to impose on organizations. Some organizations are weary of engaging in conversations about integrity because it often turns into a finger-pointing exercise.

Setting expectations for companies is understandable – Amnesty International can encourage companies to target higher levels of integrity on **A Measure of Integrity**; faith-based organizations can encourage their adherents to consider beyond-compliance thresholds that include social, environmental and ecological impacts of investing. But, shaming companies that don't operate at our preferred level of positive integrity often shuts down constructive dialogue.

Organizations make unique choices about their integrity purpose. When people have a better understanding of the meaning behind an organization's commitment to integrity, they can then have meaningful conversations with that organization and make better choices. Do we want to work for that company, partner with that organization, or welcome that investor into our community?

We can also more accurately evaluate how that organization walks its talk. If a corporate CEO says the company wants to "do no harm", and the company states in its Annual Report and other public and internal documents that this value is a corporate priority...but fails to act in ways that demonstrate this purpose and commitment, internal stakeholders (e.g. employees and contractors) and external stakeholders (e.g. the public, advocacy groups) are better equipped to ask questions and demand accountability.

What integrity choices are available for organizations? The **ascending scale of integrity** on **A Measure of Integrity** marks off from level 1 to level 7 the gradients of positive integrity from strict compliance with laws (level +1) to thinking regeneration + future generations (level +7). Level +3 marks the point where organizations move from *compliance* with laws to *beyond compliance* strategy. An organization doesn't necessarily operate at one single integrity threshold. For example, many companies choose to operate at level +2 (compliance) re: payment of taxes and at level +6 (well beyond compliance) with environmental sustainability targets.



The **scale of diluting integrity**—also marked off from levels 1 to 7—reflects what the demise of integrity can look like, and how these choices are rationalized. Organizations can *slide* into failed integrity; situationally justifying decisions (on a project, divisional or organization-wide basis) to side-step laws and policies that are perceived to be unfair (level -1) or rationalizing a sub-cultural norm to override compliance with laws and policies (level -2). At the mid-range of this declining scale are organizations willing to violate rules, even criminal laws, in response to catastrophic events or to stay competitive. *It can be a bit like a game of Snakes and Ladders!* At the very bottom of this scale, at level -7, you will find organizations and individuals who have plunged into full self-absorption: “it’s all about us/me, right now!”



Like nesting Russian dolls, each successive level of integrity *transcends and includes* the previous level or levels on **A Measure of Integrity**. For example, at level +3, organizations are motivated to act beyond compliance with laws and policies. At level +3, that company is also motivated to comply with laws and policies (level +2); and strictly comply with legal requirements (level +1). The same is true in the descending scale. An organization functioning at level -4 (conducting cost-benefit analysis of compliance with laws) would also be motivated to avoid compliance with laws and policies: to avoid criminal prosecution (level -3); to rationalize an overriding sub-cultural norm (level -2); and to situationally justify non-compliance with rules and laws (level -1).

Why does A Measure of Integrity look at the dark side of integrity? Corporate integrity has a dark side and a light side. The negative scale helps us recognize the dilution of corporate integrity when it happens in other organizations (e.g. along supply chains, within corporate partners or competitors). And, even the most high-performing organizations can find themselves in situations where they are at a tipping point on integrity. The frequency and recurrence of cheating in our culture cannot be denied. **A Measure of Integrity** helps corporate insiders recognize these risks, and recover more quickly. As Sir Winston Churchill famously said: “Success is not final, failure is not fatal: It is the courage to continue that counts.”

There is a lot yet to learn about the dark side of integrity. In some sports, we keep track of errors and fouls. In baseball, for example, we record runs, hits and errors. No player wants to earn an error, but we know they are unavoidable. Perhaps if we could recognize that errors are inevitable in business, and politics too, we could deal with mistakes and poor choices more effectively. But first, we need to learn how to acknowledge when we are on the dark side of integrity. For more on this research, check out **Frequently Asked Questions** on our website.



Who is responsible for an organization's integrity? The short answer: Everyone! But there are different roles. External stakeholders—including governments and regulators, citizens in local communities, advocacy organizations and watchdogs, industry associations, consumers—set expectations and monitor corporate performance. Inside an organization, corporate leaders (including the Board of Directors) are responsible to ensure that overall integrity targets for the organization are set, and may even champion efforts to move a company up (or down) a notch or two on **A Measure of Integrity**. Corporate managers oversee an organization's effective implementation of integrity commitments and actions.

How does corporate integrity align with personal integrity? This is an important question. Unless you are a sole proprietor, it's unlikely the integrity purpose of your employer will align perfectly with your personal interpretation of the value of integrity. If this tension is healthy—and open for dialogue—it can stimulate personal and/or organizational growth. But, organizational momentum can be strong. It's not productive when organizations are pulling individuals along in a direction they don't want to go. When corporate integrity and personal integrity get way out of alignment; individuals can become frustrated, disengaged or cynical.

How can I use this tool? The best way to use any universal tool, including **A Measure of Integrity**, is to apply the tool to your own situation. Like the other tools in your organization's toolkit, you create your own applications. No cookie-cutters. This tool has been created by Integrity Bridges Inc. and is **freely made available to you on an open-source basis**. What does this mean? You may copy, distribute, transmit, use and modify these original materials to create your own adaptations...as long as you freely share your modifications with others and give Integrity Bridges Inc. attribution. Details of this **Creative Commons Attribution-ShareAlike License** are set out at the end of this User Guide.

Here are suggested steps to guide the application of **A Measure of Integrity** in an organization:

- 1. **Determine your organization's prevailing integrity purpose on A Measure of Integrity.** If your company's level of integrity isn't obvious, consider the commitment and action columns on **A Measure of Integrity**. Do any of these commitments sound familiar: "A company's responsibility is to comply with laws" (level +2); "To be competitive, we're going to be known as the company that chooses to act beyond compliance with laws (level +3); or "We're a responsible company that cares; we don't want to do harm" (level +4). Sometimes companies decide to target more than one level of integrity— perhaps compliance with local laws and policies (level +2) re: payment of taxes – and "beyond compliance" with laws (level +3) for other corporate activities. And, companies may choose *stretch* integrity target to distinguish their organization from competitors (e.g. to act with integrity at level +5 re: local community engagement and investment).
- 2. **Design the commitments needed to imbed your company's targeted level of integrity.** Start by focusing your attention on issues that really matter to your organization. In relation to these issues, set clear and measurable



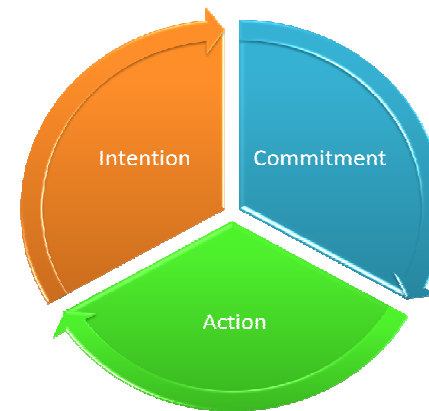
commitments that correspond with your organization’s integrity target. **A Measure of Integrity** uses integrity as the framework—the corporate scaffolding—within which an organization’s commitments and strategies can be systematically and strategically ordered, including those relating to:

- | | | |
|----------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Crisis response | <input type="checkbox"/> Sustainability | <input type="checkbox"/> Succession planning |
| <input type="checkbox"/> Supply chain | <input type="checkbox"/> Climate change | <input type="checkbox"/> Compliance |
| <input type="checkbox"/> Corporate Social Responsibility | <input type="checkbox"/> Diversity | <input type="checkbox"/> Safety |
| <input type="checkbox"/> Philanthropy | <input type="checkbox"/> Conflict and dispute resolution | <input type="checkbox"/> Security |
| <input type="checkbox"/> Transparency | <input type="checkbox"/> Innovation and research | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Indigenous relations | <input type="checkbox"/> Consumer expectations | <input type="checkbox"/> Human rights |
| <input type="checkbox"/> Environmental protection | <input type="checkbox"/> Risk management | <input type="checkbox"/> Public-private partnerships |
| <input type="checkbox"/> Reputation | <input type="checkbox"/> Training | <input type="checkbox"/> Financing |
| <input type="checkbox"/> Social impacts of investing | <input type="checkbox"/> Governance | <input type="checkbox"/> Competitive advantage |

And, keep checking for alignment in your organization’s integrity purpose, and corresponding commitments and actions. Are there any expectation gaps between your company’s targeted integrity level and commitments? Are there any performance gaps between your company’s commitments and actions? This alignment requires ongoing management.

People, and organizations, develop their integrity by testing a situation or a method. In this testing, we do something and notice the consequences for ourselves and others and if we are honest about those consequences, we alter our future acts in response. Acting with integrity is active work.

In **A Measure of Integrity**, we envision a dynamic pulsing energy moving from intention to commitment to action, making refinements and adjustments as needed, and building momentum for **spiraling integrity**. This dynamic spiraling action is needed to embed values into every fibre of an organization’s being.





A Measure of Integrity Scorecard is a companion tool designed by Integrity Bridges Inc. to help you keep track of your company's integrity. This scorecard can be used by companies to guide conversations with their key stakeholders. Our template is designed for community stakeholders, but can be modified for use by any corporate stakeholder: internal (e.g. shareholder, individual divisions, and employees) or external (e.g. partners, supply chain, critics).

How does the scorecard work? First, we encourage companies to identify one or two issues for focus. Maybe it's community investment, environmental protection or unionized labour. Then:

Ask the company: What is your targeted level of integrity on **A Measure of Integrity**? Where are you now, in general, and in particular re: the issues in question?

Then, ask the community stakeholders: What is your perception of this company's integrity target, in general, and in relation to these particular issues? And, what are your expectations of this company?

Observe the corporate gaps in the targeted level of integrity on **A Measure of Integrity**, and reality. Observe the community's perceptions and expectations of the company's integrity. Discuss what can be done to close the gaps (including limitations).

How can you move your good ideas for corporate integrity into action? What next? If you would like to implement **A Measure of Integrity** in your company or organization, or at a systems level in your industry or community:

You can contact us to join our **Corporate Integrity Learning Community**, and contribute your own experiences, suggestions and ideas...maybe your own **Integrity Tale!**

You can copy, distribute, transmit, use and modify **A Measure of Integrity** to create your own adaptations. Just make sure you share your learnings with us, and give Integrity Bridges Inc. attribution in accordance with the **Creative Commons Attribution-ShareAlike License**.

You can learn more by checking out **Frequently Asked Questions** at www.integritybridges.com:

Frequently Asked Questions:

- ④ ***What exactly is corporate integrity, and why is it so critical, right now?***
- ④ ***What's the business case for managing corporate integrity?***
- ④ ***Is integrity more complex than 'wholeness' or a lack of contradiction?***
- ④ ***To flush out integrity laggards, do we need another tool?***



- ④ ***You describe A Measure of Integrity as a corporate integrity tool. What does that mean?***
- ④ ***Why didn't we just create a corporate performance checklist?***
- ④ ***Do you believe companies should be allowed to set their own integrity targets?***
- ④ ***How is A Measure of Integrity going to help imbed corporate integrity in our company?***
- ④ ***How can we talk to our key stakeholders about integrity? What's A Measure of Integrity scorecard?***
- ④ ***Who is responsible for an organization's integrity?***
- ④ ***Is the goal to encourage companies to progress up this integrity scale?***
- ④ ***Why does A Measure of Integrity look at the dark side of integrity?***
- ④ ***Why do we resist making the changes needed to achieve our desired level of corporate integrity?***
- ④ ***Will we need courage to act with integrity?***
- ④ ***There are many ways to approach integrity within organizations. How is this tool positioned?***

How to Participate:

- ④ ***How can we participate in this corporate integrity learning community?***
- ④ ***What are Corporate Integrity Tales....and how do we share our experiences with corporate integrity?***
- ④ ***Do we need permission to use A Measure of Integrity? And, what is a Creative Commons license?***
- ④ ***Who participates in this corporate integrity learning community?***

Research Questions:

- ④ ***Is A Measure of Integrity grounded in practical application, academic research, or science?***
 - ④ ***How does this tool align to other research?***
 - Alignment to Maslow's Hierarchy of Needs
 - Alignment to Kohlberg's Stages of Moral Development
 - Alignment to Graves' Levels of Existence
 - Alignment to Beck and Cowan's Spiral Dynamics mapping
 - ④ ***With corporate integrity, do we see Incremental Shifts or Paradigm Shifts?***
 - ④ ***What intelligence (IQ, EQ, SQ) do we need to manage corporate integrity?***
 - ④ ***How do we lead organizations with positive integrity?***
-



Corporate Integrity Tales

To help your organization understand the full spectrum of options for using this universal management tool, we are sharing some **Corporate Integrity Tales**. These are fictionalized accounts of real-life experiences—the tales of organizations participating in the quest to measure, manage and manifest integrity.

Do any of these storylines, below, resonate...or is there another integrity tale your company would like to explore? Share your fictionalized tale with us. (Any historical experience can be 'reconstructed' as a fairytale.) The most compelling tales will be posted at www.integritybridges.com. And, be playful. A healthy sense of humour is essential for this work!

- What to do when your company's supply chain grows larger and larger, and you can't quite seem to control it anymore?
- What to do when your new joint venture partner's integrity values read the same as your company's values...but the actual practices look very, very different?
- What to do when your company enters into a public-private partnership and everyone seems to be talking about integrity and sustainability, yet in different languages?
- What to do when young staff in your organization blog openly and critically about your company's reluctance to commit to beyond compliance, voluntary sustainability standards?
- What to do when shareholders complain that your company's donations to charities dilute profitability?
- What to do when the citizens in local communities where you operate keep asking for more and more from your company, and never seem grateful?
- What to do when your company's high profile projects align to your company's integrity commitments, but less visible projects do not? How do you respond when reputation and PR seems to a primary motivation for your CEO or company's management team?



Corporate Integrity Tale: Awesome Canadian Extractive Company

Hero: Bob Smith, 45, Engineer, Regional Manager

Setting: Remote communities in northern Saskatchewan, Canada

Organization: Awesome Canadian Extractive Company Inc., a Canadian mining company

Once upon a time, Bob Smith, a 45-year old mid career professional engineer, was hired as Regional Manager by Awesome Canadian Extractive Company Inc. (**'Awesome'**), a for profit company, to manage the company's mining sites and processing plants in remote communities in northern Saskatchewan. Why would Bob want to live in northern Saskatchewan? His family hails from Saskatoon so this is a great chance for him to return to his 'homeland', and it doesn't hurt that **Awesome** pays its employees well. Bob is also influenced by his 80-year old mother's positive impressions of **Awesome**, a company that commits to 'integrity' as a core value in its press releases.

In morning chats at the local Tim Horton's coffee shop in the small town where Bob now lives, and during 6:00 am hockey practices at the community hockey rink, Bob quickly surmises from others that his new employer is a law-abiding corporate citizen. The company grumbles a little about the taxes it pays, but it complies with rules and pays particular attention to regulatory standards for its operations (e.g. environmental standards, safety standards). Bob doesn't believe his new employer will voluntarily commit to go beyond compliance with existing rules and laws. Bob has his handy-dandy **Measure of Integrity** tool in his hip-pocket, and quickly surmises that **Awesome** is a company motivated to manage integrity at Level +2. "We believe, for civilized people, laws are essential...no ifs, ands or buts."

There is one proviso though. In conversations with local citizens—people living near the company's plants and mines—**Awesome** keeps saying: "*We're a company that cares about local community priorities.*" In fact, **Awesome** does. The company invests heavily in training of locals and supports the development of small local enterprises (e.g. catering and trucking services that support the mining operations). When the CEO talks at the AGM, or with the press, Bob notices that she always reinforces **Awesome's** commitments to the community and talks about not wanting to do any harm. *What's up?* Is the CEO off message, is she wearing her heart on her sleeve, or does the company have a different level of integrity when it comes to dealing with community stakeholders?

Bob is a little confused by this; the company seems to see 'integrity' as compliance with laws and rules (level +2), and yet the company is willing to make voluntary commitments to the local communities where the company operates. If he's going to fulfill his management duties, Bob needs to understand his employer's commitments to integrity. So, he does more due diligence. He reads the company's mission, vision and value statements. He checks out corporate policies and communications. He pays attention to how others make decisions.



Based on this research, Bob confirms that, overall, his new employer wants to manage integrity at level +2 on **A Measure of Integrity**...and the company genuinely cares about complying with regulatory standards set for emissions and safety. But, he sees that the company has a different approach on community; to Bob, it looks like the company is managing relationships with the communities at level +4. **Awesome** has made an intentional decision to upgrade its integrity purpose in relation to communities.

Now that Bob has clarity on **Awesome's** integrity purpose, he can clarify his region's commitments and make sure that actions are aligned (and identify what resources and strategies he needs to meet these integrity targets and score a positive Return on Integrity). To manage the company's operations in northern Saskatchewan at level +2, Bob knows he needs a good team of lawyers and open relationships with local regulators to ensure his people understand the regulatory requirements. And, he needs to ensure there are well understood processes in place to manage operations.

Bob is comfortable operating the company's North Saskatchewan division with a compliance strategy, but he sees a few hiccups. There are two plants in his region, located in neighbouring municipalities. Bob knows the waste-water bylaws in these two municipalities differ. He is a bit dismayed; he doesn't want to operate these two plants at different standards. Dual standards aren't appealing to Bob, personally. Yet he recognizes the need for senior management approval to operate the plants on a standardized basis (one plant will be operating beyond compliance). On reflection, Bob sees this as an opportunity to lead the company up one small step on **A Measure of Integrity**.

Bob also recognizes that his division's approach to local communities needs clarification, within his management team and with local citizens. **Awesome** wants to be seen by locals as a responsible investor that really cares, even if that means going beyond what is required of the company by law or regulation (level +4). At one of the plants, Bob's plant manager is in the midst of designing a second access road into the plant and neighbouring land-owners are grumbling about the construction and increased traffic. Bob directs the plant manager to meet with the adjacent land-owners, to really understand their concerns and needs. And, Bob encourages his plant manager to decide the road placement *in consultation with* these locals. Maybe this access road could even be designed in a way that could be useful to others in the community?

Bob is new to management. He realizes that managing integrity is part of his job. And, he astutely realizes that if he going to get recognized for his management skills, he needs to demonstrate a 'return on integrity' practices. He works hard to make sure corporate intentions, commitments and actions align, especially in the company's focus areas: compliance with laws and rules and community engagement. To ensure his region is operating with *integrity in its integrity*, Bob knows he needs to pay attention to individual projects within his scope of responsibility, and even individual departments. Any gaps need to be identified, understood and managed.



When Bob looks even more closely at his team’s performance, he notices a few less obvious integrity gaps. As a remote location, his supply chain management team are challenged to source goods and services at reasonable rates. To encourage local entrepreneurs, and stimulate the local economy (all in alignment with level +4 targets re: the local community), employees on the supply chain management team have rationalized compromises. A few sweetheart deals, for cash, with friends and family have been justified as a norm in these remote communities. Bob is disturbed: he knows these choices drag the integrity of **Awesome** down...even to the shadow side on **A Measure of Integrity**.

Gaps that are ignored risk getting wider, and can be really damaging to Bob and to **Awesome**. Bob intervenes quickly to talk about expectations with his supply chain team lead. This individual has been in his job for decades and isn’t happy being criticized by Bob, who he sees as a young whippersnapper. The supply chain team lead berates Bob for his naivety —“You are a new manager here. You don’t know how we do things in northern Saskatchewan. We’d be the laughing stock of this community if we changed our practices now. We can’t compete if we don’t grease a few local wheels. Our competitors would slaughter us. Besides, you said we really care about people in local communities.”

In these heated discussions with the supply chain team lead, Bob also learns that the community investment folks in his division have from time-to-time bribed local Aboriginal chiefs with lucrative contracts to garner their cooperation in **Awesome’s** investment in the region. Bob feels the integrity in his division disintegrating.

How does this tale end? Bob has choices:

- A. **OSTRICH:** Bob dithers, refusing to address these integrity breaches with his management team. Meanwhile, a local contractor steps forward to claim that he was paid in cash, ‘under the table’, by an **Awesome** employee. Then, to make things even worse, a local Aboriginal woman steps forward to talk about bribes made to local chiefs, and how these funds don’t trickle down to help her or her children in the community. The implicated employees are found guilty of bribery and corruption, ending up in jail. Bob is fired. **Awesome’s** reputation—across the country—is tarnished.
- B. **MARTYR:** Bob is furious, yelling at his operating team in northern Saskatchewan and calling them all idiots and crooks. Their reaction? Mutiny! Bob is ridiculed by his entire operations team. The group sides with the long-standing employees, refusing to change their practices. Bob goes to his boss, at company’s HQ in Calgary, to demand intervention. His boss condemns Bob’s management skills, and tells Bob to focus on plant operations. Corporate lawyers will figure out what employee education is needed in his region, in due course. Bob is miserable. He needs this job; he has a mortgage to pay and children’s hockey equipment to buy. But, he can’t condone this breach of integrity. Bob sees no space to negotiate this gap between personal values and organizational values. He quits.



C. HERO: It's tempting for Bob to ignore these integrity gaps. But, he knows that would be a failure of both management and leadership. Bob understands it may cost more to source goods and services in compliance with laws. Yet in his gut he knows that the practice of paying cash 'under the table' is illegal and unethical, and totally out of alignment with the company's integrity purpose. Even if competitors engage in this practice, it can't be rationalized. Plus, Bob doesn't want to compromise local suppliers and contractors. These are the very people his company cares about.

As for the practice of inducing the cooperation of local Aboriginal leaders with lucrative contracts, this is horrifying to Bob. Someone may have done the cost-benefit analysis of compliance with laws vs. the risk of criminal prosecution, but operating at level -4 is not to be condoned.

Bob immediately and firmly forbids the practice of paying bribes and organizes a meeting of his full management team (including lawyers) to discuss the problem; to explain bribery and corruption in unequivocal terms; and to identify alternatives that support local suppliers and communities. Many on his management team are relieved this issue is out in the open, and identify creative ways to transparently build the capacity of local companies to provide required services and supplies, not just to **Awesome's** plants but to other industrial investors as well. Entrepreneurs and small businesses in the local communities are thrilled by these offers of support. Citizens in local Aboriginal communities are also encouraged by **Awesome's** commitment to transparency, and step forward to talk about how to engage more openly.

The End.



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