

# Integrity in Business Executives

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**T**he responsibility of a company's chief executive officer is to maximize shareholder wealth. The CEO is uniquely responsible for satisfying a multiplicity of conflicting interests: the shareholders (and they may have conflicting interests among themselves), the employees (same comment), the customers, and the different divisions of the corporation viewed as independent business units, to mention just the most important and obvious. The CEO must be able to appreciate the needs and values of each of these groups to whom he owes a legal or at least a moral duty to run the corporation as much as possible "in the interests of all"—and do it all while feeling basically good about himself. High integrity in a CEO is valuable because it guides the CEO to behave in ways that maximize shareholder wealth without exposing the company to the consequences of behavior that would be sanctioned.

Although I have not done the empirical study that would prove that high-integrity executives produce more value than low-integrity executives, individuals involved in private equity generally agree not only that integrity is ethically desirable but that it is a practical virtue. At a minimum, high integrity in an executive is believed to reduce transaction and other agency costs: If I cannot trust you to tell me the truth, then we have to investigate everything you say. Executives

who demonstrate integrity can help protect a company from illegal or unethical practices. Personal integrity in an executive is important not only because it allows the wheels of commerce to turn more smoothly but also because it creates a social good.

Appendix A describes how individuals involved in private equity define integrity. I view integrity as one dimension of a personality structure characterized by active coping. Active coping is the individual's readiness to adapt resourcefully and effectively to challenge and change. Appendix B describes the theory of active coping, the relation between the active coping style and integrity, and the theories of moral development from which I derived the propositions for this study of integrity. In particular, I explore five key propositions, detailed in Appendix C:

1. Behaving with integrity in business involves two components: transparency and commitment to values that transcend the self.
2. Executives who demonstrate high integrity have formative developmental histories of a loving attachment to and identification with a parent or significant other who expressed a cohesive set of values (this does not mean that loving attachments with parents predicts integrity).

## EXECUTIVE SUMMARY

This article has two purposes. The first is to flesh out integrity (and self-esteem) as the fourth dimension of the active coping style. (The other three dimensions are integrative capacity, optimal psychological autonomy, and instrumental coping.) The second is to develop propositions for research into the assessment and significance of integrity in business executives. The study may be useful for investors who view integrity as one desirable attribute in an executive.

To manifest integrity in business means behaving with a clear set of values; those values balance self-interest and concern with interest in and concern for others. This balance is consistent with the values and goals of the community. Executives who have integrity think about their actions writ broadly and how they will affect others.

This article compares the psychological characteristics of six executives who demonstrated high integrity to six executives who demonstrated low integrity. The executives were classified as high or low integrity based on their behaviors demonstrated in business over at least five years.

The Findings report what developmental and personality characteristics differentiated the members of the two groups. Each group was internally consistent. The differences between the groups were also striking. The high-integrity executives were more intelligent than the low-integrity executives. The high-integrity executives described warm relations with their parents, whose marriages tended to be harmonious. They admired their fathers. By contrast, the low-integrity executives described tense relations with their parents including confrontations, outright fights, severed relations, absent fathers, and over-controlling mothers. Many other differences are noted.

The Discussion considers how investors can increase their chances of selecting executives who will act with high integrity—that is, use the independence and power that comes with their roles responsibly and constructively, “in the interests of all,” by examining the propositions that the research findings supported. I use the masculine pronoun because all of the executives in this study were male.

3. Integrity and psychological autonomy are two dimensions of the active coping personality style (a high ability to adapt resourcefully to challenge and change) and are linked in individuals who are strong on both of these dimensions.
4. Integrity is correlated with integrative capacity and instrumental coping (the two other dimensions of the active coping style).
5. Understanding an executive’s developmental history and personality structure contributes to knowing whether the executive is likely to perform with consistently high integrity.

This article extends a psychological model for predicting leadership in rapidly changing conditions that I developed previously in a series of articles with Jordan Jacobowitz.<sup>1</sup> This model was based on research I led that was funded by the Graduate School of Business at the University of Chicago. That research was among the first of several systematic efforts to identify in advance individuals who possess the psychological resources needed to be successful business leaders. Subsequently, we conducted one of the first and most extensive empirical studies into the personality characteristics of successful CEOs of private equity-funded ventures.<sup>2</sup>

A central feature of the model is a construct called “active coping.” Active coping is the readiness to adapt resourcefully and effectively to challenge and change. The theory of active coping as developed by Joel Shanan<sup>3</sup> derives from the ideas of David Rapaport,<sup>4</sup> Carl Rogers,<sup>5</sup> Heinz Kohut,<sup>6</sup> and other psychologists. An individual demonstrates active coping when he strives to achieve personal aims and overcomes difficulties, rather than passively retreating or becoming overwhelmed. A propensity for active coping becomes an important determinant of performance when the characteristics of the environment in which the executive will have to perform cannot be fully specified in advance. For top management roles, the environment is especially complex and difficult to predict. I conceive of the active coping style in terms of four psychological dimensions: integrative capacity, optimal psychological autonomy, instrumental coping, and self-esteem.

1. Integrative capacity is an ingrained ability, combined with a routine practice, of drawing together diverse elements of a complex situation into a coherent pattern.

2. Optimal psychological autonomy is an ability to recognize and respect the aims and feelings of other individuals and the self while maintaining the objectivity and personal agency that allows for creative, workable resolutions to conflicts. It is what gives a person the freedom to choose.
3. Instrumental coping is the readiness to conceive and implement problem-solving strategies.
4. Self-esteem is a reflection of self-confidence, self-respect, and self-worth. It depends upon the consistency of one's behavior in accordance with one's values and ideals—that is, integrity.

In my experience, to identify how an executive is likely to behave under complex conditions requires knowing the whole person. I do not rely on a model that seeks to explain a wide variety of situations in general, one-size-fits-all terms. I do not seek to establish the average effect of one powerful variable on a large set of companies. Rather than establish the average effect, I seek to tailor-make a fit to optimize the success of predictions over time. A study I recently conducted examining the predictive validity of my approach highlighted the need to explore the integrity of every executive I assess.<sup>7</sup> The present study is one more step to improve my model to capture the potential for an executive to put shareholders, employees, or customers at risk through unethical behavior.

### **Operational Definition of Integrity**

An operational definition of integrity in business has two components: transparency, or accepting the risk of public exposure, which makes sense immediately and on a phenomenological level; and commitment, the ability to stick to a vision or values, no matter what others are saying.

A person of integrity maintains a consistency of standards rather than behaving according to a duplicitous set of standards. This test rules out lying, deception, and using knowledge that shareholders or customers do not have to manipulate them in ways that would enrich the self while harming others. Behaving with integrity is broader than a private code of conduct.

The first component of an operational definition is transparency. It says, "I do not fear public exposure." Implied in the notion of transparency are the larger

communal values. Transparency factors in the wider levels of the social good.

To that, one adds the idea of a commitment to a wider vision. The wider vision would need to be assessed by some standard; a vision is not necessarily an ethical vision. A public standard may not be enough to ensure that the vision is good.

Integrity in business can be classified according to three levels. The first level is behavior that is illegal or immoral. The second level is behavior that is considered inappropriate by members of the community. The third level is behavior that serves as a model for others. It stands out as exceptionally positive. It goes beyond norms of decency. Others perceive it as contributing to the safety and well being of the community. High integrity has an action.<sup>8</sup> Integrity is manifested in overt behavior.

### **METHOD AND PROCEDURES**

Data were drawn from psychological assessments I conducted between 1998 and 2006 on 200 executives in Corporate America. Each assessment lasted approximately four hours with the executive and followed the clinical assessment strategy and data collection techniques described elsewhere.<sup>9</sup>

The circumstances of the assessments varied. Two of the executives initiated the assessment because they wanted to gain self-awareness. Three were participants in a study into the personality characteristics of successful CEOs. Seven assessments were initiated by individuals involved in hiring or overseeing the executive. All executives had agreed to use of information gathered during the assessment for research into personality and executive performance. Any identifying information has been eliminated in this article.

I formulated my operational definition of integrity in terms of transparency and commitment. This definition gave me a guiding idea of which executives to select for this study. Then I reviewed the 200 cases. I identified six executives who unambiguously fit my definition of high integrity and six who fit my definition of low integrity.

Selection was based on whether the executive met the test of high or low integrity at the time of the original review of the executives' post-assessment performance. At the time of the assessment I did not know about their subsequent careers. Selection for the study was not in any way based on personality or developmental data but on

objective behaviors exhibited by the executive over time and observed and reported by third parties. In most cases the identification was based on behaviors reported in the assessment and confirmed by their subsequent careers.

To identify high-integrity executives, I defined integrity primarily as maintaining a consistency of standards rather than behaving according to a duplicitous set of standards. Persons of integrity hold themselves to a public standard. This was the test of transparency. They also demonstrate commitment to a vision that is broader than the self. As a corollary, they take into account the effects of their actions on others. This was the test of commitment.

To identify low-integrity executives, I identified those who had behaved in a self-serving way, using a hidden and deceitful set of standards (e.g., at least two sets of books) and who had sought to manipulate and deceive investors, owners, stockholders, and employees—who, in other words, who had already failed the tests of transparency and commitment.

Five years later, I interviewed industry colleagues, bosses, and peers of the executive to provide third-party data that would confirm or refute the classification of the executive as demonstrating high or low integrity.

### Participant Characteristics

Here I report the behavioral patterns that qualified an executive for selection into the high- or low-integrity groups. I emphasize that although I discussed integrity in conceptual terms, I also defined it in operational terms and specified levels of integrity exhibited through action. The executives were selected on the basis of their actions.

**High-integrity participants.** The first member of the high-integrity group was an executive whom I assessed as his company transitioned to a new institutional owner. He became CEO upon change of control. His integrity shone through throughout the interview, during which he expressed a moral obligation to lead well.

Five years later, his investors told me that they regarded him as an “outstanding” CEO who beat his budget every single month they owned the company.” His efforts earned them an IRR of 115%. “He was simply a no-nonsense, operationally-driven, detail-oriented CEO. He was always conservative in his forecasting, which was a key part of his ability to continually

overachieve.” For more data points, his investors then referred me to his CFO, who by then was working for a different company. That CFO noted that the CEO had manifested high integrity on numerous occasions. He exhibited integrity in his transparency with his Board:

When we had issues with the Board, he was always the one who dealt with issues head on. He was also quick to offer recommendations on how to solve the problems. “Here are the issues in the business and here is how we think they can be solved.” His integrity was also demonstrated in how he dealt with employees; during the process of selling the business to a new equity sponsor; and in following through with plans to expand the company into Europe. He was always mindful of the relationship between corporate management and field management. Trust was everything. When we offered projections with new business partners, credibility was the most important part of the process. We felt we had to stand behind our projections when we negotiated a contract. We wanted to make sure there was trust that developed. When we expressed an interest in expanding into Europe we undertook significant due diligence to develop a sense of conviction behind that new market. [The CEO] exhibited commitment in that he had every intention that we would follow through with expansion into European markets. We now have several operations in Europe. These are the types of issues that [he] took very seriously. Transparency in the relationship with the board of directors, commitment to a sense of team and purpose, and commitment to a strong bond that fostered the relationship between management and the board, and between management and field management.

The second member of the high integrity group was originally a participant in our study on successful CEOs. He was recommended as being well known for his integrity and quality of work. In my interview, he told me that he had stepped out of the limelight of being a CEO in order to spend more time with his wife, who had developed a serious illness.

His subsequent reputation verifies many examples of his commitment to others and to telling the truth.

For example, he gave evidence of integrity when he resigned from a company that he had led successfully to the point where it was ready to go public. As CEO of that company, he had worked diligently to line up top investment banks (23) to take the company public.

At the 11th hour, the Board Chairman decided that the company should use a different set of bankers. I refused because over a two-year period, I, my operating team, and the Board had established and become committed to a bank selection process. We committed to the candidate banks that the selection would be made using a very well-defined process and set of criteria. When at the last minute the Chairman insisted on using a set of banks outside the candidate universe, I resigned, walking away from millions of dollars. There were other integrity issues with the Chairman, as demonstrated by his behavior.

The CEO encountered a situation that went beyond his sense of personal integrity, at which time he decided to follow his conscience. This was a major reason for leaving the company contributed to his decision to refuse to take actions that would be personally enriching but which violated the promises he and his team had made to others. The CEO had built a top-notch management team, and shareholders were not harmed by his resignation and retirement.

The third member I had assessed in the context of his joining a private equity firm. I was impressed by the manner in which he described his work habits and values. “I try to be direct, honest, and sincere. I try to do what I say I’ll do—whether I like it or not. And I like to do what I feel is the right thing.”

In the four years after assessing him, I heard from other professionals in the community who had worked with him. They gave very high praise of his direct, straightforward, open interpersonal style and his commitment to doing the right thing in the right way. “What impressed me about him was his work ethic and unflappable demeanor.” “He was always someone who could be depended upon to get things done without the necessity for follow-up.” Describing negotiations with prospective management teams, this first high-integrity executive said that he often summarized his firm’s relationship with management in the form of a term sheet. At times the term sheets become binding

employment agreements but most often they remain as a guiding structure:

As we draft the details of the relationship in this term sheet, we almost always get to that point where it simply doesn’t make sense to continue digging into the detail. Either the point is too esoteric, or the situation is too remote or complex to be able to commit to particular set of outcomes. I very often find myself resorting to explaining that my reputation and integrity are really my only assets. ... I do what I say. I am addicted to fairness and transparency. I tell these managers that I would be proud to be their partner, but that in this partnership they are going to have to show at least some level of trust. They need to trust me that I will do the right thing and do what I promise. I am almost always able to get the executive to agree to this proposal. The element that I am really proud of is not that I am often successful negotiating these situations, but the fact that often these very situations that we were unable to fully document do in fact come back into play and need to be addressed. And I have to date never gone back on my word. Regardless of the fact that the documents leave me complete flexibility to do so, and regardless of the fact that the alternative would be far better for me financially or professionally, I have always done exactly what I promised. This includes increasing salaries, increasing bonuses, providing professional flexibility, distributing equity, and even pursuing a strategic direction. Now don’t get me wrong—I am not saying that I won’t do my absolute best at times to try and persuade the executive that a different approach is better for all involved, but if I cannot get the executive to agree, I do what I committed to doing. Full stop.

The fourth was the owner and CEO of a third-generation family business. He was introduced to me by one of his Board members as “a thoroughly upright guy.”

Ten years later, this Board member cited examples of the CEO’s sticking to his values, even taking unpopular actions, which included reporting misdeeds, which ultimately contributed to the reputation of the company as fulfilling its commitments. The CEO initiated his own assessment because he wanted to know more

about himself. The assessment made clear his honesty, empathy, and commitment to the community, the business, and to charitable organizations. In addition, I have had a consulting relationship with him for over 10 years and have throughout observed his steadfast devotion to his employees, his family, and his faith.

The fifth was a partner in a venture capital firm referred by his managing general partner for an assessment to clarify his ability to influence others. The assessment revealed the executive was open and committed, with no deficiencies. His psychological functioning and capabilities were among the strongest I have ever seen. His other partners concurred. The weakness noted by the managing general partner was explained by two factors. One, he came from a different socio-cultural background than the managing general partner. Two, he demonstrated a more reflective decision-making style that appeared less realistic and pragmatic than the managing partner preferred.

Subsequently, the culture of the firm changed. The atmosphere became dysfunctional and negative rather than cooperative and positive. The executive sensed this vicious dynamic and also wanted to leave the venture business, which he felt did not add real economic value, to focus instead on entrepreneurship. He left the firm in a dignified fashion. He went on to develop success as well as a notable reputation for being reliable. The company for which he is now working has developed cutting-edge energy storage technology that significantly reduces power/energy costs and CO<sub>2</sub> emissions. This technology is most useful in developing economies like India and Africa.

The sixth was a CEO referred by a private equity firm prior to hiring him to lead a revitalization effort. Five years after the assessment, investors described him as having been “incredibly loyal” over the five years they worked with him. “In a nutshell, there have been numerous attempts to recruit him away from his position [as CEO]; however, he has always been very upfront with us and wants to make sure that he fulfills the commitment that he made to us when he first came onboard.” One of the investors said that this loyalty extended to his team:

He has been incredibly loyal to his people and while he's a tough guy in the sense that underperformers get cut out pretty directly and without much hesitation, he really stands behind and backs

up the people that he thinks are high performers and really goes back for his team on equity opportunities and pay opportunities, never really asks for anything for himself, which is an element of his integrity level. He has been a pretty selfless guy through these challenges at the company. He has never highlighted his concerns or asked for anything for himself but has been an advocate for his employees.

**Low-integrity participants.** The first executive selected for the low-integrity group was referred for an assessment by his superior, the CFO of a Fortune 500 company. During his assessment, this executive admitted to behavior that anyone would characterize as showing low integrity. Ten years after the original assessment, the CFO who had requested the assessment reported that this particular executive had engaged in a pattern of unethical and inappropriate behavior. The pattern included secret gambling trips, holding hands with a subordinate, and the appearance of intimacy with her and other subordinates in other parts of the world that reinforced concerns about his integrity and were seen as exploitative. He also generated rumors about his superior within the company that undermined his superior. The CFO who had hired him described him as “slippery”: “I never thought he was faithful to his wife; he seemed to play around in the workplace.” “He had a way of stirring things up.”

The second executive was a subject in our study on successful CEOs. He reported behaviors that were highly manipulative and self-serving. He had alienated a business partner by “breaking accounting rules” “to please the customer.” As CEO, he misrepresented the company’s situation to investors, getting more capital from them than he believed he should have, based on his lie. He was proud of swindling them.

Five years later, I learned that as CEO he had apparently misrepresented the company’s situation to investors, getting more capital from them than the company’s situation justified. Third parties told me that his investors and creditors were repeatedly misled and manipulated.

The third was identified from hearing from a board member of inappropriate behaviors by the executive, who originally was nominated by a Board member and a Board observer for participation in our study on successful CEOs.

Subsequent to the publication of our study, I learned that this CEO's misrepresentations had influenced his investors' decision to put in more capital and to solicit funds from another investor. And then, while encouraging investors to generate a second round of financing, he did not tell his Board he was negotiating an employment offer by a competitor. It appeared "very suspicious" to the Board that shortly after raising the second round the CEO left for a more lucrative position with a competitor of the company. A Board observer "vividly" remembered "the misrepresentations and ethical errors in judgment he made in raising money and then leaving suddenly." The Board member and management of the company reportedly felt betrayed.

The fourth reported in his interview that he had established two households, with two "wives" and sets of children. A year after the assessment, his superior subsequently learned of affairs he had with women who reported to him. The executive used female subordinates to please him sexually. This practice was not only a source of low morale within the local organization, it diminished the company's reputation among important customers and created economic costs in the form of legal fees to eliminate a sexual harassment lawsuit and fees to find an executive who could replace him.

The fifth was a venture capitalist who had initiated his own assessment. He was deceptive during the interview but he had regrets. The day after his assessment, he tearfully admitted having misrepresented significant events in his history by hiding his misdeeds and unethical acts. Nevertheless, subsequently, I learned from his partners and others in the industry that he had continued to engage in manipulative and duplicitous behavior over the course of many years. He gossiped maliciously about colleagues. He created mistrust within his partnership which split into two. The executive's faction further disintegrated, with only one of the original members remaining. The team produced poor returns to investors relative to comparable firms.

In the case of the sixth low-integrity CEO, I subsequently learned from his investor that he had engaged in a prolonged, sexually deviant affair with a female subordinate who filed a sexual harassment lawsuit. He did not exhibit low-integrity qualities in his interview. He had been married for over 35 years. His investor surmised that his pattern of sexual deviance began during his military service, which if true, would mean it had endured for approximately 20 years. The problem for

the purposes of selection for the low-integrity group is that his affair with a subordinate very nearly hurt his investors' reputation and financial returns. It certainly cost the company money to remove the lawsuit as a threat. This sixth CEO case is what convinced me that it is important to investigate integrity factors during the assessment.

The executives in the high-integrity group accepted the responsibilities of power balanced by humility, patience, and charity. They assumed a mandate broader than maximizing shareholder value. They thought through the effects of their actions on their employees, their shareholders, their families, and themselves. They spoke openly and without shame about the actions they had taken indicating that the behavior they had taken was outside the realm of what they considered moral behavior.

The executives in the low-integrity group failed at least the test of transparency. Each of them in their own circumstances behaved deceptively. In many cases, they also failed the test of commitment. They did what was in their best interests but not in the interest of the companies they were hired to serve. Their commitment was to themselves. Their vision was not wide but completely self-oriented.

***Business and demographic characteristics of the participants.*** After selecting executives for the study, I examined their personality and developmental data. All of them were males in executive roles. Eight were CEOs of operating companies; two were operating managers; two were partners at investment firms. As reported in Exhibit 1, they all worked for U.S.-based companies in a well-diversified range of industries. The industries included manufacturing, telecommunications, private equity, and consumer products. The mean age was 50 years (range = 38–58 years). Nine of the 12 were born and raised in the United States. Three grew up abroad. Eleven were married; one was divorced at the time of the assessment. All had at least a college degree. One had a J.D.; seven had an M.B.A. degree or its equivalent.

## FINDINGS

The findings are divided into three sections. The first describes the educational, intellectual, and career histories. The second looks at development, which has two major

## EXHIBIT 1

### Age, Education, Cognitive Ability (APM),<sup>15</sup> and Career Background

HIGH INTEGRITY						
ID	Age	Education	APM	Functional Roles	Industry Group	Remarks
1.	35–39	M.B.A., M.S.	28	Engineering, Operations, CEO	Business services	Began career in aerospace engineering, rotations through all functions in preparation to be CEO.
2.	55–59	B.A.	26	Operations, CEO	Manufacturing	Began career at Fortune 500 company, assumed ever-greater responsibilities in a variety of public and private companies in the same industry, has been CEO of several public and private companies with expertise turning around underperforming businesses.
3.	35–39	J.D.	27	Law firm associate, investment banker, investment partner	Legal and financial services	Associate at top-tier law firm; investment banker at premier investment bank; partner at middle-market private equity firm.
4.	40–44	M.B.A., M.S.	36	Engineering, marketing, CEO, venture capitalist	Telecommunications, financial services, power generation and storage	Rose from engineering to lead strategic and segment marketing at public and private telecommunications firms; partner at early-stage venture capital firm; chief marketing officer at energy storage company.
5.	45–49	M.B.A.	23	Sales, CEO	Industrial products	Took over father's business after rotation in sales.
6.	50–54	B.B.A.	25	CEO	Business and consumer services	Steep and steady upward ascent; successful CEO in two previous companies; rose early on in his career to become president of a third. Refused several offers to lure him away from current post; will not leave until he has capable successor in place.
LOW INTEGRITY						
7.	45–49	M.B.A.	27	Finance	Manufacturing	Kept books for his father's business as a teenager; career in accounting and finance for heavy manufacturing companies.
8.	45–49	S.M. Management	25	Marketing, CEO, venture capitalist	Publishing, financial services	Early career in sales and marketing at publishing company, rose to general manager of division of electronic media company; founded software company; became a venture capitalist.
9.	50–54	M.B.A.	24	Sales, marketing, CEO	Business and consumer services	Quickly rose in sales at major company; left to head up product development and strategic marketing at another company; left to become CEO of privately held competitor. Abruptly resigned after approximately two years for a more lucrative position with a larger competitor.
10.	35–39	M.B.A.	20	Engineering, Operations	Manufacturing	Business unit leader at various manufacturing firms until became general manager for industrial parts and services firm headquartered in North America with locations abroad. Fired.

## EXHIBIT 1 (Continued)

ID	Age	Education	APM	Functional Roles	Industry Group	Remarks
11.	45–49	M.B.A.	18	Investment bank associate, strategy consultant, CEO, venture capitalist	Financial services and consulting	Began career at investment bank; moved to consulting firm hoping to move into venture capital division but was rebuffed. Co-founded a consulting firm, took over interim management of client companies, hired to co-lead venture capital subsidiary of large financial services firm; instigated dissolution of the subsidiary and now co-heads one of the groups that split off from the subsidiary.
12.	50–54	B.S.	16	Sales, operations, turnaround CEO	Industrial products	After the armed services, left to work in sales; became expert at turning around underperforming divisions. Recruited to lead transition of former family-owned business to institutional ownership.

## EXHIBIT 2 Original Family Background

HIGH INTEGRITY				
ID	General	Father	Mother	Siblings
1.	Mixed. Parents divorced when executive was 12 years old for reasons that are unclear. Executive reported having great relationships with both mother and father and admires them both. Mother died in her 50s.	Had various jobs: policeman, insurance salesman, laborer, and entrepreneur. “I was very close to him, I idolized him, looked up to him, he was fun around friends, willing to be silly.” He was a very dynamic person, “a sales-and-marketing type,” very active in Christian missionary work.	Reserved and intelligent, she was focused on her kids; after divorce, she worked in a factory and her family supported her emotionally and financially. “I respected her for the way she stepped up; she was a model of what it means to be a hero, to not back down.”	Executive was first born, one sibling, brother, younger by four years. Good relationship with him.
2.	Came from stable home. Admired both parents who were “the epitome of compromise and a good family.” Executive had polio from ages three to five, which was stressful; one sister died very young; otherwise, no major early familial stresses. Mother died at 52 when executive was a senior in college, which led to considerable family stress as the executive had to run the family business for over a year. Episcopalian as a family, went to church each week, all were confirmed, executive an acolyte.	Father was a Quaker. He was a conscientious objector. He won the Silver Beaver award in the Boy Scouts. Owned and operated small hotels and restaurants. He “had charisma,” was “a visionary,” “laid back,” and “an optimist” who “could care less about the social scene.” A man of very high moral character.	Mother was a Southern Baptist and came from a family of military generals. She “was programmed all her life to marry into wealth,” was a “concert-level pianist, a very proper lady.” Was a District Commissioner for Girl Scouting. Executive was “very proud” of her. She was “tough as nails,” “an A++ type personality,” full of honesty.	Five siblings, a sister who died at an early age, and two brothers; he was the fourth born. All three boys were Eagle Scouts, all members of Order of the Arrow; sister reached the highest level in Girl Scouting. “Scouting played a huge part of our upbringing and formation.” Siblings have been successful in their chosen vocations.

## EXHIBIT 2 (Continued)

ID	General	Father	Mother	Siblings
3.	Stable family. Very reliable parents. Had good friends growing up and lived in a peaceful, bucolic setting.	Very highly educated (nuclear physicist at premier institution). "A bit distant, very smart, quiet person; very kind, gentle, loving." Dad seemed the intellectual.	Raised kids for 10–15 years, then got associate degrees in garden design and architecture. "Very affectionate, supportive; couldn't imagine a mother who was better."	Five siblings, four male, one female. Executive first born male, one older sister. Siblings got along as they grew up and are friendly now. All have adjusted well to life.
4.	Very stable, cohesive, upwardly mobile, middle-class family (grew up abroad); supported educational achievements and intellectual and spiritual growth in all the children. "My parents were high-integrity individuals. Ever since I could remember they forced us to think in terms of being good, doing the right things, and being righteous, and that translates down into your immediate sphere of influence."	Father was originally a sound engineer who came from a very educated family. He was "into philosophy" and was spiritual. He was also practical in that he taught executive how to fix radios and other engineering. He was "hands off, laid back." Philosophical but not bold.	Mother had a high school diploma. Like father, she came from a very educated family. In contrast to father, executive described her as "hands on, very street wise." Very bright, bold, and practical.	Five siblings. Executive was first male, after two older sisters. Older sister had inspiring influence over him; she was very well educated and executive enjoyed reading her economics textbooks.
5.	Stable. Father 57 when executive was born; mother was much younger than father. A half-brother on father's side 29 years older than executive; relations between father and this brother were tense. Executive was well supported in his development.	Father was "phenomenal"; "he could have been a great corporate attorney or accountant" but chose to take over his father's business. He worked long hours but was "fulfilled." "He was not a Christian but always did the right thing. He was not willing to be ruthless. He felt that success is partly looking in the mirror, balancing time with your family; not making the climb up the ladder so important that your family and kids are wreckage."	Mother was 42 when executive was born. Originally she was his father's secretary and had worked for him for 22 years. She "worshipped" his dad. She came from working-class background and executive was her only child. She seemed to focus more on her son than on her aging husband.	One half-brother, 29 years older. Executive was first born to his mom and raised as only child. Brother "floundered at business"; "bright but undisciplined"; and "behaved in passive-aggressive way" toward father." Seemed inept at helping with father's business and resented father for not letting him run it.

subsections, family of origin and current family setting. The third examines personality structure and dynamics.

### Intelligence, Work Skills, and Experience

Exhibit 1 presents information on intelligence, functional skills, and career background. The high-integrity executives tended to score higher on the measure of intelligence ("APM"), a measure of nonverbal construct formation. Four of the six high-integrity executives scored 26 or higher on this particular cognitive ability test, whereas only one out of six in the low-integrity

group did. Rounding up for both groups, the high-integrity executives achieved a mean of 28; the mean for the low-integrity executives was 22. The standard deviation on this test in a population of high-achieving executives is four. High-integrity executives scored 1.5 standard deviations higher than the low-integrity executives.

I made no formal evaluation of the quality of the executives' functional skills. All 12 described themselves as having done well enough in school to move on, with higher education having an instrumental purpose. All had at least an undergraduate degree and, as

## EXHIBIT 2 (Continued)

ID	General	Father	Mother	Siblings
6.	Intact, loving family; dinner together every night.	Father was career military while executive was growing up; executive raised first four or five years by grandfather, with whom he had a “great relationship.” Grandfather modeled “independence, doing his own thing and expecting others to do so as well.” Father and uncle had a successful business. Father’s focus was enjoying his family; he was true to himself.	Mother “a champagne person on a beer budget” with an eye for better things and a bit of tension with father on that basis. Executive turned to mother when he needed advice in dating.	Three siblings; executive the eldest with younger brother and sister who never went to college.
<b>LOW INTEGRITY</b>				
7.	Grew up under extremely difficult conditions. Poverty, instability (family moved many times), maternal desertion at age of seven, and suicide of a high school friend. Had to sacrifice his own personal pleasure and self-development to help his father make ends meet. Grew up with a sense that he could not rely on the outer world to support him and that he must fend for himself. Yet he had a need for security and acceptance.	Father had a very difficult life in Eastern Europe. Had to emigrate to the U.S. and start from scratch. His wife deserted him and their two children. His expectations for his son were very high. He relied on him to help with his business and to adapt to the U.S.; executive felt that his father placed his social and financial needs ahead of his son’s. Father’s business was ultimately successful. Executive resented father had better social life than executive.	Mother had immigrant parents. She divorced executive’s father when executive was five and deserted her family when executive was seven. Executive did not see her again until he was a late adolescent; not much else known about her. Seemed to have left executive with need for a maternal figure.	One older sister who seemed to play both maternal and alter-ego function (i.e., they clung to each other for support). She, like executive, worked her way through school and became a professional in adulthood.
8.	Constant family tension. Parents fought over money. Father had an adulterous affair that resulted in divorce. Executive portrayed mother as moody and unstable but very controlling and overprotective. In fact, both parents were described as very controlling.	Father an Eagle Scout and alumnus of a premier business school; ran his own business. Authoritarian, controlling over money, possessed rigid, traditional values. Had an adulterous affair that resulted in divorce when executive was in high school, remarried, and then had a secret affair with his ex-wife. Subsequently father and son did not communicate for seven years.	Protective, traditional homemaker with the help of a housekeeper and very active socially outside the home. Unstable mood, seemed to executive to be needy, attention-seeking, and manipulative. She was very critical of her husband and very controlling of the executive, who felt he had to sneak and lie in order to conduct a normal teenage social life.	Two older brothers, with whom he reportedly got along well. Both brothers, as he, went to top-tier business schools and eventually developed their own independent businesses.

noted above, seven possessed an advanced degree. In general, their academic and professional performance was sufficient to advance to the general management level or above.

The high-integrity executives tended to be steadily upwardly mobile, loyal to their employers, and well regarded within their industries. The low integrity executives had histories of not getting along with bosses and leaving organizations.

## EXHIBIT 2 (Continued)

ID	General	Father	Mother	Siblings
9.	Fairly stable family. Parents got along and were devoted parents but were distant with one another. Some early external problems and father had to give up his business due to alleged embezzlement by relatives. Father moved family to another geographical region when executive was eight. Otherwise, no distress or family discord noted.	Father served in armed forces during WWII. Married a few years after war and is still married to the same wife. Insurance salesman who became head of sales for huge company. Executive said he was “passionate about being honest”; “truth was worth everything to him.” Father traveled much of executive’s childhood.	Mother was a “supermom”: a strong, opinionated woman who loved to cook. “She was a rock at home while dad was traveling.” Parents’ relationship was not observably warm. They seemed to focus on their children and not on their relationship with one another.	One older brother with whom he is close. Brother described as not being a risk taker. Brother never married.
10.	Stressful upbringing. Mother became pregnant as a teenager. Father did not live with her and her children but with his wife and other children. Executive had minimal contact with his father, though his grandfather served as a role model. Executive felt rejected by father.	Father had extramarital affair with executive’s mother and only occasionally visited executive and his siblings during their formative years. Executive got to know father better during his late teens and early twenties, but his father died young, in his early 50s, before executive could get to know him.	Mother from traditional cultural background. Initially lived with executive but he would not let her work and once she was pregnant, he discarded her. Mother’s parents were divorced; she then lived with her father and raised her kids as single mom. Nurturing; others drawn to her for advice, support.	One older sister, one older brother, and one younger brother.
11.	Executive gave conflicting images of family. Felt “loved” by father and admired mother but described constant battles with disciplinarian father, including physical abuse. Had a very tense childhood, with two suicide attempts and tense relations with schoolteachers from whom his mother did not protect him. Mother accommodated father.	Father was a medical doctor and devoted to community service. “Very smart, a constant learner, beloved in his community, very religious.” Executive felt his father’s love was conditional on his giving in to his father’s demands but “no one could tell me what to do.” Father demanded discipline: “no whining, no crying.” Executive harbors great anger towards father.	Mother was “a mixture of being very smart but very humble.” A college graduate and only child, she “came from a long line of powerful women” and believed as an adult that she <i>could</i> be self-reliant but “sees her role as being behind the man.” “She could have run logistics at the Pentagon.” She did not protect executive from the cruelties of teacher or father.	Executive was the third of four children, all siblings were females. Growing up, he said he did not like “the noise” and confusion of the girls in the household. All sisters are currently married.
12.	Mother led the way to church and father followed. Executive admired mother but felt distant emotionally from his father.	Father was depressed and distant emotionally. A factory worker; had stable career until he was hurt and stopped working; until then he had “an incredible work ethic.” “Not an affectionate person.” “Very involved in church with Mother.”	Mother worked in clerical role at a hospital after father stopped working. “She is a very wonderful person. She spent a lot of time edifying others and taking care of others. A very strong leader.”	Youngest of three (“I’m the baby”) and the only son.

### Development

I take two perspectives when I look at development. The first relates to an individual’s past—how his personality developed during the early years and through

adolescence and early adulthood. This perspective helps explain the person’s motivations. The second looks at current development. This perspective is also useful to explain and predict the person’s behavior.

## EXHIBIT 3

### Current Family

HIGH INTEGRITY		
ID	Wife	Children
1.	Met in college. She graduated from a top law school, worked at a top law firm, and currently is a homemaker.	Three children.
2.	Married 42 years. Executive likes and admires his wife, who has been a homemaker. She accepted his travel and their geographic mobility. Had “an awful childhood” but demonstrated as an adult that she was competent, balanced, aggressive, and comfortable with herself.	One son, two granddaughters. Son has “genius-level IQ”; is much appreciated and admired by his father and as a high school teacher within the community. Executive very engaged as a father and grandfather.
3.	A lawyer from top law school who works at a top law firm; they worked at the same firm and graduated from the same law school. “She is very, very smart, very beautiful, and very nice.” She has a very high-powered career. She is still focused on supporting executive’s career and raising their children. (She seems to be combination of dad and mom.)	One son (18 months old) at the time of assessment; three children at the time of this article.
4.	Met wife in college while she was studying biology. Like his mother, she is passionate and pragmatic; she helps him organize his life. She works part time when she is not caring for their kids. In general, she is the down-to-earth one; the executive is more the intellectual “strategic” person.	Two, a boy and a girl. Son a very talented musician; has perfect pitch.
5.	Executive reports a strong marriage. Met wife through church when he was 31. She has M.A. in a physical science. She has had serious medical problems. Executive has been and is determined to help his wife cope with her disorders.	Two boys, latency age. Executive very close to them, especially with wife’s illness and executive is the one to take the boys to school in the morning and pick them up in the afternoon; in the evenings, he is the one to give them their baths and spends time talking with them. He and oldest son talk about existential and spiritual matters and he has sought to give his sons the benefit of the same world-wide travel and life experiences that he himself had as a boy.
6.	First wife was high school sweetheart; they married after college. She taught sixth grade and loved it. She died six years into their marriage, in childbirth. Executive was single five years and raised son on his own; then married an investment broker. She is very organized, fit, and “doesn’t need me to make her whole every day.” “We are both very independent and both very close on a juxtaposed basis.” “We are both neat-nicks.” Happily married 19 years at time of assessment.	Son from first wife, adult at time of assessment. Daughter from second wife was an adolescent at time of assessment. Both children have at the time of this article graduated from college.
LOW INTEGRITY		
7.	Married 10 years. Wife has college degree and was an athlete in early years and used to work but currently works part time and seems to live vicariously through her children. Quality of her relationship with executive is unclear.	Three children. Executive tries to “push” kids to develop their abilities as does his wife. They emphasize striving for independence in self-development.
8.	Divorced wife after seven years of marriage. Reason for divorce unclear though he complained she was too needy and demanding of his attention. At time of assessment, he had a “fun-loving” fiancée.	None. He and fiancée do not want children.

### EXHIBIT 3 (Continued)

ID	Wife	Children
9.	Married 22 years. Executive described wife as “very kind, very giving”; a good homemaker. They moved a lot; she always accommodated. “Though there were a lot of tears, there were never any complaints.” They built seven houses in 15 years. They enjoy listening to music at home together.	Three children. Oldest daughter is a musician; sons and father ride motocross together.
10.	Not legally married, but has two women with whom he fathered children. He moves back and forth between these two women (probably emulating his father). Not much known about them.	Four children, two with each partner. Financially supports all four children, but sees them about once every three weeks.
11.	Married over 20 years; wife went to Ivy League college. She does not work outside the home, is very active socially, and has “a sharp tongue,” which he admires. She supports his autonomous streak; he works in a different part of the country than where his wife and children live. He initially hoped she would serve as “a governor” for him, to create order and regulate his hyperactive proclivities but complains that she is disorganized and has never performed that regulating function for him.	Three children: two sons and one daughter. Executive described tension relations with his oldest son. Executive spends time with his sons and their friends, sailing.
12.	Married wife shortly after college, where he was attracted to her because she was “cute and small;” got married four months before he went into armed services. She became severely depressed and with two young sons, he resigned his commission. “When I got out of the (services), it was like a miracle, she was able to walk away from it.” Wife has a B.A. and is a homemaker; active in church, community, and volunteer activities.	Two adult sons, both are launched, and both are successful professionals.

### EXHIBIT 4

#### Current Social and Work History

HIGH INTEGRITY			
ID	Friends	Organizations	Work History (Pattern)
1.	Seems sociable, but no specific friends mentioned.	No specific organizations mentioned.	Very versatile. Generally, upwardly mobile in his career. Steady progress and effectiveness.
2.	Friends with various former colleagues and community members.	Chairman of the board of community in which he lives; very active in tennis and golf at country club. Buys, maintains, and shows very high-performance cars. Competes in road races with friends. Member of local film society with wife. Involved father and devoted grandfather.	Varied and extremely successful. Currently retired from being CEO but serves on several boards of directors.
3.	None currently mentioned, though he reported good friends growing up.	None mentioned. Seems very work and family oriented.	Upwardly mobile; switched from being lawyer (private equity at leading law firm) to investment banker (leading firm) to private equity principal investor.

## EXHIBIT 4 (Continued)

ID	Friends	Organizations	Work History (Pattern)
4.	Socializes with colleagues in the industry who share his interests in music, plays classical guitar, has a sound studio in his basement where he hosts “jam sessions” with friends.	Very active in leadership of regional chapter of professional association.	Very upwardly mobile. Has a history of shifting jobs when he felt stymied. Ambitious and upward moving.
5.	Was close to a former pastor and is very active in his church’s leadership.	Church is extremely important and central to the family’s social world.	In early adulthood, seemed uncertain. Finally joined his father’s business and has been successful ever since. Sold the business and started investment firm.
6.	Has built a network in the industry of other presidents and CEOs who are “close business friends.” “I can pick up the phone and talk to the 10 CEOs of [industry] companies throughout the U.S.; we don’t share competitive information but we do ask ‘How did you handle that kind of situation?’ ”	Very athletic; runs; skis. Likes to travel and entertain friends and business associates; likes to read.	Steady upward ascent in the industry.
<b>LOW INTEGRITY</b>			
7.	Prefers women to men as friends. Feels able to communicate with women but uncomfortable with men. (Probably a result of close relationship with sister and uneasy relationship with father.) One close friend “blew his brains out;” another is a convicted felon.	None emphasized.	Tendency to be part of businesses that fail or have various crises. Seems attracted to shaky organizations and joins them, then blames corruption of organization on his difficulties there. May unconsciously recreate his father’s and his own early life wherein society or life events turned against them. Needs to prove his resiliency.
8.	No friends noted.	Active in local venture capital associations.	Does not get along with bosses. Bragged about his use of “white lies” to get what he wanted at work. Fired from one job. “I pissed off a manager at another job and was on the verge of getting fired before getting another job.” His relationships with business partners seem to disintegrate when his own self-avowed “situational ethics” conflict with another’s “absolute morality.” Knowingly misled investors to get equity capital which he diverted to personal uses.
9.	No information.	Nothing notable.	Steady growth as sales-marketing person; currently in health-care industry. He behaved in a way that appeared predominantly self-serving instead of balancing the needs of the organization he was hired to serve, with his own needs.
10.	No information.	No information.	Track record of moving around from job to job. Tends to see others as seeking him out and offering him new work opportunities.

## EXHIBIT 4 (Continued)

ID	Friends	Organizations	Work History (Pattern)
11.	One current close friend mentioned. He reported that he alienated a best friend in college, which he attributed to his own prowess in football. He was also openly critical of the president of his college and was almost kicked out as a result. His fraternity did throw him out.	None mentioned.	History of being independent. Quits what he does not like. Emphasizes being captain of his own ship, needing to be in charge.
12.	No friends mentioned.	None mentioned. Reported no hobbies; no interests outside work.	After college, went to officer training and eventually engaged in armed combat. Left the armed forces when wife's health worsened. Went into sales at an industrial products firm where he rose as turnaround specialist. Merger of his firm with another would have put him on the sidelines of the action so he left to serve as CEO to turn around a privately funded business.

**Family and socio-cultural background.** *Family structure—high integrity.* I looked at how many of the executives came from intact families (parents were alive and in the family while the executive was growing up) and how many came from disrupted families (with only a single parent or a step-parent where one parent died or left). One of the six high-integrity executives came from a family that was disrupted by divorce. He grew up with his father and stepmother. The family structure in which the high-integrity executives were reared was conventional, with clearly differentiated gender roles. The father was the main income producer and force for ambition; the mother, the homemaker and moral center.

*Family structure—low integrity.* Almost all of the low-integrity executives came from families characterized by parental strife. In the first case, the mother deserted her children when the executive was seven years old. In the second case, the parents divorced shortly before the executive reached adulthood. He attributed the divorce to his father's adultery. After remarrying, the father continued his pattern of adultery, now with his first wife. In the third case, the executive described his family as stable and his parents as devoted to their children. Their marriage, however, was emotionally cold. In the fourth case, the parents never married and the father abandoned the mother when she became pregnant. In the fifth case, the executive depicted a confusing

picture of his family. On one hand, he stated that he admired his mother and felt "loved" by his father. On the other, he described a very tense childhood: a constant battle with his authoritarian, disciplinarian father, a suicide attempt in middle school, and physical abuse from a schoolteacher from whom his parents offered no protection. In the sixth case, the executive felt distant from his father, who eventually dropped out of the work force, requiring the executive's mother to work.

*Position in sibship—high versus low integrity.* Five of the six high-integrity executives were either first-borns (to their mothers) or first males. Two of the low-integrity executives were first males and none of the low-integrity executives was first-born.

*Fathers' occupational history and characteristics—high integrity.* Of the six high-integrity executives, all had fathers with stable or ascending careers. One had various jobs as a policeman, insurance salesman, and entrepreneur; one owned and operated hotels; one was a nuclear physicist; one was a sound engineer; one owned and operated a consumer products business; one was an entrepreneur. None of the high-integrity executives grew up in wealthy homes.

*Fathers' occupational history and characteristics—low integrity.* Of the six low-integrity executives, three had fathers with stable or ascending careers. One was a successful entrepreneur, one rose to a high executive

position within a large insurance company, and one was a medical doctor who became mayor when he retired from medicine. The career trajectory of one father was unstable: he had to start from scratch when he emigrated from Eastern Europe and met hard times in the United States. The career path of another father was unknown to the executive (reflecting the father's lack of involvement in the executive's life). The sixth low-integrity executive had a father who left the workforce when he was injured, requiring that the mother go to work. These last three executives grew up in financially stressful conditions.

*Mothers' occupational history and characteristics—high integrity.* The mothers of the high-integrity executives tended to be reasonably well educated. Two worked before having children and then stopped. One continued to work alongside her husband, and one went to work after she and her husband divorced. (Her son chose to live with his father and step-mother who he sensed could provide him with a more enriching environment growing up. He remained emotionally close to his mother.) One mother was described as “someone I could talk to about girls.”

The high-integrity executives described their mothers in unequivocally positive terms as intelligent, stable, loving women. They described their mothers as the heart of the family. None of them described the mother as distant or emotionally unavailable.

*Mothers' occupational history and characteristics—low integrity.* The picture was less consistent among the low-integrity executives. Two of them described their mothers in extremely negative terms. Two described their mothers in generically positive (idealized) terms. Two described their mothers in mixed terms.

All of the mothers were homemakers. None had jobs that could be considered careers.

*Family climate—high integrity.* Although the parents of the first high-integrity executive divorced, the executive continued to have very positive relationships with both his father and mother. He felt very close to his father, whom he described as “fun”; “willing to be silly with you”; and “a very dynamic person.” He described his mother as his “model of what it means to be a hero” and said she was “caring.” The second high-integrity executive described both parents as highly principled individuals, full of integrity. His father “was a visionary”; “laid back”; “an optimist.” The father of the third had a doctorate from Cornell and was “a very smart, quiet person; gentle,

kind, loving”; the father of the fourth was described as “educated”; “spiritual”; “laid back, philosophical”; and the father of the fifth was “a phenomenal man, a dynamic man”; a person who “did things right”; “who would not be ruthless and would not sacrifice family for career.” The father of the sixth was warm and loving: “The entire family had a good relationship. Dad was very well read, very intelligent. To him life was great if the family was around and everyone ate dinner together. If we talked and had a great relationship, it didn't matter if he made \$10,000 a year or \$100,000 a year, life was good.”

The fathers of the high-integrity executives were not frightening. They were friendly—many of them were “laid back”—and warm. Although the fathers had careers, they were also nurturing and caring. As I will flesh out, this pattern is important for understanding the integrity of these executives. In addition, the parents of the high-integrity executives constantly communicated social morality to their sons. These executives had a foundation of family, integrity, and ambition.

*Family climate—low integrity.* The low-integrity executives described their parents' relationships as tense. The first complained that he grew up without a mother and in poverty. His father was demanding and strict, domineering, and unsupportive; he moved his family frequently; the father was unstable and had high expectations that the son support the father. This executive grew up under trying circumstances. As a child, this executive had little gratification of impulses. The father of the second low-integrity executive had an affair that ended his marriage, and, as noted above, he continued to have an adulterous relationship with his first wife after he married his second wife. At the same time, in a seemingly discordant mix, his father was an Eagle Scout, a rigid disciplinarian, and a graduate of a prestigious business school. The father of the third low-integrity executive was away from home much of the time. Although the executive described his mother as a “supermom” and said both parents saw themselves as devoted parents, he also said his mother and father did not get along. Their relationship was cold. The father of the fourth low-integrity executive had adulterous affairs, did not live with the son, and only occasionally visited his son. This executive's mother and father had lived together out of wedlock before his mother got pregnant. The father would not let her work before she became pregnant. After she became pregnant, he left her. The son barely got to know his

father. His maternal grandfather became a father figure to him but was divorced. The fifth of the low-integrity executives' fathers was described as "very smart and religious." His father demanded discipline: "no whining, no crying." This father was a paragon in the community, a successful medical doctor and eventually a civic leader. This executive described his childhood as a continuous fight against any kind of authority; although his parents would whip him if he did anything wrong, he continued to defy them. He said "you can beat me all you want, you can beat me until I am dead; I am not going to change." The sixth of the low-integrity executives' fathers was emotionally remote and depressed.

The fathers of the low-integrity executives were either not present or were very demanding of their sons and in marriages characterized by discord. The fathers of the high-integrity executives were valued by their sons as sources of affection, nurturance, and encouragement, and as models of virtue. They also tended to have harmonious marriages.

**Current family setting. Marital history—high versus low integrity.** All of the high-integrity executives were married and in all but one case were married to their first wives. The wife of one of the high-integrity executives died six years into their marriage and the executive raised their son on his own. Eventually he remarried (and has been happily married since). All got married in their 20s or early 30s.

Four of the six low-integrity executives were married; one was divorced; one had established households with two women but had no plans to marry either.

**Characteristics of wives—high integrity.** All of the high-integrity executives' wives had college degrees and five of the six had advanced degrees (two with degrees from top law schools, and three with master's degrees). The second wife of the executive who was widowed also had an advanced degree. One wife maintained her high-powered career at a top law firm while supporting her husband's career and rearing their three children. Two of the wives worked part time; three stopped working outside the home once they started families. Five of the six were regarded by their husbands as the center of the household, as non-demanding, supportive, and enabling of the husband's career. The husbands of these five wives admired their wives as enlivening, effective individuals. One wife suffered from long-standing depression, beginning with the birth of her first child. She refused treatment and continued to function in a

diminished capacity as a wife and mother. As a result, her husband organized his time equally between caring for his children and wife, and work. Despite her symptoms, her husband continued to experience her as a source of moral and emotional support. They shared a faith and vocabulary of faith that supported the executive's world view and ongoing ability to maintain dual roles as caregiver and breadwinner.

**Characteristics of wives—low integrity.** Four of the low-integrity executives' wives had college degrees and one of them worked part time. In four of the six low-integrity cases, the quality of relations between the executive and his wife was unclear. In one case, the wife was hospitalized for clinical depression. In contrast to the wives of the high-integrity executives, only one of the wives of the low-integrity executives was described in unequivocally positive terms. The low-integrity executives also did not vividly describe their wives as individuals.

Only one of the 12 executives' wives maintained a high-powered career, but all were educated women. The wives of the high-integrity executives attained a slightly higher level of education, and from accounts by their husbands they appeared more emotionally stable than the wives of the low-integrity executives.

**Children and social—high versus low.** All of the high-integrity executives had children. Five of the six low-integrity executives had children. Neither group spoke much about friends.

Reviewing and comparing the findings on the high- and low-integrity executives, one is impressed by the differences between the two groups, particularly the emotional relationship with their parents. The high-integrity executives spoke admiringly of their parents, as individuals and as a parenting unit devoted to family. The low-integrity executive described tension between themselves and their parents. They also described antagonism or distance between their mothers and fathers. The emotional climate growing up included combative relations with fathers or absent fathers, and over-controlling mothers or maternal desertion. These deficits left a vacuum of attachments in the environments in which the low-integrity executives grew up. Rather than find a model to fill this gap, such as a teacher to idealize and emulate, the low-integrity executives developed an independent stance toward the world. As I will discuss, the defensive nature of this autonomy appears in the projective stories, where the characters feel isolated. On the surface, they express a preference for being on their

own: They do not like to be told what to do. Growing up, they had no choice but to rely on themselves. Their experience of self in relation to the world is different from that of the high-integrity executives.

### Personality Structure and Dynamics

**Self-description of motivational priorities.** The executives completed a psychometric self-report test that was designed to identify motivational priorities and patterns. This test was standardized with an American adult male population. It consists of 20 motivational scales and two validity scales. Each motivational scale represents a defined psychological need such as the need to achieve,

to socialize, to direct others, or to have fun. The validity scales assess tendencies to respond in a haphazard fashion and to represent the self in either an extremely negative or positive fashion.

Exhibit 5 summarizes the scores on this test. Validity scores indicated that none of the executives—high or low integrity—responded in an implausible or random manner. They tended to describe themselves in a manner considered socially and conventionally favorable. Of the 20 motivational scale scores, the averages for all 12 fell within one standard deviation of the mean. All scored close to the center of the distribution. That is, their scores did not differentiate them from the general adult male population. They looked normal.

## EXHIBIT 5 Self-Description

HIGH INTEGRITY		
ID	Interview and Personal History Form	Personality Questionnaire
1.	Great focused energy; conscientious, direct, and respectful. Loved school as a kid. He joined his father and step-mother in adolescence because he liked the structure and support his dad provided. Wrestled competitively and played football and other sports. Eventually received degree in engineering but later went to business school to develop business acumen.	Describes himself overall as socially oriented, sensitive to criticism. He looks for support, is achievement oriented, and is serious.
2.	Likes dealing with employees, customers, vendors, board members. Dislikes people who tell lies, cheat, and steal; use drugs and alcohol in work areas; people who are poorly prepared or late to meetings. Emphasizes conscientiousness and sees self as very conscientious. Describes himself as “open, hard-driving, perfectionistic, fair, and competitive.”	Describes himself generally as achievement oriented and structured, orderly, pragmatic, commanding of others, concerned about others’ welfare, and self-sacrificing. Is not impulsive or very playfully spontaneous or rebellious. He likes to construct things carefully.
3.	Describes his strengths as managing complex processes and engaging in complex analysis. “I am best suited for smaller, more intimate work environments that allow creative thinking and new approaches, thrive on consensus building, education, hard work and dedication.” Prefers less-structured, more “flat” organizations “that preach honesty and directness and truly value and reward ability and accomplishment. I am not suited for a work environment that is so structured and rigid that it prevents team members from achieving their maximum potential and allows others to hide their ineffectiveness, or misdirect or obfuscate by playing political games. I prefer environments where titles are descriptive rather than prescriptive.” Born in U.S. but grew up abroad.	Very good balance between his forceful needs to achieve and direct others and needs to be social, caring, and nurturing. He favors structure, clarity, self-control, perseverance, pragmatic logic, and achievement over playful spontaneity, intuition, aesthetic, or purely abstract intellectual activities.
4.	Described self as “smart, energetic, hard-working, trusting, tenacious, with diverse interests, multi-cultural, fun-loving, and risk-taking. Very intelligent, versatile, self-actualizing.	Overall, he described himself as orderly, socially oriented, hard working, humble, self-contained, traditional, and aesthetically inclined. At the same time, he loves to be the center of attention and enjoys winning. His relational needs are developed more than power-oriented motives.

## EXHIBIT 5 (Continued)

ID	Interview and Personal History Form	Personality Questionnaire
5.	Described self as a dreamer as a child. Did well in areas that interested him. Focused on liberal arts in college. After college, was not sure what career path to take and joined a trainee program in sales where he did very well. After two years in that program, he discovered the Church and his life took a turn. Eventually, helped his dad manage the business, and then took it over. Today he sees himself as religious. He is a very caring, thoughtful person.	Overall, he described himself as a very hard-working, orderly, controlled, humble person who is sensitive, gentle, support-seeking, and temperate in his connection to the world. He is not rebellious or stimulus-seeking. He likes stable, caring, warm, aesthetically pleasing environments.
6.	Described himself as very energetic, very social, very athletic, “a 24/7 thinker” who loves work; “work is my hobby and my hobby is work and I would not function any other way.” In college, was president of his fraternity, involved in class government associations, had a good time, did well in the subjects he liked and marginally well in subjects he didn’t like, didn’t apply himself but learned what turns people on: “I got a Ph.D. in the social sciences as far as I was concerned.” Put himself through school, enjoyed the industry in which he worked, had two very important mentors who helped him to develop his own style; he now expects to be a model for others; chooses honest, open, passionate, dependable, conscientious employees. He sets the direction and wants them to carry it out. Sees himself as strong in strategy, team and culture building.	His motive is to achieve rather than be recognized socially; he is not an exhibitionist. He wants to lead others to success in a sociable, friendly way. He is not aggressive or forceful; he is open, nurturing, and pragmatic.
<b>LOW INTEGRITY</b>		
7.	Sees himself as “not nervous” and “impervious to coercion.” A theme is tension between need to accommodate to the external demands at his personal expense: he “would like to sit in Maui writing songs” but rejects that aspiration as incongruent with his financial goals. “I try to do the right thing.” Grew up with his father, an immigrant. He was best friends with his older sister. Did well in school but could not pursue the Ivy League credentials he desired because he felt he needed to support his father at work. Wants more care and attention from the person who was his boss at the time of the assessment.	Describes himself as exhibitionistic, affiliative, extroverted, and socially oriented but also achievement oriented and enduring; he strives to achieve in an energetic, social way and wants recognition. Is not rebellious. Need for social recognition and lack of rebelliousness suggests need for external validation. Seeks security by achievement and others’ valuing his work. (Repeating his early history with dad and self.)
8.	Youngest child; rebellious; resisted authority. Overweight and not athletic but dieted at age 12 and strove to lead student organizations as way to get attention and independence. In college, he lied to student loan office and used the loans to buy a house rather than for tuition. Describes his style as to “ignore the bad.” He believes in white lies, has “situational ethics,” and rejects “absolute right or wrong.” Does not “like people or dealing with their problems.” Overall, seemed self-centered, self-involved, and ethically slippery.	High on needs for Achievement, Exhibitionism, Play, and Impulsivity. He does not like structure and wants to go his own way, is rebellious, likes to show off, not nurturant, wants to be around other people, but he wants them to admire him. He is a high risk taker, very self-centered, fun loving, not introspective, not nurturant, he wants to be the star. He does not identify with the system, he sees himself as above it. Fits the profile of the rebellious revolutionary dictator type, not the patriotic type operating within the system.

Nevertheless, some differences between the high- and low-integrity groups were noted. The high-integrity executives scored lower than low-integrity executives on Autonomy, Exhibitionism, and Impulsivity. That is, compared to the low-integrity executives, the

high-integrity executives described themselves as more respectful of the needs of others and more self-controlled and humble. Conversely, the low-integrity executives described themselves as more motivated to rebel against authority and conventional expectations, to act

## EXHIBIT 5 (Continued)

ID	Interview and Personal History Form	Personality Questionnaire
9.	Extremely energetic, pleasant, and engaging. Loves music and “high-risk intense individual sports”—skiing, sail boat racing, and motorcycles. “I have a passion for sports where there is an infinite challenge; no matter how good a skier you are, the mountain can always kick your ass; same thing with sailing—the water and wind—it’s changing, constantly challenging you.” Loves the “total focus, there is no distraction, it gives that total disconnect.” “I am happiest when I am told the goal and left to my own means and ways to get there.” Sees himself as “a loner.” Emphasizes independence.	Risk-loving and intuitive, serious. Likes to achieve and to integrate achievement with a nurturant need. Not affiliative in a social way; functions according to his own standards and dislikes having to meet standards set by others. Says he is not sensitive to what others think. Very independent; wants to be admired for his achievements. Needs to be in the position to give to others. Low intellectual need to understand himself and others.
10.	Considers himself “gifted,” having natural talents to learn languages and work in an exceptional manner. He considers himself a good Catholic (despite his marital complications—two women who serve as wives and families associated with each—and reported affairs at work).	Described self as ambitious, rebellious, self-directing, and self-subordinating. May alternate between being self-effacing and rebellious. Intent on achieving goals in an independent fashion. Wants others to admire his achievements. Not hostile or overtly competitive but also not nurturing.
11.	Easily frustrated. Likes things to run in an orderly fashion. Tries to plan in advance. He rebelled against his parents at an early age. “I don’t remember a time when I would not be controlled under any circumstances.” If he misbehaved, dad whipped him. He thought, “You can beat me until I am dead . . . I am ready to die; I am not going to change.” He would do what he wanted to do. His parents seemed to encouraged this independence; in 6th grade started to pay his own expenses. He did well enough in school and graduated from a college, but did not excel. He won state championship in debating, was class president in high school for four years, and was captain of the college football team, even though he had asthma. In general, he described himself as a powerful man, with a will of steel.	Overall, he depicts himself as a person who does not care whether others like him or not. He believes that he is totally autonomous and does what he wants to do. He tries to control the external world by imposing order on it in what is probably an unconscious identification with his father. He is intent on achieving goals in an orderly, systematic way. He denies sociability or that he wants to be the center of attention, and he denies the need to be recognized.
12.	Strongly motivated to achieve and succeed in a CEO role. Sees himself as a leader; needs to be in control and needs action every second. Demanding, hard working, extremely competitive, with high standards. Feeds on challenges. Central to identity is needs to prove he can reverse hardship, counteract failure.	Very authoritarian; John Wayne style; believes the leader should know what’s going on and is the one to tell others what to do. Believes he has other people’s welfare in mind and that everything should be done in a logical, dispassionate, manner. Very aggressive. Not interested in understanding other people or ideas. Needs stimulation.

in accordance with their immediate impulses and desires without full consideration of the possible consequences, and to promote themselves in social situations, seeking admiration. Overall, low-integrity executives showed less inclination to balance the needs of self with the needs of others.

**Coping tendencies.** A semi-projective technique was used to assess coping tendencies. Semi-projective measures yield a more spontaneous and less consciously controlled depiction of self, at least in comparison to psychometrically structured and objective tests. The particular technique that was employed was designed to obtain information about the ability to define clear

goals, identify realistic obstacles or challenges, actively strive to actualize goals, and deal with obstacles in a manner that preserves and promotes self-esteem and satisfaction.

As summarized in Exhibit 6, a distinct difference emerged between the high- and low-integrity executives on the semi-projective measure of coping. Sixty-seven percent of the high integrity executives had the highest Final Score (five) possible on this test, compared to only 33% of the low-integrity executives. No high-integrity executive received a Final Score lower than four (which corresponds to at least average adaptive coping), while 50% of the low-integrity executives did.

## EXHIBIT 6

### Semiprojective and Projective Findings

HIGH INTEGRITY		
ID	Semiprojective Measures	Projective Stories
1.	Final Score of 5. Very active copier. He is extremely balanced in his motivational priorities. His positive aims include his teammates, his family, and himself; he values loyalty. His frustrations include dishonest, unreliable people. His coping style is very direct and active in dealing with problems. He has high self-confidence and self-esteem: he is confident and active.	Active resolutions of perceived conflicts; able to see and deal with complexity; caring and empathic; dealing with mother's death and moving; appropriate sense of guilt. Overall, mature, active orientation.
2.	Final Score of 4. Generally an active copier. Integrity and hard work suffuse his answers. He is self and other-oriented. Specifically, his aims emphasize personal satisfaction and peace; family; and integrity/self-sacrifice. His frustrations include dislike of others' incompetence and cheating, he prefers cleanliness, punctuality, and ethical behavior; he feels the loss of his parents, and he worries about his family. He has an active coping style; for example, he said failure made him have more character, fortitude, strong principles." His self-esteem reflects awareness of his compulsive striving: he feels he is "too driven," "too competitive," that his ambitions are "too high," but he also has high integrity and concern for others.	Very active and integrity-focused stories. Characters find way of blending personal needs for development with familial and social expectations. Evidence of internalization of father's values. Generally, a person who has successfully struggled to channel his narcissistic desires for success and self-aggrandizement. He uses values to keep himself constrained. (A good example of how one side of personality balances the other side.)
3.	Final Score of 5. Very solid copier. He is extremely ambitious and wants to run his own, large organization. He does not like to be thwarted by other people or by circumstances and does not like individuals who do not follow directions. He has a very active coping style. He is very confident in himself though he felt at the time of the interview that he had not quite achieved the balance he would like between work and family.	Overarching theme of balance between personal and familial/social drives and expectations. Good identifications with admired others. Specifically, sees self as the center but admires father and identifies with family values (one possible major source of integrity), loyalty, duty, and success of the self; balance of duty toward family and personal success; appreciates and identifies with others whom he idealizes; stands ready to overcome difficulties, full of integrity, will work for principles; high energy, good use of identification with others to lead the development of the self.
4.	Final Score of 4. Average to good copier. Overall, he seems to be a very intellectual, responsible, and serious individual. He sees the world through a global and abstract lens. Determined, though, to achieve his goals. His aims were vague but included striving for self-actualization and artistic goals. His frustrations were vague, with concerns surrounding family and other people. His coping style is active and intellectual (i.e., analytic). His self-esteem is based on communally oriented sense of self. He is balanced in work and personal motives. His sense of self is highly tied to his role at work.	Generally very long, complex stories wherein conflicts are resolved. Seems to be unconscious struggle to balance self needs with social expectations. Most of the stories indicate attainment of balance or harmony between children and parents, self interests and those of authorities, and personal drives and society. There is a resultant vitality, energy, ambition, optimism, and success.

In terms of content, the trends noted on the self-report test recurred on the semi-projective measure: High-integrity executives exhibited a fairly consistent balance between meeting the needs of self and others; they also stressed their commitment to maintaining ethical behavior and their disdain for those who do not. By contrast, low-integrity executives emphasized a powerful desire

to function independently, indeed, expressing a fear of becoming dependent on others. They also tended to view themselves in a highly positive manner that bordered on the grandiose, to the point of being faultless and perfect.

***Underlying motivational and coping tendencies.***  
A story-telling projective technique was used to assess motives, interpersonal styles, conflicts, coping tendencies,

## EXHIBIT 6 (Continued)

ID	Semiprojective Measures	Projective Stories
5.	Final Score of 5. Very active and balanced copier. He has a very active orientation towards dealing with life's problems; uses religious coping and his identity centers on his religious beliefs. Specifically he demonstrated a balanced set of positive motivations including work, family, friends, music, and hobbies; problems articulated were pragmatic concerns about business; very active in approaching and resolving problems; expressed an extremely value-laden, religious, and positive sense of self: "not a typical business person," will "lead a successful company while avoiding the rat race and an over-emphasis on money," and is "doing what I love."	Extraordinarily long and complex stories. He is very introspective, has good internalized relationships with parents, much self-searching with occasional action; and is very empathic towards others. He is a very intelligent, many-sided person. These sides included: a manly side; a sexual side; and an aesthetic side; as well as practical, religious, and spiritual sides. He can empathize with others and see the complexity of their struggles. Awareness of so much complexity becomes a weakness when he cannot decide which direction to take. He may wait for outside events to press him before taking a decision. Seeks solace in God to help him through difficult situations. With that, his stories have positive endings, conflicts are resolved, and his characters survive, thrive, and succeed. He has a basic trust in life and human goodness.
6.	Final Score of 5. Very active copier; socially oriented. Wants to build a lasting organization and see others succeed within his vision; needs to inspire others and build a team. Problems articulated are when others do not do what they say they will do; wants others to follow the game plan and be excited about what they are doing. Doesn't shy away from any challenge; nothing drives him off track. High self-esteem though he criticizes himself for being too much of a perfectionist.	Extremely rich and structurally complex stories. Emphasis on human growth and goodness. Very ambitious for himself as well; grandiose achievements that simultaneously enrich society. Struggles to bring his desires into balance with his values and external demands. Empathic; can see other people's sides though intolerant of selfishness. Identifies with heroic, paternal, giving figures. Strives to find the good of the world and not be distracted or corrupted by the short-term pleasures in life.
<b>LOW INTEGRITY</b>		
7.	Final Score of 5. Very active copier (similar to high endurance on the personality inventory). He is obsessed with independence; views work a means of attaining security rather than a way of channeling creativity. His ambition is to make money to guarantee the health and welfare of his children and also to escape to a deserted island; wants his children to be independent so that they do not have to depend on him; enjoys songwriting and friendships. Frustrations include organizations that mistreat individuals and ask him to do things "that are not within my value system"; also complained of loneliness and inability to interpret interpersonal dynamics well. Very persevering and willing to endure pain to survive. Tinges of underlying grandiosity: he thinks his "future is paved with gold."	Generally passive; with a need to restrain impulses (aggressive and sexual) and a need to follow authorities' demands. Problems relating to men, whom he sees as deficient. Needs to be close to women. Looking for a father figure who will recognize and protect him, with the unconscious hope that recognition would make him secure. Low self-esteem, feels soiled. Brittle superego riddled with holes—he has values but cannot hold onto them; break through of impulses followed by disgust with himself and guilt. Ashamed of his drives. Attracted to repressed drives. He is highly dependent. Does not read other people well but readily attributes negative judgments to them, and then is disappointed. May egg other on when they feel aggrieved by an organization, whether or not there is a real cause.
8.	Final Score of 1. Overall, passive copier. Many rejections of stimuli; uses denial; does not see any faults in himself. Does not trust others; needy with little genuine connection to work. His coping style is to use a denial and then hope for the best, an impatient, extremely independent forceful coping style, depends on blocking out the perception of anything negative.	Themes suggest he is self-centered, felt forced by parents to perform, self-absorbed, avoidant, distant from others, non-caring towards others, rebellious particularly toward authority figures, deceitful and superficial, and may present himself positively and engage in risky behaviors which belie his inner sense of insecurity.

and personality characteristics such as self-esteem, confidence, and conscientiousness that may or may not have been evident on self-report measures. Although it is possible to construct reliable procedures to obtain scores for these areas, I used the stories qualitatively to yield an

individualized profile for each executive. This profile aided in understanding how each executive integrated psychologically (on conscious and unconscious levels) his past history, internal needs, and current work, family, and social spheres.

## EXHIBIT 6 (Continued)

ID	Semiprojective Measures	Projective Stories
9.	<p>Final Score of 3. Energetic copper. Aims are family and success; success of the self tempered by investment in his family. Very driven, overly ambitious. Except for family, he has no social interests. Frustrations are other people whom he does not trust. Sees others as unreliable (lying, controlling) or in need of his protections. Together with that, "something is missing" for him. Sees himself as an authority who takes care of others; core element in his identity is that others depend upon him. Wants to relate to others but not in a way that would cause him to be dependent on them. Says he does not care what others think. He feels the pressure of having to meet the expectations of others and cannot stand giving into conventional pressure. Individualist. Tremendous self-confidence. Avoidant, driven, may try to overpower others.</p>	<p>Many conflicts but they are never resolved. Sense of external scrutiny and pressure to conform to convention in opposition to his desire to be himself. Ongoing conflict between the self desires and responsibility and the two sides are never unified. Characters are overwhelmed, authority figures boss them around and they do not want to conform to those outside demands and feel conflicted. It appears as a struggle for autonomy with no resolution. Characters are detached, are not in touch with their feelings, and are not happy. Low energy at this level of behavior in contrast to the more surface levels. He tries to keep distance from the deeper emotions and focus on the external world. He copes with pain by distancing himself from others.</p>
10.	<p>Final Score of 4. Solid copper; can handle stressful situations without developing pathology. His major weakness was hedonistic/power-oriented motivation. His lowest score was in the specification of aims and goals. He focused on needs to promote the esteem and well-being of his self rather than to invest in specific activities or people in his environment. He seeks "recognition," "love," and "money;" a second set of aims included desires to promote his family's welfare. The focus on self was complemented by his highest score, on a measure of self-esteem; he was full of self praise and confidence. He views himself as "trustable," "reliable," and "sensible;" "a good businessman," who aspires "to be distinguished amongst a group." Frustrations focused mainly on untrustworthy or lazy people who could not offer clear direction. A second concern was fear of "death." Generally, when he encounters a specific obstacle, he deals with it in a thoughtful, straightforward fashion, searching for solutions and learning from experience. He is persevering. One exception is when he feels that others reject him. In such situations he may "just try a different place" or maintain distance from them. In sum, he aspires to be rich and famous, believes he has the ability and character to do so, and will try to actualize his desires by working hard and being opportunistic. He did not indicate any aggressive tendencies or hostile feelings, and will cooperate with colleagues and superiors as long as they do not reject him or thwart his progress. Should they do the latter, he will seek opportunities elsewhere.</p>	<p>Themes revolve around gaining autonomy from parents (particularly father figure) and functioning in an independent way. (This seems to be a theme among the low-integrity executives; need to rely on oneself only.) Many conflicts are unresolved; overall his stories indicate passive coping style. There were three major themes: wish to achieve fame, fortune, and prestige; ambivalent and unresolved feelings about his father; and guilt feelings and male-centered views about maternal and female individuals. These deeply embedded feelings affect his adaptation to life. Achievement was related to his feeling and conflicts about his father and mother. He seems ambivalent towards his father and authority figures in general. Male characters feel dominated by their fathers and seek distance from them but nevertheless long for them. Overall, then, he seems to struggle with how psychologically to obtain closeness and recognition from the father who was missing from his childhood while pursuing his own particular interests and needs for individuation. (It is possible that this struggle is being enacted in his creation of two families and his declaration that he will be a different father to his children than his father was to him.) Achievement, too, is associated with guilt towards his mother—in particular, feeling that achievement is disloyal and destructive to her (a feeling doubtlessly developed during his years living as an "illegitimate" child with his mother.) Women seem to be the suffering victims of the male ego.</p>
11.	<p>Final Score of 2. Passive copper (cannot control impulses). Self-centered, associative, loose thinking; uses rationalization and intellectualization (may have poor insight). Generally unstable. Tends towards being grandiose, vague; puts others down and claims he does not care what they think; sees self as "slightly mad" and domineering. Aims are to dominate others but to deny it. Frustrations are others not understanding him and that others want to take control (projection of his own desires). Coping style is active, cognitively, emotionally, and behaviorally. Grandiose sense of self.</p>	<p>Generally passive—overwhelmed by emotion. Cannot deal with complexity. Themes include ambivalence around achievement. Can be grandiose and magical in mastery style; ambivalent about social class; deals poorly with interpersonal conflict; cannot deal well with ambiguous situations. Ambivalent towards his parents. Emotionally overwhelmed. Exhibitionistic, in contrast to personality inventory, conflicts he feels about desire to be successful evident in uneven expression of exhibitionism as a motive on surface and deeper measures. His stories are illogical, disorganized, and the characters rely on magical solutions rather than taking concrete steps to address actual difficulties. They never get along with each other, and never resolve their conflicts.</p>

## EXHIBIT 6 (Continued)

ID	Semiprojective Measures	Projective Stories
12.	Final Score of 5. Active copier; is not thrown by any one or any pressure. Cannot tolerate helplessness. Obsessed with reversing failure and achieving success; driven, cannot relax. Does not tolerate ambiguity or conflict well. Impatient, driven, pushy. Does not relate to the individual; just the troops.	Stories have conflicts, and generally active coping resolutions, but endings are magical. No interactions among the characters in the stories. Usually the central character acted alone, which suggests an interpersonal style that does not involve others in the decision-making process. He tends to do things to other people, rather than do things with them. Nothing relational; all mechanical. No loving, human interactions. Process of success is what excites him. Extremely competitive; sees life as a test and he has to succeed. Does not trust people; has to do it all himself. Uses logic to dissolve his guilt; discharges his rage by being the commander. Represses aggression and sexuality by charging around. Tends to perceive women as vessels for sexuality as opposed to mutual partners or interpersonal partners.

The projective stories consistently differentiated the two groups. The high-integrity cases had very rich and active stories. Their stories indicated that the high-integrity executives were psychologically organized in a secure, resilient, and self-satisfied way. The low-integrity executives had poor stories. They revealed underlying areas of defensiveness and vulnerability, making them more limited in their abilities to function in a consistent and effective manner.

More specifically, as can be seen in Exhibit 6, high-integrity executives consistently articulated and resolved conflicts between and within their characters. Characters found a way to balance personal desires for self-development with family and social expectations. For example, they showed how they could negotiate their needs with others and they indicated how they would submerge their feelings in deference to the greater good of the family. Themes of integrity and altruism were woven throughout in references made to charitable motives and standing up for what was right.

By contrast, low-integrity executives were unable to consider or configure resolutions between their own needs and those of others. Some executives referred to others as objects either to be circumvented or used for self-gratification but not as independent centers of initiative. Others specifically denied conflicts between the self and the outside environment. Similar to the trends noted on the other assessment measures, their characters struggled with authority figures, often denigrating the fathers. The characters' high needs for autonomy, rebelliousness,

self-centeredness, and interpersonal ambivalence blocked pathways to finding ways to live peacefully and satisfactorily with others.

Systematic differences in the way high-integrity and low-integrity executives constructed their stories were also noted. High-integrity executives generally created long, complex, coherent, and well-organized stories. Low-integrity executives mostly produced disjointed, illogical, underdeveloped, and incomplete stories. These stylistic differences indicated clear psychological differences in the degree of self organization between the high- and low-integrity executives.

**Psychological structures of the high-integrity and low-integrity executives.** Exhibit 7 presents a summary of the degree of consistency of active coping tendencies expressed across the three different types of methods used to assess psychological functioning: self-report, semi-projective, and projective. For purposes of simplicity, I categorized data into "H" (high level of functioning) and "L" (low level of functioning) on each of these methods for each of the executives studied.

As can be seen, the high-integrity executives were consistently high ("H") across all methods of assessment—the HHH type. By contrast, only one of the low-integrity executives manifested high active coping tendencies across all instruments. In general, the low integrity executives *presented* themselves in a very good light; some seemed energetic and effective on the semi-projective measure (although not all of them); and only *one* was an active copier on the projective measure. In other words, the deeper one probed into their personality structures,

## EXHIBIT 7

### Summary

HIGH INTEGRITY			
ID	Type	Structure	Summary
1.	HHH	Solid, moral, caring, and humble yet confident. Full of energy, perspective, ability to deal with complexity.	A person with a very mature outlook on life. Sees problems, but actively deals with them. He has internalized values from both his parents, both of whom he found inspiring and resilient in their own ways. Cares about others, seeks their guidance but able to initiate and carry out his own ideas.
2.	HHH	Sees himself as conscientious, effectively compulsive, and caring for the welfare of others. On a less conscious level, he has integrated his ample desires for success and power with a need to consider others and suffuse his behavior with an ethical orientation.	Practices what he preaches with respect to integrity and business. This executive represents one paragon of integrity. He is driven to succeed, likes to command and direct others, emphasizes integrity and honesty as a major goal in life, and has found a way to blend his competitive side with a caring, generative, protective side. He has identified strongly with both his mother (a “tough” general) and father (a man of high moral character).
3.	HHH	Sees himself as hard-working, direct, and ambitious. Is still seeking a good balance between work and family. Basic sense of self is rooted in identifications with nurturant figures and with the need to balance self-development with the welfare of others. Very active coping across the board.	Very ambitious individual; his expansive self is based on identifications with nurturing male figures. Integrity is very important to him, as his values direct and are well integrated into his achievement motives. He is determined to overcome what difficulties he encounters, and strives to remain loyal to his family and related values. Has achieved his professional goals. On the weakness side, there is a self-centered part of him, which others may see as arrogance. He may be impatient with others who do not meet his high standards.
4.	HHH	Driven towards attaining great achievements, but these ambitions are coordinated with respect for mentors and internal values. Good balance achieved between self strivings and environmental expectations. Although sublimation is a defense, there is an exhibitionistic and self-centered part of his self.	Upwardly mobile individual who internalized the values of his parents and mother culture (middle-class India). He seems to have identified with the philosophical, analytic side of his father and chose a wife with his mother’s practical, bright, effective temperament and skills. He has successfully used such defense mechanisms as sublimation and counteraction to contain a “narcissistic” side and find ways to blend self and social interests.
5.	HHH	Successful at work, at home, and in his spiritual/moral life. Very active and optimistic in his orientation toward life. Uses sublimation and religion to cope with distress but can be action oriented when he needs to be. Very complex person who has succeeded in functioning while internally holding that complexity.	Very successful individual who is proud that he found a way to integrate his values and practical/vocational success. Has a huge heart but is also very sensible.
6.	HHH	Psychologically secure, resilient, stable, and well organized. A very high copier who can tolerate any stress, transcending immediate tensions that might tempt less capable copiers to yield and surrender. By standards expected of a high-performing CEO, his motivational structure is rock-solid stable. Extremely driven to succeed, he has the psychological strengths required to realize his ambitions.	He has the desire to make tremendous impact and has tremendous confidence that he will be successful. He is extremely ambitious. He has a powerful need to take control. Where many executives emphasize their own personal aggrandizement, he is unusual in that he focuses specifically on helping the organization to achieve. It is very important to him to inspire others, and that he serve as a mentor to younger leaders. He is energetic, empathic, sensitive to other people, and seeks to take responsibility. He is focused on work and other than occasional short vacations, he has no important leisure interests. His friendships and socializing tend to be with industry colleagues. This high-energy profile is consistent with the profile of successful CEOs. He can be counted on to give work his all and to achieve in a high-integrity manner.

## EXHIBIT 7 (Continued)

LOW INTEGRITY			
ID	Type	Structure	Summary
7.	HHL	Grew up under trying circumstances. He had to contain his self in order to survive. Fant-sized gratification but could not seek it out in reality. May unconsciously seek out situations where he is threatened and must overcome difficulties. Generally external locus of control, with fear of being overwhelmed.	Low integrity may be function of lack of basic trust in others. Fear of establishments and of power. He does not trust father figures or ultimately himself. Both have a mixture of being demanding, hard-working, alone . . . but subject to the uncaring, violent whims or desires of others. Sees himself as ever the pariah and paternal figures as domineering and demanding but not supportive. Women more likely to be nurturing. Unconsciously seeks out chaotic, confusing, threatening environments similar to the one in which he grew up. Does not seem to have a focused career ambition; struggling with past, major motive is to be economically independent. The name of the game is to survive at all costs. Wants to establish personal security but does not have a core sense of values that provide self-cohesion. Puts himself in relationships to “scumbags.” Sees the world as cruel, brutal, and he got out from under it. Feels self to be disgusting. May let his impulses overwhelm him at times to do things that are not honorable. Appears self-centered because he is so anxious to protect himself.
8.	HLL	He did not have a good relational basis with mother and father to build strong self foundation, but instead built his self based on identification with a fantasy of himself as omnipotent (he says “I am blessed and charmed”) but meanwhile his sense of self totally depends on external validation. High external success but numerous holes in his coping, which make him prone to failure in coming years because he lacks the deep resources to deal with stress. Is literally functioning on denial and grandiosity without much inner strength.	He disliked his parents, particularly his father. He does not trust authority figures and is likely to rebel against them or try to deceive them. He has no working or internalized value system but is very self-centered and self-promoting. He uses denial, dissociation, projection, and avoidance as major defensive and coping strategies. He has a philosophy of white lies. His decision making is very quick, impulsive, intuitive, determined. He is optimistic and truly believes what he does will work out. He has a grandiose quality, wherein he pushes away all the negative aspects of a situation and goes for it. He is not a leader; he is a one-man show. He has to be in control. He does not like taking or giving orders, he prefers to do things by himself. He is tremendously motivated, on a deep level, to be remembered, recognized, on top, and continually challenged; otherwise he feels life has no purpose. He is self-centered, has little insight into himself, and grandiose; he does not really care about others. But he has been successful, has business skills, has shown good judgment to date, is energetic, and is very intelligent and articulate.
9.	HML	On the surface, he is very energetic and independent. He operates according to his own standards and is not empathic towards others. Need to achieve and control belies an unconscious feeling of helplessness, anger, and hurt. If he cannot control the environment, he will feel very vulnerable, alone, and bitter.	He needs to be extremely independent. He may have difficulty with authority figures. He may project his own unconscious insecurities and weaknesses onto others. He does not get comfort or support from others. He is consciously active, dominating, controlling; unconsciously angry, resentful, and exhausted. He may collapse under continuing stress, particularly when authorities demand things from him or when the situation is not to his liking. A deep conflict is bothering him and he tries to intellectualize and distance himself from it and then focus the energy on the outside, but because he is not resolving it, he has a sense of not being whole.

## EXHIBIT 7 (Continued)

ID	Type	Structure	Summary
10.	HHL	Presents himself in a “narcissistic” manner, feeling that he is both gifted and a model of responsibility. He feels he operates independently of others and that they need him more than he needs them. Unconsciously, he seems obsessed with the loss of his father, ambivalent feelings toward father, and a sense of being alone in the world. Materialistic success and chasing after “greatness” is a way of avoiding inner loneliness and shame.	Appears to be motivated, at least on an unconscious level, to reach great accomplishments. Psychologically, he seeks to do so in way that meets both what he perceives as his father’s expectations and what he himself would like to accomplish. As of yet, he has not figured out how to do that. Moreover, he unconsciously links his development to the inevitable pain and loss that maternal/female figures must endure to assure his success. He apparently has not figured out how to integrate his own aspirations with those of intimate partners (and his own children) in a way that gratifies them all. He seems to have little insight into himself. He engages in questionable romantic relationships both outside and within work, has a host of illegitimate children, and yet sees himself as religious and highly reliable. He wants to be like his father (gain his acceptance) but feels resentful of him for deserting him. Death of loved ones is repetitive theme in his fantasy life. In general, he is likely to have confusing, idealizing-rebellious relationships with authority figures, and also feels he has to deal with things alone in the world. He sees women as very passive, as objects of desire, or maternal figures.
11.	HLL	Consciously, he sees and portrays himself as powerful, orderly, and domineering. Unconsciously, he feels threatened by intense emotions, confused, grandiose, insecure . . . fully conflicted and unable to resolve interpersonal and intrapersonal conflicts.	Perhaps the most disturbed of the low-integrity executives. He presents self as well put together, almost a fearless man of steel, yet internally is disorganized, overwhelmed, and resorts to the use of primitive, unrealistic defense mechanisms. Highly unstable person. Conflict between wanting to be the center and an attempt to hide that hunger. A restless, stimulus-seeking quality that has a chaotic, confusing effect. He cannot pull the pieces together. Psychologically, he has a need to admire authority figures, but feels a great deal of anger, discontent, and ambivalence towards them. He tries to repress the negative side and present the positive side. Mostly unconscious conflicts regarding the family and a need to admire them but also to rebel against them. In some deep way, he felt rejected or injured by his parents and developed a narcissistic orientation of going his own way and doing his own thing and trying to impose his views on others even though tries to present himself as very empathic and caring. Basic struggle between his narcissism (desire to be the center, to be powerful and admired) and his superego (values, ideals), of which he is not aware.
12.	HHH	Sees himself as stable, an executor of actions. On less conscious level, lack of interpersonal sensitivity. Weakness in splitting off sexual needs from marriage.	Brittle adaptation. Relates to authority in a logical way. Lack of empathy related to affair with subordinate. Does not trust others. Sees women as objects. Jumps to solutions with no analysis. Does not process emotions. Lack of interest in interpersonal relations. Does not reveal himself. Secretive, mechanical quality. Avoids emotions.

the more conflicted, passive, disorganized, and troubled they appeared.

To exemplify in a detailed way the differences between the high- and low-integrity executives on the level of psychological functioning that I consider fundamental in personality structure, I will compare

some of the stories created by two of them. I will focus on the aspects of the stories relevant to understanding the psychology of integrity. The purpose of this section is to show how a particular story or expression by an executive is evidence of identification and then how that identification provides a foundation for the active

coping personality style. I will begin with their stories about a picture of a young boy contemplating a violin that rests on a table in front of him. The high-integrity CEO—let’s call him John—told the following story to describe what he saw:

Billy was infatuated with the violin ever since his grandfather took him to the philharmonic. He often stared at the violin that his grandfather purchased from the Salvation Army in hopes that he would learn to play well. He was frustrated by the fact that he knew that his family could not afford to pay for lessons and this would be something that he would have to learn later on in life. In junior high school, he had the opportunity to take lessons and became proficient very quickly. The original violin his grandfather bought for him five years ago lay in his room as inspiration to fulfill his dream. Billy attended Julliard on a full scholarship because of his ability and mastery of the instrument and became the concertmaster for the New York Philharmonic and as a side note, when he fixed up that old violin that his grandfather gave him, it turned out to be a forgotten Stradivarius that rewarded him for his diligence.

One noticeable characteristic of this story is the identification of the central character, Billy, with a male parental figure, the grandfather. This identification consistently motivates the character’s aspirations and achievement. The character displays an active coping stance by identifying his desire to play the violin, working hard, and actualizing his dream despite obstacles. In the end, he also attains a sense of great satisfaction as a reward for his diligent practice. Ultimately, the self (Billy’s desires), the other (grandfather’s wishes), and the community (New York Philharmonic) come together in harmonious fashion. Noteworthy too is the story’s organization, complexity, sequential logic, and cultural sophistication. In contrast is the story told by a low-integrity CEO—let’s call him Tony—to the same picture:

This is a kid who is supposed to be practicing his violin, sheet music is in front of him; his buddies are outside. He’s been forced to do it, told to go to his room and get it done, and he’s struggling with the concept he doesn’t want to do it because he’s

been told to but if he doesn’t do it he’s not going to do these other things and he’s trying to come to terms with that but he hasn’t made the decision yet to pick the damn thing up and play it.

In this story, not only is there no parental identification figure, but there is an implied hostile or resentful relationship with that figure(s) (“He’s been forced to do it”). The character’s motivation is at odds with the “other” and there is no resolution to that implied conflict (“he hasn’t made the decision yet”). The main character is stuck between complying with an external demand and following his desires (but he does not actually state what those desires are). There is even a displacement or transference of his resentment from the parental figures to the violin (work), as he calls it “the damn thing.” He is conflicted. The story is structurally less complex than the one of the high-integrity CEO, and the language and rhetoric are also simpler.

Another picture is a farm scene: in the foreground is a young woman with books in her hand; in the background is a man working the fields while an older woman looks on. The high-integrity CEO narrated the following:

Heather was always a bright girl and was often called a prodigy in school. Upon the completion of high school she received a full scholarship to Harvard University and elected to continue onto the Harvard Business School where she envisioned herself entering Corporate America. She graduated *summa cum laude*, was well received with many encouraging offers of opportunity, but upon her father’s request and because of her devotion to him, returned to their Mormon farm to lead the family after her mother had passed away. She often wonders what life could have been.

Tension between self and other is a theme in this story. Despite great success, the central character sacrifices her burgeoning career to meet the needs and expectations of her family. There is a faint recognition at the end that this culturally laudatory act is not ideal, as it does not bring about a satisfying balance between the needs of self and other. Nevertheless, responsibility takes precedence over self-development. Like the first story told by John, this one is well organized and logical.

To the same picture, Tony, the low-integrity CEO, replied:

This looks like a rural family. Appears to be more of the old classic cultural norms where the man is working in the field but this one, the woman appears to be teaching or going off to school; looks like the old schoolmarm type. A lot of stereotypical types of appearances here: the guy without a shirt on working in the field, the lady who's pregnant, the woman like I said with the books, so it might be like I said, the school teacher has come to visit. (Examiner query: What are characters doing, thinking, and feeling?) He's plowing the field. No one looks overjoyed about the situation. The man has his back to the lady so he's obviously not taking interest in her; the lady with her back against the tree is looking off into the distance and not really involved with either what was said or what is about to be said unless she is truly in deep thought, she just seems detached from what is going on; and the woman with the books, there's a stoic look on her face so what has transpired or what is about to transpire she doesn't seem to be too emotional about the fact so either way it doesn't seem to be a major issue here.

In this somewhat disjointed story, the characters are unrelated to each other, each in their own world. They are defined in a "stereotypical" manner. They are disconnected ("not taking interest"; "detached"), unfeeling, and dissatisfied ("no one looks overjoyed about the situation"). To a picture that most executives see as a family scene, this CEO indirectly expressed a deep-seated feeling of familial coldness and disinterest. Stylistically, Tony struggled to construct a story to this picture, and had to be prompted to elaborate and complete his story.

The commitment of John to promote the welfare of others, using whatever resources at his disposal, is evident in his next story. The stimulus is an adolescent boy looking straight out of the picture. The barrel of a rifle is visible at one side; in the background is the dim scene of a surgical operation. John created this story:

Juan was always an enterprising individual, even as a child. Growing up in the poor Colombian

town, he always aspired to do what he could to better the community, whether it was stealing food from the local market which he knew the vendors could get by with, to feed the teachers in the community who worked without pay, whether it was tending to the orphans on the streets who have no parents, or whether it was more grandiose contributions, as macabre as they may be. Juan turned his talents to doing what he could to support an ailing learning hospital in his small home town village. Medical students often came without fulfilled degrees, and incomplete education and were desperate to complete their knowledge. Many deaths occurred in the country from the turbulent warfare, and as he often did in the past to take from someone in need to give to someone in need, Juan provided the school with cadavers, organs, and a needed learning experience so that they could improve their skills and hopefully save thousands more.

The theme of supporting others, while trying to reverse the unfair distribution of wealth, is prominent. Helping others is the primary motive. Empathy and identification with those in need are obvious. The story is relatively long, internally consistent, with an active coping theme. The ending is promising. In contrast, the low-integrity CEO supplied the following story to the same picture:

This is an old time army hospital in 1920s, 30s, or even in Eastern Europe with the moustaches of the men and the uniform she's wearing—or is that a young boy? At first I thought it was a nurse or a female cadet but I think it's a boy. I see a gun resting against the wall, may have been an accidental shooting, combat situation, they are performing an emergency procedure, the person in the front has an inappropriate look on their face for what's going on behind them, there's no concern, there's no emotion, it's almost like a zombie-ish look with the eyes half closed, very odd picture except what's going on in the background and the individual in the foreground are at opposite ends.

Once again Tony's story is replete with "no concern" and "no emotion." The storyline is unclear, the

ending unfinished. It appears very difficult for this CEO to imagine even in fantasy an empathic, connected stance to others suffering or in need. The central character is “at opposite ends” with those who are distressed. The contrast between this cold, disengaged sentiment with the enthusiastic, committed, and active orientation of the high-integrity CEO is pronounced.

Finally, the different views of these two CEOs of the basic “stuff” that fuels their identification with paternal figures are highlighted in their responses to the next picture, which shows an older and younger man, face to face. The high-integrity CEO reported the following:

Dr. Walker adopted John when he was only six weeks old, left behind by an addict mother. He raised him as his own son. In fact, John never knew the truth. They had a very close relationship. John was a model son in all respects, admired his father, and desired to emulate him in everything that he did. John finally graduated from medical school this past year and upon his relocation to England, the news was broken to him about the truth of his childhood. He sat for a moment in disbelief and didn't want to hear what his adopted father was saying but after a long conversation thought, “What really is the difference if he is my true father or who he is, would the experience have changed my life at all—probably not.”

The crucial role of the nurturing father in promoting the welfare and success of the son is emphasized. It is the actions of the paternal figure, not the underlying genetics or even the quirks of misfortune that determine the development of the son. The fusion of other and self via identification shapes the altruistic nature of the son. Again, in stark contrast, Tony's story revealed a harsh, mean side to the paternal authority figure:

The guy, on the left, looks like Walter Cronkite. These are two people that are, they are at work together in business together, the older guy is trying to give the younger guy either criticism or advice. He has a confident smirk on his face. He's delivering some bad news with joy; he's zinging this guy. The younger guy is staring away; looks like he is intending to stare away, has an “up yours” look on his face. Head games, the older

guy is trying to zing the younger guy, put him in his place, doesn't look like a father-son supportive type of interaction.

The smirk and delivery of bad news with joy suggest this low-integrity CEO likely experienced his own father as a critical, if not sadistic parent. He does not seem to have an image of what a supportive father-son interaction should be. He seems unable to trust authority figures and must curse and distance himself from them. One cannot rely on news that even social icons like Walter Cronkite announce. Authority figures can be mean and entrapping.

What were the actual performance outcomes associated with John, the high-integrity CEO, and Tony, the low-integrity CEO? John leads the second-biggest company in his investors' current portfolio and has informed them of numerous offers he has received to leave for other tempting opportunities. He has persevered to ensure the company and its investors are well served, and he is focusing now on grooming successor candidates to be ready to take control when he leaves, a process he anticipates to take two more years. He will then have completely repositioned the company in the industry over a six-year period. Tony lasted less than two years as CEO and resigned shortly after inducing investors to inject more equity with a new mix of investors. A Board observer reported feeling betrayed by his not communicating his intentions to them. A Board member reported that employees felt betrayed: No one wanted him around once he announced his intention to leave, hastening his departure.

The above and similar analyses of the stories of the high- and low-integrity executives combined with the other levels of behavior assessed and their developmental histories indicate distinct differences in their psychological structures. High-integrity executives were oriented toward others, identified with benevolent, caring paternal figures, and integrated those identifications with authority figures with their needs for self-development. This fusion ultimately resulted in genuine concern for the communities they served. By contrast, low-integrity executives felt rejected by authorities, tended to suppress warm feeling towards others, developed defensively autonomous life styles, and felt justified to pursue their self-interests at the expense of others.

## DISCUSSION

I classified executives as manifesting high or low integrity based on behaviors described by third parties. I then reviewed the executives' developmental and personality data. I noted very clear differences between the two groups and also a high degree of internal consistency within the groups.

### Implications of Findings for Integrity and Active Coping

**Intelligence, work skills, and experience.** The high-integrity executives were more intelligent than the low-integrity executives as measured by a measure of non-verbal construct formation. This finding suggests a link between integrity and abstract thinking, consistent with Kohlberg's stage model view of the development of integrity (see Appendix C).

One may speculate on what elements in a person's history and personality lead to these disparities of behaving with high versus low integrity. The low-integrity executives might not have been able to develop their intellectual abilities to the fullest. Family tensions may have interfered with their ability to concentrate on academic achievement. Their parents may not have been as supportive of their intellectual development as were the parents of the high-integrity executives. It is also possible that individuals with less abstract capability lack cognitive resources to solve complex problems under pressure. When confronting problems they may resort to unethical or illegal means to solve them, particularly when they do not trust that others will help, as was the case with the low-integrity executives. They may not be able to foresee the full array of consequences that their actions may elicit. They may believe, for instance, that it is easy to get away with what they do.

I purposely limited my choice of executives to individuals functioning in senior management roles and made no formal evaluation of their functional skills. Given that all the executives had prior business success, it is reasonable to assume that all displayed sufficient talent and skill to perform the technical requirements of their jobs.

The personality characteristics noted in the executives' psychological structures were evident in their work histories. The high-integrity executives exhibited

steady, upward movement in their careers; the low-integrity executives had tendencies to quit, be fired, or join unstable organizations. The tendencies of the low-integrity executives may have been partly a function of intelligence—that is, failure to fathom fully the social nature of the organizations they joined, and partly a function of their failure to utilize their active coping skills.<sup>10</sup>

### Development

**Family and sociocultural background.** The high- and low-integrity executives evinced significant differences in their early development. These differences appeared in their relationship with their fathers and, to some extent, their mothers. In particular, the high-integrity executives, who had such clear commitment to social ideals, all described loving warm relations with their fathers.<sup>11</sup> The low-integrity executives tended to have problematic relations with both of their parents.

Most of the high-integrity executives were first-born males. Two of the low-integrity executives were only males though they were not first-born. First-born children tend to identify with their parents' values and goals. Younger siblings are more peer-oriented and may more readily capitulate to peer pressure, though there are exceptions. First-borns, because they identify with parents, try to lead others as they grow older. They are the models that their siblings try to emulate or rebel against. In families where parent-child tensions and dysfunctions are salient, as was the case with the low-integrity executives, later-born children may be more prone to harbor resentment and jealousy toward their siblings and parents. These later-born children may later transfer those feelings to authority figures who remind them of their parents or siblings.

Psychoanalytic theory suggests that identifications play a major role in the formation of integrity, particularly the way in which the developing self is partially based on identifications with parents. A person's basic sense of security, relationships with others, and value orientation emerge from these identifications. In many instances, adults become to some extent like the parents who reared them.

**Current family setting.** All of the high-integrity executives were in stable marriages. They described their wives in unequivocally positive terms and with personalities that resembled their mothers. They viewed

their wives as intelligent, active, and with one exception, independent. They viewed their wives as caring and nurturing. The wives seemed to support and understand their husbands' passions. Although many had advanced degrees, even if they worked, only one had a high-powered career. Instead, they focused on the family.

Four of the six low-integrity executives were married. These executives offered little content or descriptions of their relations with their wives, giving the impression that their marriages were not as strong as those of the high-integrity executives. One of the low-integrity executives lived in a completely different geographical region than his wife and children. He complained that his wife failed to function as he had initially hoped she would, to organize and regulate his life. Two of the low-integrity executives had affairs with women who reported to them at work, and one of these two also had two households, with a wife-like woman and children in each.<sup>12</sup>

### Personality Structure and Dynamics

**Self-description of motivational priorities.** The motivational differences on the self-report measure of personality reflected the early relationships between the executives and their fathers. Low-integrity executives had conflicts with their fathers. This condition contributed to their exhibitionistic, rebellious, and impulsive motivational structures. They appeared to reject the presence and legitimacy of authority. They trusted only themselves, believing that whatever impulsive action they took would be successful and worthy of praise. The profiles of the high-integrity executives indicated that compared to the low-integrity group they were more empathic and respectful of others. Their respect for their fathers carried over to the value they placed on authority figures as well as being able to function as inspiring authority figures for others. Motivation appeared to go hand in hand with the coping styles that the two groups developed.

**Semi-projective motivational and coping tendencies.** The higher-integrity executives tended to have higher scores overall on a semi-projective measure of active coping. The findings were mixed, as some of the low-integrity executives also had very high scores on this measure. In terms of the content of the motivations on this measure, the low-integrity executives focused on the need for independence and fear of dependence.

Their high self-esteem bordered on the grandiose. Their grandiosity was related to the exhibitionism (desire to be the center of attention) expressed on the self-report measure of personality. They mistrusted others and lacked respect for them. In contrast, the high-integrity executives stressed the commitment to finding a balance between their needs and those of others as well as pursuing goals within ethical guidelines.

#### **Underlying motivational and coping tendencies.**

The major difference between the two groups appeared in their projective stories. As previously noted, the story-telling projective technique provides information about the foundation of personality structure. The overwhelming majority of the low-integrity group, regardless of overt aspects of personality, told problematic stories. In five of the six cases, the stories gave evidence of interpersonal issues, personality disorganization, and problems with self-esteem and maintaining an integral sense of self. On the surface level, the low-integrity executives were self-adulating and consciously flaunted their needs for autonomy as strengths. Yet in their projective stories such tendencies led to unresolved conflicts with authority figures and failure to find satisfactory ways to relate to others or to promote the self adaptively. By contrast, the high-integrity executives consistently were able to imagine ways of integrating altruistic and self-actualizing motives. The foundation of integrity seemed most observable in the expressed fantasies of the executives, on the covert measures of personality.

### Psychological Structure

The discrepancy between overt aspects and covert tendencies was captured in the types assigned to the executives. HHL, for example, indicates high coping and motivation on overt behavioral levels but passivity on the underlying levels of personality. The low-integrity executives consciously emphasized their confidence and superiority, but their stories indicate that they tended to feel overwhelmed, insecure, and confused. The findings suggest that good early experiences with caretakers and internalization of those experiences result in congruent, consistent, stable, and resilient structures—the HHH type. The psychological organization and stability of the high-integrity executives appeared to emerge from their identification with their parents. Those identifications, in turn, contributed to a more solid sense of self. Integrity was part of their way of being because their parents

had integrity and the executives' own relationships with authority figures were full of trust.

The low-integrity executives tended to lack the basic foundation of self that would hold them together under stress. For the most part, the relationships of the low-integrity executives as young children got off to a shaky start. As adults, they lacked a deep sense of connection with organizations or those around them. Their projective stories revealed their underlying vulnerabilities with respect to coping, self-esteem, and interpersonal relationships. These findings are consistent with the argument that good interpersonal relations growing up result in a more robust psychological system, a system that is more firm, consistent, secure, and possessing true self-confidence.

I am not saying that every person who comes from a family with problems will grow up without the capacity to be consistently honest or responsible or of high integrity. *Many* children from problematic families substitute identifications with parents, making identifications with grandparents, uncles or aunts, even neighbors, teachers, or other adults with whom the child has significant contact. Some individuals, with very strong innate temperaments, may react to poor parental models by rejecting their parents and substituting cultural ideals as guiding values. On the whole, however, poor parental models increase the probability of developing deficits in integrity. They undermine the cohesion and vitality of the entire psychological structure. The findings are consistent with the view that integrity is part of a person's overall personality structure, not an independent trait or a gene.

### **Narcissism, Active Coping, and Integrity**

Previously, I have argued that predicting the performance of an executive requires looking below the surface of personality. This argument rings true for integrity. The high- and low-integrity executives appeared superficially similar. All of the executives described themselves as desiring and attaining high achievement. The low-integrity executives differed slightly from the high-integrity executives in their conscious self-presentations. They tended to emphasize a more autonomous stance towards authority, a fear of being dependent on others, a need to exhibit their talents, a mistrust of other people, and an extremely positive self-concept, bordering on the grandiose.

When I looked at the underlying foundations of self, their histories, and their relationships, however, the poor coping and integrity of the low-integrity executives was obvious. This finding is consistent with the argument that the best predictions occur when one can look at the whole person, past and present, private and public, unconscious and conscious.

The finding that high- and low-integrity executives appeared similar on the surface suggests conceptual and practical issues in executive selection.

As noted earlier, the low-integrity executives had enough past success and current skills to impress those who hired them for their executive roles. To have been successful, they must have evinced both business talent and coping ability, including perseverance, endurance, and ambition. What then does the study indicate about the relationship between coping ability and integrity?

In psychoanalytic theory, integrity is related to superego development. Good active coping comes from identifying with good caring parents. Children internalize the emotional connection and the parenting relationships they experience with their parents. This gives them strength. They learn not only how to pursue goals with discipline but they also learn how to love themselves and others. The high-integrity executives were self-actualizing within a system of values. Through their active coping, they were able to find a way to bring into balance their core personalities (their internal drives and standards and ideals internalized from their parents) and the demands of the environment while promoting self-development and adaptation.

The identification of the high-integrity executives with loving and idealized parents, particularly their fathers, tempered their needs to promote themselves. Their self-esteem was based on the love and support they felt from their parents, that fostered their ability to maintain a strong sense of self through their own accomplishments. They abided by the rules instilled in them and needed to come by their success in an honest and ethical way. They worked to achieve within a moral framework. Because they genuinely loved and trusted their parents, they accepted their parents' values. They considered the needs of others when making decisions, tempering their striving for recognition and success with true concern for others. They recognized they could not achieve success without a collective effort. They felt responsible for the efforts of others.

By contrast, the low-integrity executives were weak on the self-esteem/integrity dimension of the active coping style. One could surmise that they did not develop an underlying self-love born of genuine admiration of their parents. Their projective stories suggested that most of them seemed to feel angry at their parents, lonely, and unworthy. To compensate for unmet needs, they appeared to develop a defensively autonomous lifestyle and an illusory belief in themselves as being almost perfect. Their personality structures resembled those of patients that clinicians label as “pathological narcissism.” Pathological narcissism, as summarized elsewhere,<sup>13</sup> appears in four areas:

1. Self-esteem: Narcissists are very sensitive to criticism. When criticized, they tend to denounce the critic angrily. Under usual conditions, such individuals are haughty, consciously self-satisfied, and boastful. Unconsciously, they tend to feel insecure and inferior, lacking self-worth.
2. Interpersonal relationships: Narcissists are extraordinarily self-centered and relate to others in a supercilious and essentially exploitative manner. They expect others to recognize their achievements (whether those achievements are real or fantasized), cater to their needs, support their endeavors, and never oppose them. Where possible, they surround themselves with fawning and subservient followers. They can sponsor, praise, or validate others as long as those others serve their needs. Otherwise they are quick to disparage.
3. Reality orientation: Narcissists differ in the accuracy of their reality testing, depending on other facets of their personality. As a rule, narcissists distort their perceptions of self and environment to protect an exaggeratedly positive or grandiose self-image. These distortions can include outright denial of weaknesses, rationalizations, attributions to external sources of any personal shortcomings of the self, and projections of personal faults onto others.
4. Identity: Narcissists possess an identity characterized by a sense of being special. They usually view themselves as particularly talented in some area of endeavor. They feel entitled to receive constant adulation and service from others. When they feel thwarted, they feel entitled to vent anger on those who criticize or oppose them. They also need outer reality to confirm their perception that they are special.

This description of pathological narcissism is drawn from a manual used by clinicians treating individuals in psychotherapy. These patients have suffered severe attacks on their narcissistic needs as they developed, usually in the form of rejection or hurtful criticism or abuse by one or both of their parents. The narcissism that develops is a defensive or developmentally desperate attempt to maintain self-worth (and prevent total depressive collapse) by holding onto a more primitive form of narcissism, which elevates the self above all others—what Kohut called the “grandiose self.”<sup>14</sup>

In optimal psychological development, this grandiose self gradually becomes a socialized, reality-oriented, healthy self. The transformation occurs by means of identification with caring, empathic, but kindly limiting parents (see Appendix B). The developing child is able to surrender the magical power and temptation of total narcissism for a realistic, socially oriented, self-respecting, and effective self. The child does not need to resort to pathological means to sustain a sense of self-importance or cohesion. Indeed, pathological narcissism results from an attempt to prevent psychological disintegration by rejecting those parts of reality that would threaten self-esteem in order to fixate on the infantile belief that one is the powerful center of the world.

The deficit in self-esteem was the Achilles heel of the low-integrity executives. Individuals with such deficits may function for years in active, adaptive mode, with only small telltale signs of underlying structural deficits. Such signs may include less consistent upward mobility or more disturbed personal lives as compared to high-integrity executives. At some point, a constellation develops in which they may feel threatened, angry at authority figures, jealous of colleagues, unconsciously lonely, or aware of an opportunity to validate their grandiosity. At that point, the problematic behavior appears. Once it does, it may recur as a pattern until discovered, or precipitate a crisis if uncovered immediately. Sometimes, when caught, such individuals will try to deny their actions, rationalize them, run away, or collapse in a state of shame which may lead to suicide.

### Implications for Selection

The research presented here has implications for minimizing the selection of executives who are prone to unethical behavior. It is impossible to eliminate such behavior, particularly in light of the proclivity of

low-integrity executives to hide their duplicity from the outside world and even from themselves. An executive may manifest low integrity only when a set of conditions come together. In this study, for example, intelligence, spousal relations, and positions of power and independence occurred in conjunction with deeply entrenched deficits in self esteem and compensatory motivational tendencies. This conjunction of factors differentiated the two levels of integrity examined. The particular combination of experiential, intellectual, and personality characteristics that are necessary and sufficient to generate actions that could be deemed low integrity may vary from one person to the next. The specific culture, structure, and circumstances of the organization in which the executive works may influence if, when, and how low-integrity behavior will emerge. Having noted these contingencies, I believe more can be done to reduce the potential for unethical and illegal behavior.

The main finding of this study is that to assess integrity requires knowing the whole person. The whole person includes past personal and professional development, current life outside of work, and psychological make-up on overt and covert levels. To do so efficiently, organizations should rely on professionals trained in establishing rapport with executives, who are knowledgeable about developmental processes and personality functioning, and who are licensed and experienced in the administration and interpretation of objective and projective assessment techniques.

Individuals at risk for demonstrating low integrity are likely to have one or more of the following characteristics. They will have early histories of conflict-ridden and psychologically painful relationships with their parents, especially their fathers. They will have unsteady work histories with confrontations with authority figures or frequent changes in place of employment that do not logically indicate an upward career trajectory or which lack plausible explanations. They may be self-adulating in an exaggerated fashion, hypercritical and mistrustful of others, and impulsive, and they may show poor empathy and exhibit a need to control others or do everything on their own. They will demonstrate passive coping in their projective stories.

Executives who are likely to exhibit high integrity are likely to exhibit active coping tendencies on all levels of behavior assessed. These include overt behavioral, self-report, and projective levels. They are likely to report satisfactory relationships with parents and parental

figures; loving and compatible relationships with significant others; and a concern for other individuals and the community at large. They will have a history of balancing self-advancement with activities that foster the well-being and development of family members, colleagues, friends, subordinates, and even strangers (as in the case of charitable work). High-integrity executives are likely to raise spontaneously the topic of integrity in interviews because actualizing social ideals is a core element of their motivation. They also may appear to be very intelligent and score high on formal measures of intelligence. Being first-born children or the first males born into their families in stable, loving families is another feature that may be associated with high integrity among male executives.

The high- and low-integrity profiles above represent extremes. Many individuals fall between these two extremes. They may fall between in many ways. They may have average to passive coping tendencies on one or more of the four dimensions of active coping. They may have a history of poor family relationships but not display narcissistic tendencies. They may be limited in intellectual ability or functional skill. It may be more difficult to predict whether these in-between individuals will behave with integrity over time.

I would expect that most executives who fall in the middle, in the absence of a criminal history, would demonstrate integrity on what earlier in this article I called the first level of integrity: They are unlikely to commit illegal acts. In contrast, they may have difficulty reaching the third level: demonstrating consistently exceptional moral behavior that serves as a model for others. They may be variable on the second level of integrity: behaviors that are legal but not culturally appropriate.

The ultimate responsibility for acceptable integrity lies with the individual executive and with the organization. This article focused on the former and not the latter. But it is worth mentioning that local cultures can reinforce or ignore behavior that others would construe as demonstrating integrity or its lack. Pressure to produce at any cost; an unforgiving and demanding administration; unsavory leadership; faulty internal controls; and other factors can encourage low integrity.

High-integrity executives are likely to resist the temptations of organizations that lack appropriate checks and balances or where values are subject to frequent revision. Low-integrity individuals will try to flourish

and may exhibit their low integrity almost anywhere. It is the middle group whose behavior may be particularly influenced by the business culture. The chief executive officer is often the individual who sets the tone for the culture of the organization. It is critical for that executive to demonstrate integrity.

## CONCLUSION

This article suggests that it may be useful to assess the whole person when making predictions regarding how an executive might behave under new and stressful conditions, rather than just examining the executive's track record and experience.

The focus in this article has been on understanding the personality characteristics of executives who are likely to act with consistently high integrity in applicable business situations. The executives I examined were similar in terms of background and temperament. Differences were noted between the two groups in terms of original family background, work history, objective tests of intellectual ability, and some overt behaviors. The difference between the two groups was most striking, though not obvious or immediately apparent, in their underlying motivation and their coping tendencies.

The low-integrity executives did not steal outright from the company or cheat its customers. But three met the tests for low integrity by misleading customers, employees, investors, and/or bankers, each of whom was materially harmed by their duplicity. Three of the low-integrity executives defrauded their investors or redirected funds to their personal use. Two had affairs with subordinates that resulted in sexual harassment lawsuits, which created economic costs to their employers. Two behaved in ways that resulted in accounting scandals that also created economic costs.

A CEO with high integrity is likely to attract a team of high-integrity executives who will spend time fixing the problems and ensuring they do not recur. A CEO who lacks integrity is more likely to feel threatened by a management team that works together openly where each member can speak. Such a CEO is more likely to select managers who will comply with his or her wishes. The team is more likely to spend more time assigning blame than fixing problems. As a result, their companies are in the long run likely to perform worse than those led by high-integrity executives. This article suggests that there are ways to predict how an executive

is likely to behave in situations where active coping and integrity will make a difference.

## APPENDIX A

### How is Integrity Defined in Business?

**Conceptual definitions of integrity.** I interviewed executives (operating executives, executives in venture capital and private equity firms, and investment banks), a business reporter, and an attorney specializing in private equity transactions to learn how each of them would define integrity in business. Below I classify their definitions in terms of where each definition locates integrity. Each definition suffers from the same fundamental weakness: It attempts to restrict integrity to a particular realm—the individual, the interpersonal, or the community. The problem is not that the definition is wrong but that it is partial. I think that an executive manifests integrity in all three realms: within himself, in relations with others, and in the life of the community.

**Individual.** Definitions of integrity that locate it within the individual state that an executive has integrity to the extent that everything he does derives from the same set of values. We all recognize that some values are superior to others (e.g., not killing is superior to not stealing) and I will touch on that later. Although the values may change, the consistency of these values with each other and with the person's actions determines the person's degree of integrity. Three of the professionals I interviewed—the attorney specializing in private equity fund formation, the business reporter, and a venture capitalist—said, respectively:

Integrity means living by your own standards, and it doesn't matter what those standards are. As long as you are consistent within that value system, you have integrity. ... Integrity means acting in ways that you will not be ashamed of ... It's not a question of whether it's lawful or whether it hurts others but whether it is within your own system of values.

If you can genuinely say you would be happy and not ashamed to see what you are doing on the front page of *The Wall Street Journal*, in detail, right now, then you are probably behaving with integrity.

If you engage in a big war and kill thousands of people because you are a religious person and believe strongly you are doing the right thing, you are acting with integrity. Osama bin Laden is a high-integrity individual; by his own standards he is doing the right thing.

The individual definition of integrity suggests that we can think of it primarily as holding steadfast to our values and commitments. This definition is grossly inadequate because we do not live in the world by ourselves. The English novelist Iris Murdoch wrote that “Love is the recognition that other people exist.”<sup>16</sup> Integrity involves recognizing that others share this world and that their lives are valid and not a reflection of yours.<sup>17</sup> To behave with integrity is not to be manipulated by considerations of personal interest. Defining integrity solely as behaving in ways that are consistent with one’s values fails unless those values take into account the effect of the behavior on others and the duty that is owed to them.

**Interpersonal.** Many systems of thought prohibit killing, lying, and cheating and also take into account the context of duty. Everything we do occurs in a context of others. Integrity *must* be broader than a private code of conduct. Another way of defining integrity would locate it in interpersonal relationships. A venture capitalist stated:

Within the framework of running a business, what would construe as high integrity is that you don’t embezzle or do things that harm employees or shareholders for your own self interest.

To conclude that an executive should not harm employees or shareholders would make it impossible for any executive to defend or promote his business. Such a conclusion flies in the face of established business belief and practice:

Integrity is *not* merely doing no harm. If economic growth is a good, as long as we are in this culture we are always going to have people who are dropped off.

This comment establishes the tension between self and society. An interpersonal definition of integrity as not harming others fails to be adequate when we consider the relationship between the individual and the community. In the course of working out arrangements, individuals and groups must necessarily relate interest and concern for the self to interest and concern for others. Bargaining occurs among these various groups. Integrity includes taking into account this complex web of relationships and competing interests in a suitably effective way. That means it reflects the interaction of interests of many conflicting constituencies.

**Community.** Executive decisions involve the enterprise as a whole. Executives are working for someone other than themselves. A definition of integrity rooted in community would take this context into account.<sup>18</sup> Communities influence individual behavior through norms of appropriate behavior and rules intended to prevent bad behavior. As noted

by a private equity investor, regulations in business may lessen the incidence of bad behavior among those who lack a moral compass but they are not needed as much by those who have a moral compass:

I would not frivolously spend my partners’ money even though I know I could get away with it. I could theoretically have a personal dinner, order a \$300 bottle of wine, and write it off as a business expense. I could never do that. I would never do anything that would harm the organization. I don’t need an accountant telling me not to do it or the fear of being caught. The fear of being caught is for individuals who are on the edge.

The culture of an organization can encourage greater transparency (and other good outcomes) and commitment to the good of the firm, as noted by a managing partner of a private equity firm:

Making it okay to lay out the facts and issues and truths is organizationally what fosters integrity. We want to know all the issues right away. If you have a bad month or lose a customer, we want everyone to feel comfortable laying that on the table right away—and solving it. Then the team made a decision, the whole firm. When you make a bad decision, you bring it to the board right away. Then the firm has a problem, not you. You have the information, and we have the information, and we deal with it together. That’s the only thing that fosters good behavior and helps people maintain integrity. Our being one integrated team lends itself to the right atmosphere and the right behavior. Sharing information doesn’t mean we aren’t being tough minded: If management isn’t cutting it, we will deal with it ethically and with caring. But it’s not like we’re milquetoast, rah-rah, everyone is a fair-haired, A player. You have to have accountability, responsibility, and you don’t ignore problems.

On the other hand, there is no reason to suppose that what works for one organization will work for another; each community defines morality in terms of its own particular social needs.

There are different levels of community, wider levels of the social good. There is an immediate level, the local culture of the organization. There is also the social and economic environment of the organization, including larger bodies that issue regulations by which all members must abide, and the law, which may be even broader. There are also ethical codes of conduct which may overlap with all of the above in various

ways. When I describe executives as having high integrity, I mean that these executives go the extra mile: They are not *just* abiding by the law, at a minimum, or *just* abiding by personal code of conduct, at a minimum, or *just* abiding by local norms, at a minimum.

**Integration.** We come closer to understanding how an executive manifests integrity in business when we link the individual, interpersonal, and community definitions. Every person is in a relationship with other discrete individuals and with a collective whole. When we act, we are already part of a community. Many executives are insulated from the effects of their decisions: They do not know how their actions affect others. Transparency helps us see how our lives are connected to these other lives:

Integrity means learning to think with others and with others in mind. Can you talk about your actions openly? What are you trying to hide? If you can say “I have been trying to the best of my ability to do things that won’t hurt others,” you still need the support of a community willing to say that even with the best intentions we can make mistakes. We are not asking for people to be perfect; we are asking for people to be honest and open and reaching out to others so if things don’t work out there is room for open disclosure so we can learn from it and don’t do it again.

Integrity has to be not only personal—“these are my own standards”—or interpersonal—“how do my actions affect others”—but also communal. That recognition also brings us back to the question of what is moral. The answer to the question “Which values trump the other?” may depend on the context. The context for the purposes of this article is behavior within a commercial enterprise in the United States. In our society, we tolerate certain deceptive or illegal behaviors in some situations, such as stretching accounting rules to maximize shareholder value. It’s okay to speed at 70 miles an hour in a 60-mile-an-hour zone but you don’t go 90 miles an hour.

Speeding and slowing down when you see a police car may be lack of integrity, but would you rather live in a society where you don’t do that? It’s our deepest value.

## APPENDIX B

### Personality Development, Coping Style, and the Development of Integrity

The definitions of integrity in business tie in to theories proposed about morality over the past 100 years by

psychoanalysts. I use Sigmund Freud’s structural model of personality as it has been modified by ego and self psychologists because I find it useful to explain and predict behavior. To show the relationship between integrity in business and personality, I describe below the basic psychoanalytic model that I have adopted, and discuss the place of coping in that model. Then I discuss the role integrity plays in active coping.

### Structural Model of Personality Development

**Id.** Freud viewed personality as comprising two constant psychological forces, a constructive force and a destructive force. These drives constitute the basic energy sources for the personality. The constructive drive is the source of feelings of love, creativity, and psychological growth. The destructive drive gives rise to feelings of anger and hostility. The twin forces are variously referred to as love and hate; sex and aggression. Human beings have to fuse these forces so that the constructive force tempers, guides, and controls the destructive force and that the energy from both sources may be used in the person’s self-interest and that of society.

The two drives are part of the personality that Freud called the “id.” The id is a set of functions, not a physical thing or a place. In addition to the two basic drives and the impulses that result from them, the id stores memories and experiences which a person can no longer recall but which would be expressed if not controlled. Often, these impulses and memories are repressed or forgotten. (By repression I mean the process of making unconscious experiences and information which may be too troublesome or painful to handle on a conscious level.) The id operates on the pleasure principle: “I want what I want when I want it.”

**Superego.** Human beings must not only balance or fuse constructive and aggressive forces; we also should find ways to express them in socially acceptable ways. Culture specifies how love and aggression are expressed, and members socialized within that culture internalize the values and ideals promoted by it. The particular controls vary from culture to culture, even from one social class to another. They are transmitted to children through parents and other authority figures. (A parental relationship may not necessarily be with one’s parents.)

Early in a child’s development, parents control and direct the child. Parents permit some forms of behavior but prohibit others. As a child grows older, he—or she—incorporates into his own personality what his parents have taught him. A child who feels an affectionate bond with his parents and wants to be like them will incorporate these rules and values most effectively.

When the child develops a conscience, he may become self-governing. In Freudian terms, he has acquired a superego. The superego has two components: the conscience and the ego ideal. The function of the conscience is to perceive any bad thought, feeling, or behavior, and then produce guilt should that thought be expressed. The function of the ego ideal is to store images to which a person aspires, both consciously and unconsciously, and against which he or she measures himself.

We think of conscience as a built-in governor, the internalized civilizing agent, a voice that makes itself heard in anxieties we experience around behaviors that we have learned are “bad” to express. The ego ideal is the image to which a person aspires, both consciously and unconsciously, and against which he measures himself. It is based on identification with parents and other admired figures.

Identification is an automatic, unconscious mental process whereby an individual seeks to become like another person in one or several aspects. It is a natural accompaniment of maturation and mental development and aids in the acquisition of values and ideals. Identifying with loved or admired figures is a way of securing the relationship, of bringing that person permanently close to oneself. Although sociologically such loved or admired figures may be role models, ego ideal is thought to develop through identification—it is an image inside the person.

As a guide to behavior the superego makes for stability and consistency of performance. The superego, with its capacity to induce guilt and inspire behavior, defines acceptable ways in which the drives may be expressed and serves as a positively motivating force. When a person lives up to the demands of his superego, he is rewarded by feelings of self-acceptance and self-worth. When a person falls short of his ego ideal, his self-esteem diminishes.

In addition to internal drives, every person must deal with the external environment. The environment can be a source of affection, support, and security or a source of threat and frustration. Human beings learn from or internalize external demands. Such internalization was Freud’s original idea of how the superego formed. The conflict between “what I want to do” and “what I should do” is now within the self.

**Ego.** There is another part of self that keeps the superego, the id, and the environment in balance so that a person can function effectively. Freud called this mechanism the “ego.” It regulates the drives, controls their expression in keeping with the conditions set by the superego, and directs the person to act upon the environment. The ego maintains self-control and tests reality. It includes mental functions such as recall, perception, judgment, attention, and abstract or conceptual thinking. It normally develops as the person

grows. The ego acquires and stores information in the form of memory images.

The ego acts on the basis of the reality principle: “What are the long-run consequences of this behavior?” When an impulse arises, the ego that is functioning adequately will contain the impulse until, in effect, it has checked with the superego and consulted its memory images to determine the consequences of acting on the impulse. The ego must contain, refine, or redirect the impulses so that the integrity of the personality is preserved. The ego is always mediating between the id and the superego, and also between these parts of the self and the environment. The term “coping” refers to how the ego mediates among these forces. An individual’s coping style can be active or passive.

### Coping Style

“To cope” commonly means “to deal with or contend with difficulties.” This is the everyday definition but in the book we use the term to refer to an attitude or style, an overall approach to dealing with life’s challenges. Coping involves some effort to deal with stress. It is part of the process of adapting and responding to our environment. To deal with stress, a person can respond in one of four ways. The first is to identify the stress and remove it or deal with it in a way that maintains or improves the individual’s physical and emotional health. The second is to identify and tolerate the stress without changing it, in a way that maintains reality testing but does not further personal growth. The third is to defend against the stress by denying it, distorting it, or magically reacting to it in an unrealistic way. The fourth is to fall apart. The first response is active coping. The second is passive coping. The third is characteristic of neurotic, defensive coping. The fourth accompanies personality disintegration, which may ultimately result in psychosis or suicide.

*Active coping* allows a person to deal with internal and external pressures appropriately. It enables us to meet the demands of the external world as well as our internal needs without letting one overwhelm the other. When we bring the two into harmony, we experience self-esteem, contentment, and happiness. When we adapt to the external world in a way that makes us feel good about ourselves, we get the energy to grow and adapt. Active coping is a characteristic of a healthy personality. These personalities can tolerate the tension felt in perceiving challenges, threats, or conflicts. They also maintain the ability to create and implement strategies to resolve conflicts, overcome challenges, and deal with threats effectively. These strategies, which operate consciously and unconsciously, balance environmental pressures with individual aspirations, needs, and values.

Active coping is a stable, albeit complex, psychological orientation across time and circumstance. It comes into play in a specific situation, in the now. *It is almost always the best way to respond to a situation that was not, or could not be, anticipated.* It is not meant to stockpile responses to problems. There are models of coping that focus on situation-specific, consciously decided-on responses to problems. Within that framework, human behavior is essentially fragmented and excessively reactive either to fixed, rigid ideas or to external pressures and reinforcements. In effect, the person has no choice but to respond in a predetermined manner. Such a limited mode of response is characteristic of passive coping, an inclination to submit reflexively to internal or external demands.

Active coping, by contrast, is a style of behavior and decision making that can look at a range of possible responses and select the one that is most likely to solve a problem or meet a challenge in a way that meets *both internal and external needs and demands*—a novel response created for a unique situation. Active coping contributes to healthy personality growth by optimizing an individual's responses to specific problems and by fostering continuing psychological richness, self-confidence, and resourcefulness. Success and failure create a base of experience on which future coping is built.

Active copers feed on experience; they incorporate what they have learned in their psychological systems, making them increasingly more capable of tolerating uncertainty and tension, and capable of devising new strategies for adaptation and growth. This leads to greater effectiveness as an executive and from that to better organizational performance.

What can be confusing about the term “active coping” is that “active” does not refer to overt activity. It refers to how much control a person has over the expression of internal impulses and the ability to resist automatically submitting to external pressures. Coping style is not solely determined by observations of overt behavior. What may appear to an outside observer to be passive can stem from an active orientation. The difference between an active copier and a passive copier is that an active copier has the freedom of choice; a passive copier does not. An active copier can choose active or passive tactics depending on the situation. Active copiers can transcend the impulse of the moment in order to make the decision that has the highest probability of success. Passive copiers respond slavishly to felt demands.<sup>19</sup>

*Integrity and active coping.* One of the elements of active coping is self-esteem and integrity, which is part of superego functioning. The superego helps the individual to formulate goals. It also sets the rules and standards that govern the strategies an individual devises and what may and may not be used in order to cope actively with situations.

## Integrity and Its Development: Psychoanalytic Accounts

*Transformational perspectives.* Freud proposed the first systematic formulation of a psychological structure that would house integrity: the superego.<sup>20</sup> The superego served two functions—that of inhibiting the bad and promoting the good. Freud proposed that the superego was not innate but rather acquired through experience motivated by both fear of and identification with the parent of the same sex. The fear of punishment for bad desires motivated the control of immoral behavior. The identification via love motivated and modeled positive behaviors.

Most of Freud's work focused on holding back the bad rather than attaining moral standards. Freud viewed psychosocial development as a progression from the pleasure principle to the reality principle. The pleasure principle demanded immediate gratification of biological drives. The reality principle required inhibition of appetites and accommodation to physical and social realities.

The need to regulate the desires of the self carried over to the work of Melanie Klein.<sup>21</sup> She theorized that the origins of morality lay in the child's fear of destroying a loved one. Klein believed that children are innately aggressive. The motive to control or hurt those who thwart the self emanates from that aggression. What leads the developing child to become good is the depression elicited when the loved one is not immediately responsive. The child experiences the loved one as being lost and blames himself or herself for the withdrawal. When the loved one returns or shows affection, the child tries to repair the perceived damage and to please and protect that person. Eventually, the child represses anger that would threaten loved ones and develops a loving, morally bound self. Klein thought it was this holding back of hostile and power-oriented desires that is the binding force of morality.

Heinz Kohut<sup>22</sup> also focused on the transformation into something good of personal desires that may be harmful or displeasing to others. Kohut contended that toddlers are self-centered and expect others to gratify all their desires. When parents' responses conform to the child's expectations, the child feels omnipotent—in control. When parents reject or criticize the child's desires, the child feels threatened and frequently angry.

A child learns to relinquish self-centered proclivities through a process Kohut called “transmuting internalizations.” This process begins when the toddler realizes that actually he or she is vulnerable. In response, the child forms an attachment to an idealized parent, whom the child views as powerful. In turn, the child expects the idealized parent to protect his or her welfare. Whenever the parent does so (as most routinely do), the child learns the caretaking behavior.

The child develops the capacity to deal with reality and takes over the function that had previously been served by the idealized parent. By making what was once external into part of the self a child develops a stable identification with an idealized person. This identification is the basis of integrity. The parent's values, empathic attitudes, and commitment to the welfare of the child are passed along to the child. So are instrumental problem-solving techniques.

**Existential and humanist perspectives.** Other psychoanalytic theorists have viewed the acquisition of integrity as the development of an innate motivation to nurture, love, and be loved by others. A desire to promote the welfare of others is not solely a reaction to an antisocial impulse. Alfred Adler<sup>23</sup> argued that human beings are born with needs for superiority and altruism. The former drives the individual to express and gratify his personal interests to the utmost; the latter impels the individual to connect with and help others. The individual naturally strives to coordinate these two basic motives. The family and surrounding community can help or hinder this effort by providing resources and encouragement and by setting up barriers to feckless self-interest. Integrity tends to emerge in individuals who successfully blend their strivings for superiority and for altruism.

Like Adler, Erich Fromm<sup>24</sup> believed that children are born neither good nor bad but have the potential to become either, depending on the society in which they grow up. Both Fromm and Adler believed that human beings possess a choice to participate consciously or unconsciously in forging their identities and values. Carl Jung,<sup>25</sup> Erik Erikson,<sup>26</sup> Karen Horney,<sup>27</sup> and Irwin Yalom<sup>28</sup> expressed similar beliefs.

**Kohlberg's stages of moral development.** Lawrence Kohlberg proposed a model of moral development that consisted of three phases emerging at predictable points in a child's maturation.<sup>29</sup> Kohlberg called the first phase "pre-conventional morality." This phase characterizes early to middle childhood. Children behave well either to avoid punishment or be rewarded. Moral reasoning in this phase follows the reality principle, minimizing pain and maximizing pleasure in the context of social and physical reality.

Kohlberg called the second phase "conventional morality." This phase typically begins in middle childhood and extends to early adolescence. At this level, one behaves well to maintain proper relationships with others or to follow the accepted rules and regulations of one's society.

Kohlberg called the third phase, occurring in adulthood, "post-conventional morality." During this phase, the individual is freed of rigid authority and learns to fashion a personal code of ethics using abstract reasoning rather than automatically capitulating to convention. The individual can justify moral decisions in terms of prevailing social ideals, such as specific individual rights, or universal concepts, such as justice. The person who attains this level of moral reasoning

can determine what is right in any particular set of unique circumstances. He can choose to defy prevailing rules when those norms conflict with his own ethical sense.

## APPENDIX C

### Implications for the Study of Integrity in Executives

Extrapolating from the ideas in the first two Appendices, I propose the following:

1. Behaving with integrity in business involves two components. The first is not giving in to temptations to do harm to others and controlling tendencies to engage in self-serving behaviors that contravene social values. The second is integrating idealized standards into one's basic orientation to working with others. The first component contributes to a person's willingness to welcome *transparency*: he has nothing to hide. The second component requires *commitment* to high ethical and interpersonal ideals that transcend the self. It is not necessary to specify the nature of "high ethical and interpersonal ideals" because the interpersonal includes the communal.
2. Executives who demonstrate high integrity are likely to have formative developmental histories of a loving attachment to and identification with a parent or significant other. This early parental model likely expressed a cohesive set of values. In contrast, executives who have unresolved negative or highly ambivalent relationships with parents or early parental figures are likely to develop conscious or unconscious hostile and rebellious attitudes to authorities and possibly society as a whole. Such attitudes may manifest in self-centered behaviors which defy social convention.
3. Integrity and psychological autonomy are two dimensions of the active coping personality style. They are linked in individuals who are strong on both dimensions. For example, Kohlberg's theory would suggest that only those individuals who attain psychological autonomy are able to engage in mature moral reasoning. These individuals can remain true to abstract ethical constructs while resisting outside pressures. The link between integrity and autonomy emerges from their interpersonal origins: Both depend on the presence of a loved and empathic authority figure during a child's formative years. Nevertheless, psychological autonomy does not necessarily imply that a person has integrity, and integrity does not imply that a person has psychological autonomy. Some parents, for example, may demand and model proper behavior but in a

rigid, unyielding manner. Their rigidity may impair the child's freedom to integrate his own wishes and needs into a guiding set of ethical principles. The children of such parents may lack autonomy from outside expectations. They may compulsively comply with the demands of their environments.<sup>30</sup>

4. Integrity is likely to be correlated with integrative capacity and instrumental coping, also parts of the active coping style. Loving parents who provide their children with ethical boundaries and encourage them to express themselves within those boundaries encourage the child to be open to inner and outer experiences. This is the basis of integrative capacity. These parents are more likely to provide security to enable the child to seek active resolutions to conflicts and problems. This is the basis of instrumental coping. When the parent's behavior is inconsistent or the child's temperament and inner resources are limited, the active coping style may not develop evenly across its four dimensions. A person's overt behavior may indicate an active orientation and conventional values, but the person's inner thoughts and feelings may be passively inclined. Such a person is a pseudo-coper who has learned to present a façade of active behavior and rectitude while harboring buried resentments, hostilities, self-centered fantasies, or passive-dependent yearnings. Over time, the observed activity and good behaviors fade, and the latent passive, angry, rebellious, self-centered, or anti-social tendencies emerge. These are especially likely to appear in response to emotionally charged disappointments or stressors. Under such circumstances, pseudo-copers may engage in low-integrity behavior, as when executives feel entitled to embezzle whatever they perceive to be rightfully theirs. In contrast, individuals who are active copers on overt and covert levels of psychological functioning find a balance between their needs and the requirements of the environment. They have the maturity to recognize that others have needs and wishes as pressing as their own. This was what Iris Murdoch meant: Love is the recognition that other people exist. This was her interpretation of morality in terms of love.
5. Predicting integrity calls for understanding an executive's developmental history, particularly early significant relationships, as well as his or her personality structure.

## ENDNOTES

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<sup>1</sup>Pratch and Jacobowitz [1996, 1997, 1998, 2007]; Pratch [2001].

<sup>2</sup>Pratch and Jacobowitz [2005].

<sup>3</sup>Shanan [1973, 1985].

<sup>4</sup>Rapaport, D. [1953, 1957].

<sup>5</sup>Rogers, C. [1961].

<sup>6</sup>Kohut, H. [1971, 1977].

<sup>7</sup>Pratch, L. [2008].

<sup>8</sup>This level of integrity links to the community locus of integrity and also to my method for selecting executives who demonstrated high or low integrity. Integrity is a quality that a person enacts. The political theorist Hannah Arendt wrote about plurality as a central feature of action: Action occurs in the presence of a plurality of actors who can judge the quality of what is being enacted.

<sup>9</sup>See Pratch and Jacobowitz [2005, 2007].

<sup>10</sup>The different career trajectories of the two groups might suggest that the high-integrity executives performed better and produced more value than the low-integrity executives, though the data support no such inference.

<sup>11</sup>Female executives have different coping and motivational characteristics than male executives. The relationship with their mothers likely plays a central role in the development of integrity in women.

<sup>12</sup>It is hard to know the family dynamics because I never interview spouses or children. The role that families play in an executive's life could be an area for further research. Nevertheless, indications from this study suggest that integrity is an integral part of personality structure and as such will likely appear in both work and family arenas.

<sup>13</sup>See Jacobowitz and Newton [1999].

<sup>14</sup>Kohut, H. [1971, 1977].

<sup>15</sup>Advanced Progressive Matrices (Raven [1988]).

<sup>16</sup>Murdoch, I. [1970].

<sup>17</sup>Maria Antonaccio, a philosopher of ethics at Bucknell and a Murdoch scholar, directed me to The Sovereignty of Good and helped tease out the implications of Murdoch's scholarship for integrity in business.

<sup>18</sup>Niebuhr, R. [1952].

<sup>19</sup>Passive copers have characteristic tactics they favor. Some may give in to their fears without considering the

consequences: they impulsively follow their emotions. When stressed, they make decisions very, very quickly. But this owes less to confidence in their abilities than to a desire to make the problem go away. Their actions are designed to make them feel better as opposed to dealing effectively with the situation. Others consistently behave in accord with outside pressures; they depend on external directives. In the long run, active copers, because they can alter their tactics to fit situations, have a higher probability of success than passive copers, who rigidly comply with compulsions.

For example, one of the high-integrity executives in this study had become CEO of a company facing disastrous debt. On an operating basis, however, it had been performing exceptionally well. It also had outstanding employees who were proud of their accomplishment. The CEO decided to put the company into bankruptcy while it was still healthy. He made this decision to avoid further deterioration of the company's debt-related financial position, which would have forced a more serious situation in a year or two. Employees were shocked and dismayed. As a result of his decision, he restructured the company within the year, repaid all of the creditors in full, and initiated a new-product growth program. It was a very successful outcome, but one he knew would be misread at the beginning and which would also be a blow to his credibility. He said, "Sometimes the vision can only be seen by you, yet you have to have the courage to proceed with it despite how it is read. This is probably the most difficult business decision I have ever made." This CEO is a shining example of an active copers with high integrity who despite the pressures from employees made an effective decision.

<sup>20</sup>Freud, S. [1960].

<sup>21</sup>Klein, M. [1964].

<sup>22</sup>Kohut, H. [1971, 1977].

<sup>23</sup>Adler, A. [1970].

<sup>24</sup>Fromm, E. [1967].

<sup>25</sup>Jung, C. [1972].

<sup>26</sup>Erikson, E.H. [1963].

<sup>27</sup>Horney, K. [1972].

<sup>28</sup>Yalom, I. [2003].

<sup>29</sup>Kohlberg, L. [1963, 1973].

<sup>30</sup>This example of integrity with little psychological autonomy shows partial integrity because the behavior is a compulsive recapitulation of parental values (or those of the prevailing authorities) and does not contain the self-other balance I argue is necessary for a fully functioning human being. I differentiate between integrity as an internal construct, which would include autonomy, and integrity as a "behavior" that a person may exhibit under some circumstances but not others. I consider psychological autonomy a necessary but not sufficient condition for developing true integrity.

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