

Cornell Professor Tallies the Value of Integrity

2008-10-07

Simons Study Finds 'Integrity Dividend' in Hotel Industry

A detailed study of labor-management interactions in a United States hotel chain has demonstrated the value of telling the truth. The results of the study are found in a new book, *The Integrity Dividend: Leading by the Power of Your Word*, by Tony Simons. Simons is an associate professor at the Cornell University School of Hotel Administration, and is a research fellow with the Center for Hospitality Research. The book is available from all popular book sellers, or through the author at www.integritydividend.com.

To test his theory that employees' assessment of whether their managers live by their word had an effect on a hotel's bottom line, he surveyed the attitudes of employees at 76 hotels, all franchises of one chain. For all the factors that he measured, Simons found that managers' behavioral integrity was the factor with the greatest correlation with those hotels' financial results, exceeding even fairness. He called this effect the 'integrity dividend.'

The integrity dividend works as follows. Employees note carefully whether their supervisors keep their word. When they are confident that their supervisors' words and actions are consistent, employees become less likely to leave their jobs and more likely to offer superior customer service. Moreover, the employees themselves are more likely to act with integrity. Simons refers to this effect as a 'culture of integrity.' The consequence of management integrity is higher profitability. It's important to note that this effect is based on employees' perceptions of whether managers deeds match their words.

The book also analyzes issues that interfere with the integrity dividend. Chief among those issues is failure in communication. Simons warns that managers must be clear, careful, and concise to avoid being misunderstood by their employees. Unfortunately, the supervisor is blamed for any communication failures, and may be seen as less than trustworthy as a result-which means they sacrifice the integrity dividend. The book includes specific suggestions that help managers build their communication skills. It also offers tips on other ways to manage leadership credibility, and to create a management culture of accountability.

As a research fellow for the Center for Hospitality Research, Simons is coauthor of 'Why Trust Matters in Top Management Teams: Keeping Conflict Constructive,' with Randall Peterson. As a corollary to integrity in management, they reported on the importance of trust in effective management decision making. When managers trust each other, Simons and Peterson found, decisions improve because the managers can candidly analyze the issue at hand. In the absence of trust, any controversy spins out of control. A forthcoming report by Simons analyzes the importance-and challenges--of behavioral integrity in a multi-cultural workplace.

Here is the publication information for the book:

The Integrity Dividend: Leading by the Power of Your Word, by Tony Simons. 244 pp. Hardbound, \$27.95. Published by Jossey-Bass, San Francisco. ISBN 0-470-18566-X.

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