

Executive Insights on Leader Integrity:

The Credibility Challenge

by Tony Simons, with Kurt Schnaubelt, John Longstreet, Michele Sarkisian,
Heather Allen, and Charles Feltman

EXECUTIVE SUMMARY

The importance of leader integrity cannot be overstated, given the clear benefits of integrity for a company and its employees. It can be challenging for a leader to be viewed as having high integrity, however, in part because observers differ in their definitions and understandings of integrity. In this report, five hospitality industry leaders explain experiences of leader integrity that help us better understand this critical leadership attribute. At root, integrity means that organization members can always count on a leader to enunciate planned actions and then fulfill those promises. Taking this another step farther, however, integrity stretches throughout the organization in the form of demonstrated leadership trust in all participants. Other elements include appropriate sharing of information throughout the organization and clearly setting an example for all participants. The report includes observations by Kurt Schnaubelt of Alix Partners, John Longstreet of Hospitality Leaders Group, Michele Sarkisian of P3 Advisors, Heather Allen of the WOW Factor, and Charles Feltman of Insight Coaching.

ABOUT THE AUTHORS



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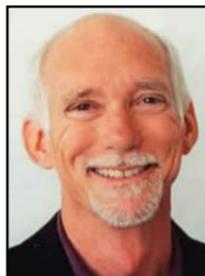
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CORNELL HOSPITALITY REPORT

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Both anecdotal and empirical evidence points to the clear connection between leaders' integrity and organizational success. However, numerous studies that address integrity demonstrate the confusion surrounding the many facets of that concept. Palanski and Yammarino, for instance, surveyed considerable literature and concluded: "Everyone seems to want integrity from their leaders, but...there appears to be great confusion about what it is or how to foster it."¹ They point out that progress in understanding how to promote leader integrity has been hindered by "too many definitions, too little theory, and too few rigorous studies."² They illustrate no fewer than ten distinct meanings that have been ascribed to the word "integrity," and then propose a solution to best advance our practical and theoretical understanding of this important leader characteristic. They suggest that we consider integrity as alignment between words and actions—that is, promise-keeping and enactment of espoused values. This notion of integrity is one of an "adjunctive virtue," one that, like courage, is not inherently morally good or bad. To take a negative example, one can show integrity by promising great harm and then delivering on that promise. However, like courage, integrity is necessary for the achievement of "moral uprightness," which is why we usually think of these two attributes in a positive way.

¹ Michael E. Palanski and Francis J. Yammarino, "Integrity and Leadership: Clearing the Conceptual Confusion," *European Management Journal*, Vol. 25, No. 3 (2007), p. 171.

² *Ibid.*

Leader behavioral integrity has been linked to employee satisfaction, commitment, engagement, and fairness perceptions.

As Palanski and Yammarino note, their definition is similar to one I proposed in a 2002 paper to describe the concept of “behavioral integrity.”³ The key difference is that I posited that actual alignment or follow-through is critically important, and further that this alignment must be perceived by others if it is to influence a manager’s interpersonal and leadership effectiveness. This difference means that the leader’s integrity challenge is not only to live by one’s word, which is clearly hard work, but also to communicate effectively enough that others see him or her in that way, which makes the leadership task harder still.

This paper seeks to illuminate the dimensions of integrity through anecdotes and observations of five business leaders. As a starting point for the discussion, I shared with them copies of my book, *The Integrity Dividend*, which outlines the value of integrity and begins to point to the key elements of integrity.⁴ The behavioral integrity concept has given rise to dozens of studies which I have reviewed and analyzed that have been able to integrate this simple notion of perceived leader word–action alignment into a web of attitudinal and performance outcomes, personal and situational drivers, and contextual factors that say when this alignment is more important and when less so.⁵

Outcomes. Leader behavioral integrity has been linked to employee satisfaction, commitment, engagement, and fairness perceptions, while the lack of integrity is linked to follower cynicism, burnout, and stress levels. Several studies have also found that leader behavioral integrity improves follower performance,

both in fulfilling workers’ duties (task performance) and in going the extra mile to assist the company and coworkers (organizational citizenship behavior). Leader behavioral integrity has also been shown to affect how employees respond to leader coaching and to leader efforts to shape the ethical climate. Coaching and ethical initiatives are successful when behavioral integrity is high and backfire when it is low. Integrity also affects how workers respond to too much work, termed “role overload.” They innovate when integrity is high and cheat when it is low. In short, it appears that many leader behaviors are interpreted by followers in light of behavioral integrity perceptions.

Drivers. The key aspects of high or low behavioral integrity have received far less attention. The personality dimension of conscientiousness, or diligence in keeping track of and completing assignments, seems to be one driver. An interesting paradox emerges in that behavioral integrity appears to be driven by both “authenticity,” or personal adherence to internal values, and “political skill,” the ability to anticipate and manage others’ perceptions. In my book, I detail several practices, skills, and habits that should enhance behavioral integrity—such as the keeping of detailed to-do lists—but these have not yet been subjected to empirical testing.⁶

Contextual factors. Another aspect of behavioral integrity that has been only slightly developed is the issue of context, which involves two related issues: (1) what situations tend to make behavioral integrity especially challenging?, and (2) what situations make behavioral integrity more important, or less important?

With regard to the first question, there is some empirical evidence that managers emulate the level of integrity they see in their higher-ups within the organization.⁷ A situational challenge that has been discussed but not yet quantified is the integrity tension that can emerge for middle management when they are asked to implement and sell policies with which they do not agree.⁸ Similarly, in my 2002 paper I asserted that organizational change, by virtue of organization members’ increased uncertainty, confusion, and ambivalence, puts manager behavioral integrity at risk.⁹

Regarding situations contributing to integrity, several studies show that while behavioral integrity appears to have impact across different global cultures, subordinates in high power-distance cultures seem to be more willing to attribute a boss’s broken promises to outside factors, which might mean

that behavioral integrity is a somewhat less important leadership element in cultures that accord greater deference to authority.¹⁰

In sum, the science has solidly determined that people seek behavioral integrity in their leaders and that they respond to that integrity with positive attitudes and performance. That is a good start for a relatively new field of study. The next areas to be more fully developed, and therefore better understood, include the following:

- (1) What leader initiatives require behavioral integrity in order to work?,
- (2) What personal attributes drive behavioral integrity so we can hire leaders who have more of it?,
- (3) What skills and habits enhance behavioral integrity so we can help existing managers to build it?,
- (4) What contexts put behavioral integrity at risk?, and
- (5) What contexts put a premium on behavioral integrity, and what contexts render it relatively unimportant?

The five essays that follow begin to address some of these questions. These top consultants’ comments offer practical insights and several ideas for future research. As mentioned above, we used my 2008 book on the integrity dividend as a starting point for the discussion.

The Nitty Gritty of Integrity

Kurt Schnaubelt

Reading through Tony’s book was a bit like a walk down memory lane. I have experienced many of the ups and downs Tony and his contributors mentioned. In fact, I found myself looking critically at my career with that familiar feeling of growth—learning from mistakes and getting better, which is both painful and necessary.

The Young and Restless...but Organized: The Day-Timer Story

Following through on your promises is often not the hard part of integrity. Sometimes, the hardest part is to remember which promises you made in the first place. Fresh out of college, I was obsessive about keeping track of what I needed to do, an obsession which led me to use a Day-Timer planner calendar religiously. I was glad I did because it paid off handsomely.

Early in my career I was hired by the New England Chili’s franchise group as a restaurant manager. This was a dynamic and exciting time with an excellent group of new executives and district managers. I had just finished an intensive 15-week training program and was assigned to one of the Providence-area restaurants. The GM was talented but burned out; the

¹⁰ Ray Friedman, Tony Simons, and Ying Yi Hong, “Culture’s Impact on Behavioral Integrity: When Is a Promise Not a Promise?,” presented at 2009 National Academy of Management Conference, Chicago, IL

Sometimes, the hardest part of integrity is remembering which promises you made in the first place.

two assistant managers were looking for jobs and had run out of “give a damn.” Of course, the cooks, servers, and bartenders were simply going through the motions. There was no energy in the building, sales were flat (in a strong economy during the heyday of casual dining), food waste was eye-popping, and management—staff suspicion was the norm. That Chili’s restaurant needed a turnaround badly. It was nothing like the buttoned-up, tight-ship training restaurant I had just left.

One day, I was doing a line check during the afternoon lull, throwing away product that was over shelf life and teaching our cooks about food quality expectations when a server approached me regarding a scheduling issue. She told me that she requested a specific day off well in advance for her brother’s military deployment homecoming. However, she was scheduled to work on that day for some reason. With tears in her eyes she asked me if I could follow up and work around the schedule so she could take that day off. I pulled out my Day-Timer and dutifully jotted a note to follow up. I don’t remember how we got her shift covered, but she was at the airport to greet her brother for a tear-filled reunion.

Several months later, another team member asked me to check on something for him. I pulled out my Day-Timer and made a note, as usual. The team member laughed while walking away and said, “If we see you write it down in that little book, it’s as good as done.” My habit of being detailed and following up for my team gave them confidence that I would be true to my word. In return, they were true to me and the other new managers who joined that Chili’s. One year later, we achieved the highest comparable sales growth, we were in the top three restaurants in the company for revenue and restaurant EBITDA, and we won the “Restaurant of the Year” award for the company. The credit for that turnaround goes to many people. It was a team effort to get those results, but integrity and trust among the managers and between the managers and the hourly team was the foundation. That trust and integrity allowed us to be free of worry and suspicion so we could focus on all the right things: taking care of the guest, doing our jobs well, having a safe environment, and having fun. And those things created profit.

Breaking the negative “death spiral” is one of the main things executives and turnaround professionals must remedy.

Make Your “Yes” Mean “Yes” and Your “No” Mean “No”

For a turnaround specialist often working in bankruptcy, integrity is critical. In many cases, the employees have been watching profits fall, capital spending cut to preserve cash flow, reductions in force (often many), and management trying to maintain confidence while secretly doubting whether there is anything left in which to be confident. This negative environment creates a downward spiral of distrust, suspicion, inefficiency, and fear. Breaking the “death spiral” is one of the main things executives and turnaround professionals must remedy if business improvement has any chance to gain traction and begin the virtuous cycle anew.

The Land of Broken Promises

In fall 2008, the U.S. fell into a major recession. Many will recall how credit markets froze and the world economy sat on the precipice of disaster. Over the next year, many companies faced liquidity crises and were forced into bankruptcy. At that time, I began providing financial advisory services to distressed companies, many of which would be restructured in Chapter 11.

One of the most memorable moments occurred during the confirmation hearing of a large media company that we will call “Acme.” The confirmation hearing is where the final arguments are heard on the plan which will become the blueprint for emergence and the fresh start the company needs, if it is confirmed. That day, the courtroom was packed with attorneys, creditors, executives, advisors, reporters, and ex-employees who would be taking a significant “haircut” on their qualified retirement plan. (This plan was available to highly compensated employees who could not participate in a 401k because their earnings were over the limit.) It was a large and mostly dour crowd in the austere setting of a federal courtroom.

The judge opened the hearing to objections which immediately resulted in one creditor-side attorney asking to make his case. He called Acme’s CFO to the stand and proceeded to grill the CFO (ad nauseam) about how Acme was being “unfair” and that Acme should honor “promises made” to his clients. Before the beleaguered CFO could answer the harangue, the judge interrupted and sternly reminded counsel that the nature of being in Federal Bankruptcy Court was to work through the debtors’

inability to keep promises made. As a good friend and partner in a large Boston law firm says to his clients and opposing counsel, “Welcome to bankruptcy—the land of broken promises.”

Bankruptcy may be the place where past promises are washed away and new promises made, but for a turnaround and restructuring advisor, keeping your word is critical. Importantly, one needs to understand when a promise is made or implied. For example, our team had successfully navigated a middle-market company through bankruptcy. I was serving as the interim CFO while working through the transition of emergence from Chapter 11 and helping new, permanent management get up to speed. I had developed close relationships with several senior executives at this client, so during the transition, I asked them for some feedback: a couple of positives about my performance and one or two things I could improve. The VP of sales surprised me by saying, “Be careful what you promise.” I was curious as to what he meant because I considered myself cautious with my words. He reminded me about a meeting several months earlier regarding the compensation structure for sales people. I had conveyed to a sales person that we would try to devise a more equitable commission plan given the shift in market demand over the past several years. The VP of sales told me that “try” or “attempt” are caveats that hold no weight, but if the CFO says something, it becomes expected.

The details and resolution of that event are not the point (of course, we worked hard on the compensation matter and spent several months crafting an improved solution), but what is pertinent to the integrity consideration is the expectation of the team member. Importantly, executives must measure their words carefully and the higher one’s position, the more care must be given.

Are You Serious?!?!?

In recent years I have become increasingly fascinated with the language used by business people. Listening skills are not natural for me. I have struggled being an active listener and focusing on what the other person is saying rather than thinking what to say next. But the effort is paying off, and my ability to be a good, active listener is improving.

One of the more interesting outcomes of that effort is my sensitivity to key words and phrases. For example, I hear executives say something like, “let’s get together soon.” Most of the time, that’s unlikely to happen but it sounds like a nice thing to say. Recently I was on the verge of saying something similar when my internal polygraph went scribbling wildly. I rephrased quickly, saying, “I would really enjoy getting together with you soon but based on my travel schedule and yours, that’s improbable. I’m going to be in Los Angeles over the next couple of weeks. Any chance you will get there too?”

As a business person who quips niceties occasionally, I am keeping a mental list of how to rephrase them. For example, “Call me anytime” is better phrased as, “If you have something

you think is worth discussing, send me an email. We can decide if it makes sense to set up a call.” Another key phrase to eliminate is, “I’ll try to [do/call/find/research].” Better to say nothing at all or go all in with, “I will commit to [do/call/find/research].” This is a radical change in communication and one that does not come easily. Furthermore, responses vary from a surprised look to confusion when you are deliberately truthful. Often the recipient gets a message that is simultaneously unexpected and refreshing but hard to decipher whether to feel honored or shocked.

Most business people believe they act with integrity. They pride themselves on telling the truth and acting in a consistent manner. However, it is easy to slip up and allow peccadillos to knock us off track. *The Integrity Dividend* reminds us that staying on track is important for our company’s profits, not just our own sense of ethics (as important as that may be). ❖

Role Modeling, Culture, and Integrity

John Longstreet

In Tony’s book, Peter Kline discusses his time as CEO of Bristol Hotels & Resorts, then the largest independent hotel management company in North America. Specifically, Kline says: “One of the biggest mistakes that happens over and over again, particularly in big companies, is that senior management expects behavioral patterns or attitudes to originate in the middle of the company, as opposed to from the top of the company. They try to operate with two different sets of rules. But the behavior of the entire company is going to reflect the behavioral pattern of the people at the very top.”

In helping leaders to develop when I was with Kline at Bristol (or when I was with ClubCorp USA or as CEO of Quaker Steak & Lube), I consistently referred to role modeling as the most powerful leadership tool, just like I believe it is in effective parenting. This is precisely what Kline is describing.

Having worked for another hotel company, I heard stories from the hotel general managers about preparing for visits from certain company execs and the special items that they would have to have on hand to satisfy the execs’ personal requests. In many cases thousands of dollars, if not tens of thousands, were spent to prepare for the visit. Contrast that with Kline’s visit to a Bristol hotel when he was CEO. In one example, he was checked into one of the hotels finest suites, complete with an elaborate welcome basket. He took the basket to the front desk and told the desk clerk in a nice way that, while he appreciated the suite, he would like to have a standard room and asked the clerk to either sell the suite to a paying guest or reward a regular hotel guest with an upgrade and to do the same with the welcome basket. This simple gesture became legendary within the company and other senior leaders followed suit, without any directives having to be issued.

So it would stand to reason that if role modeling is the most powerful leadership tool, then it is the method that should be

Role modeling is the most powerful leadership tool, and it is the method that should be used to teach culture.

used to teach culture. I contend that while role modeling empowers corporate culture, it is not possible to “teach” culture. When Bristol Hotels & Resorts acquired a portfolio of over 100 hotels, essentially tripling the size of the company, I was asked by a trade journalist how we were going to export the “culture of service” for which Bristol was renowned, from Dallas to the new hotels. My response was: “If we believe we can export culture to each of the hotels, we will fail. Contrary to that notion, we need to have general managers who believe in the culture of service and we need to support that philosophy in the way we do business at the home office—role modeling, if you will.”

Among the new general managers that we inherited, generally speaking we found three different types: **(1)** Those who had servants’ hearts and believed that by treating employees right, the employees would treat the guest right. These GMs enthusiastically embraced the “new culture” because they already believed in it. **(2)** Those who understood the words and the concept of the service-profit chain, which establishes relationships between employee satisfaction, guest loyalty, and profitability, but were somewhat skeptical. They were willing to give it a try but not so sure. And **(3)** those who believed that it is the manager’s job to tell employees what to do and it is the employees’ jobs to do it. The group 1 managers were inspired to achieve even greater success, and they did. I described their reaction as having been “set free” to treat people the way they thought was right, but had not been able to in the prior organization. Many of the folks from group 2 did as well as the group 1s. In rough terms, I would say that about 60 percent of the 2s adapted to the new culture. As you might expect, the group 3 general managers almost across the board either self-selected out (quit), or did not make it in the new company and culture.

At Bristol, we took open doors to the nth degree. This approach was key in role modeling the first step in the service-profit chain—truly valuing employees. Ultimately, we developed totally open offices in the home office and most of our hotels. This started with the CEO and included all team members. After all, transparency is key to integrity, at least in my estimation, and to employee satisfaction. Bristol’s “open office”

Why don't you take your door off, John? I did—and culture change began.

began when I embarked on my first GM job. One day, while mentioning to Pete the overbearing, we-they atmosphere that I inherited, he said, “Why don't you take your door off, John?” In those early days of Bristol, we still had fixed wall offices. While “open door” philosophies were in vogue and certainly embraced, “open door” had become taken for granted, and in fact didn't necessary promulgate transparency at all. Indeed, it had become somewhat passé. The day that I called chief engineer Tommy Foster into my office and told him to take my door off, a virtual tsunami of culture change was begun. Employees stopped whispering about what was going on behind closed door meetings, because there weren't any closed door meetings. For those rare times when a truly sensitive discussion needed to take place, it would often take place during a walk around the hotel—affectionately termed “dumpster walks.”

As we saw the guest satisfaction scores rise, we knew we were on to something. Eight years before *The Service Profit Chain* was written,¹¹ we had created our own “Hotel Profit Chain.” We continued to find other ways to create transparency and improve two-way communication, understanding that if employees had a comfortable way to share ideas to improve the work environment, and the hotel leadership responded, we would also increase guest satisfaction and, we presumed, sales.

In addition to open offices, we implemented open meetings. We discovered that there was a fair amount of speculative chatter about what had taken place at the weekly staff meeting, which included the general manager and hotel department heads. Of course, the typical employee did not know, but perhaps based on preconceived notions, they assumed that whatever was happening within the meeting might lead to bad things for them. In fact, most of the efforts of the department heads revolved around improving guest satisfaction or the work environment. So, in an unusual move, I announced that all regularly scheduled department head (staff) meetings would be open for any employee to attend as an observer. Few took me up on the offer, but those who did quickly spread the word that actually “good things” happened at staff meetings. All of a sudden,

¹¹ James L. Heskett, W. Earl Sasser, and Leonard A. Schlesinger, *The Service Profit Chain* (New York: The Free Press, 1997).

these meetings ceased to cause chatter and distraction among the ranks of employees.

Recognizing that even with no-door open offices, employees were reluctant to “bother” the GM with issues, we implemented “What's Stupid (around here) Meetings.” The name was carefully chosen to show that I acknowledged that we did some stupid things and wanted the employees' help to uncover them. We randomly invited six or so employees from various departments to meet with me. Armed only with a notepad, I asked the employees to share their observations on things that we could improve. Ironically, most of the ideas were ways we could take even better care of our guests rather than workplace improvements, but key changes were made as a result of the feedback. One example was the introduction of cell phones for van drivers. Mobile phones were in their infancy at the time, so it was a pretty revolutionary idea. The point was that because a driver had to return to the hotel before receiving information about pop-up pick-ups, those guests had to wait much longer for a van than they might have if the van could have been hailed en route.

These are just a few of the many ideas that were implemented to create a more open and transparent environment, but key to the success was the belief in, and the role modeling of, an employee-centered culture. The not-so-subtle and extremely important by-product of the effort was that we had established a climate of trust, where employees believed in the integrity of their leaders and the organization. ❖

Integrity Dividend Observations

Michele Sarkisian

When the honeymoon is over, behavioral integrity drops like a rock.

It's become commonplace to hear new leaders describe themselves as ready change agents with unprecedented transparency and wide open doors to all who want to be heard, because people are their company's greatest asset and client and employees alike may “call my direct line and reach me anytime.” This avowed approach lasts for the first quarter, second quarter, and maybe even the balance of the fiscal year. But once these executives are measured on their own full fiscal year results, the honeymoon is over and new rules apply that, more times than not, sound quite different from those during the honeymoon period. This is true in any industry. I've witnessed it in banking, hospitality, retail, marketing services, consumer products, transportation, and business services, among many others. As a consequence, these companies experience challenging levels of leader and employee turnover, low employee engagement and customer satisfaction scores, and flat or down trending stock prices. They simply cannot deliver results because they have no set of honest values; there are only tired clichés. Leaders who consider themselves self-aware and patronize their employees as being “best in the business” turn around months later and

describe themselves as victims of people who are lazy and not accountable, with partners who aren't aligned to their vision and line managers who aren't smart enough to “get” their strategies. Employees know the cycle. Those who stay deliver average work and simply wait for the next so-called “change agent” to inject short-term fun during their honeymoon.

So, what does it take to break this nonsensical pattern?

Breaking out of this pattern requires integrity-based leadership that begins with the board and permeates the leadership team, line management, and the entire enterprise because it is hired to, lived in, and reinforced—and the misaligned are weeded out. Why? Because the human capital risk is as great a risk as competition, product development, IT and cybersecurity, emerging markets, or anything else. People matter and they are always observing as auditors of what's said and done. They've been trained to be cynics, whether they are employees, partners, or customers, so words matter little and sustained behavioral integrity matters more than anything else. Book after book—including *Good to Great*,¹² *Conscious Capitalism*,¹³ *Execution*,¹⁴ *Built to Last*,¹⁵ and *The Integrity Dividend*—have described the successful leaders who delivered sustained results as being those who lived into their promises, sought perspective, made decisions, and were continuous learners. They were humble enough to know they did not know everything! These leaders were authentic. Their internalized values were expressed in words and actions resulting in behavioral integrity. Involved followers respond with buy-in, alignment, and action, which results in business outcomes superior to others in the marketplace. People made the difference. Add that to a reasonably competitive product or service and you have a primary market differentiator.

Imagine the following:

- A leader who stakes a teamwork principle will not take a bonus for company performance unless the enterprise (everyone) gets a bonus for company performance;
- A sales VP who espouses preparation and perseverance personally rehearses the rookie salesperson for a big meeting. He role plays the salesperson first in order to demonstrate how to respond to pressure and difficult questions;
- A CFO who turns in his or her own mistake to the board, with humble acceptance of the mistake (even though made by a subordinate) and then prepares and delivers honest facts to Wall Street;

¹² James C. Collins, *Good to Great: Why Some Companies Make the Leap...and Others Don't* (Glasgow, Scotland: William Collins, 2001).

¹³ John Mackey, Rajendra Sisodia, and Bill George, *Conscious Capitalism: Liberating the Heroic Spirit of Business* (Boston: Harvard Business Review Press, 2013).

¹⁴ Larry Bossidy, Ram Charan, and Charles Burck, *Execution: The Discipline of Getting Things Done* (New York: Crown Business, 2002).

¹⁵ Jerry I. Porras and James C. Collins, *Built to Last: Successful Habits of Visionary Companies* (Glasgow, Scotland: William Collins, 1994).

All relationships in life are assessed through the lens of behavioral integrity.

- A teacher who was “passed the trash” (a 4th grade student who could not read) personally tutored the student on her own time until the student could mainstream with his class;
- An employee copywriter who drops by the printer and stops the press because there is a figure of speech that could offend a minority and the copy must be changed, despite the fact that his or her boss wrote the copy;
- A line manager who makes a habit of “dropping in” on direct reports to see what's working and what's getting in the way of work...and then makes changes to remove barriers and eases the process of getting things done;
- A CEO who calls a dissatisfied client mid-level manager to query what would have been a home run for him or her... and then doing it;
- A CEO known for foul language who owns the language problem and asks the organization to hold him accountable to stop, offering to put \$100 toward a charity of choice for every infringement of his or her clean language promise;
- A CEO stating publicly to the enterprise that gossip about him or her is within limits but gossip about anyone else in the company is grounds for dismissal and advising all hands that the alternative to gossip is to help;
- A hotel company signing a code of conduct that removes porn from all rooms and trains all employees in how to spot exploitation of children and what to do about it;
- A company goes public and everyone employed there for at least a full year receives some bonus for increasing value of the company, not just the senior executives;
- A company offers a suggestion system where any employee or team may submit an improvement idea (backed by some evidence or reasonable business case) and receives remuneration if the idea is adopted and improvement is realized; and
- A company's recognition system is based on quiet heroes alongside the loud ones where every recognition includes both.

All relationships in life are assessed through the lens of behavioral integrity. We all have expectations. What would or could be different if we simply told one another what our expect-

To have behavioral integrity, we should be loyal to our values.

tations were to see whether we were in alignment? If that luxury is not possible, what if we read about the organization, school, company, union, neighborhood, or club principles and values before becoming a part of that operation and simply asked for examples of how they lived into those values? The decision to participate is ours as customers, employees, leaders, partners, students, or whatever relationship fits. Choosing wisely matters today more than ever. We simply don't commit to success when mismatched. Integrity pays dividends. ❖

Integrity and the Challenge of Conflicting Loyalties

Heather Allen

As a child, I learned an early lesson from my older brothers. This lesson was compounded at primary school and finally nailed home at my English boarding school. To split, tell, snitch, grass, or dob someone in was the worst thing you could do. Loyalty came before everything else, and getting someone into trouble meant you would be an outcast for a time. This is a lesson we all learn, to a greater or lesser degree and many take it to adulthood without questioning it. It is pervasive and a huge block to integrity at every level.

As a young woman, most of my friends were considerably older than me. I volunteered at London Lighthouse, a center for people with AIDS. As I was there every week, I became a part of the team and had good friends in senior positions. One day, I was involved in a breach of diplomacy with another organization. I had spent a few days compiling a list of all the services for people with AIDS available in every borough in London. The list was my own notes, which I had not by any means finished. One AIDS coordinator had been particularly unhelpful and somewhat patronizing. I made a note for myself that he was a wanker (a mild expletive, which we can call our friends with impunity, but never people we don't know). I believed that was harmless and for my own amusement in my own notes. As I was there only once a week, someone else had access to my files in case they needed them. Sadly, she photocopied my half-compiled draft list and sent it by post to every AIDS coordinator in London. Then the recipient of my comment read it and complained. No one was going to die, but I had insulted someone

publicly, and the reputation of the center would take a knock. I naturally assumed my friends would cover for me. They didn't, and I was furious. I asked them why their "silly little rules" were more important than me, and I took it personally. I left and stopped volunteering soon afterwards. Because these two people were older friends I admired, though, the event stayed with me.

London Lighthouse was one of the first organizations to publish values and really commit to living them. They were the vanguard of equality and "non-oppression," as it was called in the '80s. It was the place visited at night by Princess Diana, to hold the hands of gay men with AIDS. Providing the care creatively and in new ways, they were rigid only about the values and mission of the organization. In this climate, I had made my mistake—not just publicly, but had sent it out to the local government AIDS coordinators from someone representing this beacon of diversity and respect.

I was disappointed in my friends, understanding their actions as personal betrayal. They were disappointed in me, not just at my slip up on values but more that I didn't own up and that I assumed they would cover for me. Although I left, I did learn two important lessons. The first straight away—never commit to writing anything you wouldn't want published. The other lesson came to me as an "Aha!" moment years later: I finally understood what they meant, that values and service come before personal loyalty. We were up to important work, and it was in danger of being undermined each time any one of us allowed ourselves the luxury of a bitchy comment, a juicy piece of gossip, or a cheap laugh at someone else's expense. I spent a great deal of time thinking about how important that is. Then I made my next career out of sharing that understanding.

In one hospital I worked at, one of the surgeons was being paid a lot of money to perform female circumcision on young girls of African origin. Then and now, this is illegal, but at that time, the 1980s, it was not talked about, and no one had ever been prosecuted. One of the nurses refused to have any part of it and threatened to report it to the authorities. The wagons quickly circled, and the nurse found herself without a job. She was not actually dismissed but her life was made so unpleasant she had little choice but to leave. This left everyone else around with a further discomfort. They knew she was right, but they didn't want to go the same way as their colleague. Ultimately, it meant that a number of people assisted with surgery they knew was illegal. It also went against everything they believed in, and yet they persisted.

So, to what should we be loyal? To have behavioral integrity, we should be loyal to our values. I consult mostly with large, public sector organizations. I work with them on leadership, and when we discuss values, loyalty remains high on the list. It never ends up on a published list of values yet people often behave as though it were labelled No. 1. To have integrity with the contracts we sign and with the ethics of our professions, we have to be loyal to our mission.

In one fire service, the discipline officer talked to me about how he was dealing with a situation that had arisen at one of the stations. A group of schoolchildren had been brought to the fire station to look around and learn a bit about fire safety. The children had fun as they always do, and the firefighters got their message across well. At the end of the visit, parents picked the children up from the station and their young teacher stayed behind to chat with the firefighters. During their conversation, the teacher said she had always wanted to slide down the pole at a fire station. It is forbidden for people other than firefighters to use the pole, but they decided to make an exception. They took her to the top and told her what to do. She let go a little early, went way too fast and broke her ankle at the bottom. In an effort to hide the misdemeanor, the firefighters did first aid and took her to hospital themselves, rather than call an ambulance.

Of course, the teacher was off sick from school the next day and needed to explain why. Eventually that came back to the fire service and here was a disciplinary case. What was decided was a fairly severe punishment for the whole watch (shift). Not for letting the teacher slide down the pole, which would have been a minor infraction, but for covering it up. They had put loyalty to each other ahead of the organization with which they have a contract, putting the organization at real risk of litigation.

I recently ran a two-day workshop for a group of senior management change agents. Some had been chosen as examples or models of the new culture, and others had been self-selecting. During the second day, there was some conflict. I had drawn attention to the passive aggressive behavior of one delegate. It was done without judgment, but we did need to look at it as an example. The person reacted to the situation by casting me in the role of persecutor and becoming my victim, a drama I was unwilling to play out. Within three minutes, another participant had explained to me what the first one really meant, another had defended him in some other way, and yet another had personally attacked me. They talked about being a family.

Through the work they had done together they felt bonded and began to be a family. Not that they would actually attend each other's weddings or be beside hospital beds, but that they took on the dynamics of the family. My Family Right or Wrong. We had to slowly and deliberately unpick the pervasive cultural beliefs that allowed them to create "them and us" so quickly, and to forget the purpose of their team, their mission. We talked about family values and how they work for families, where the mission is to bind to survive and thrive. Together, we mindfully realigned the loyalty of this team to the mission of change. Then we were ready to begin working on how to be an example of a new way of being.

In the British public sector, final salary pensions are common though phasing out. Currently, almost all senior officers within the public sector will have final salary pensions. Some have clauses that count the best 3 months in the final two years

We must be honest with ourselves and each other and be loyal to what we do and the way that we do it.

of service as final salary. It became regular practice in some organizations to give a friend a temporary promotion in the last year or two of service. It was so much a part of the culture some places that it was freely talked about. I once saw a young office junior point out that the extra pension was coming from the public purse, and his Granny wasn't paying her taxes so that people could have a better pension than they had earned and better than she had. His exclamation was met with genuine surprise. It was a simple unarguable truth and it brought awareness to the situation. Those people stopped that practice from then on and often challenged plans to temporarily promote.

Senior officers will often promote their friends, as do prime ministers and presidents, company directors, and gang leaders. The "family loyalty" issue goes much deeper. At the national level we have seen evidence of a truly horrifying willingness to cover up pedophile activity by people in the media, broadcasting, and government at the highest level. People in high office putting loyalty to friends, political party, or newspaper mogul before informing, protecting, and serving the public as they are paid to do.

Governments are willing to go to war against some countries in order to bring democracy or because of civil rights abuses, yet call others friends because they have indispensable raw materials or cheap manufacturing. Loyal to principle except when it costs too much.

For each of these stories, the solution is awareness and a recommitment to mission and purpose. That means being honest with ourselves and each other and being loyal to what we do and the way that we do it before we are loyal to the emotional pull of friendship.

So, to answer the title of this compilation, what does integrity look like? For most of us, we don't notice the small everyday acts of a person sticking to their values. We notice when those are conspicuously absent. We see integrity when someone steps up and brings a sudden awareness to a situation, whistleblowers and truthsayers, though we may not like them for it. We see integrity when someone is publicly committed to their mission, for example, Malala demanding global education for girls, willing to be shot and carry on. It's in the mentors who teach the tough-love lessons, willing to risk the relationship for a relentless

The most successful companies are places where keeping promises is one of the top priorities of everyone in the organization.

commitment to their mission. It's the David who stands up to the Goliath and the young lad who dares to tell the Emperor that he is, in fact, naked. It's the teenager, bearing scars from terrible head wounds, who stands before global terror and demands rights for girls. And it's the rare politician who speaks out when all else are silent. We admire these people, we applaud their behavior. They are honest and they are courageous and, to most of us, that's what integrity looks like, honesty and courage. Feet and mouth pointed in the same direction, we need only emulate it. ❖

Keeping Promises: An Integral Part of a Culture of Integrity

Charles Feltman

In his book, Tony Simons makes a useful distinction between what he calls promissory integrity, that is, keeping your promises, and values integrity, or behaving in accord with the values you espouse. While most people will tell you they are good at keeping promises, if you ask their bosses, peers, or the people who work for them you will often get a different picture.

Truth is, most of us aren't as good at it as we like to think. That's not surprising given the competing commitments, opposing demands, ever shortening deadlines, and many opportunities for miscommunication in most work environments today. Keeping promises can be challenging.

Yet keeping the promises we make to each other, our teams, customers, suppliers, and the greater enterprise in which we work is crucial for both success and well being. This is something that, with attention and discipline, everyone from CEOs to the receptionist can get really good at. In this piece I'll take a closer look at key behaviors underlying consistent promissory integrity.

As with any form of integrity, keeping promises requires having the intention to do so and consistently acting on that intention. Simply having the intention to keep commitments is necessary but not sufficient. Robert Gass, quoted in Simons's book, says, "People give their word casually, and they don't think it through."

Promises commit us to taking specific actions. I promise a customer we will deliver the new version of our product on time. I promise my boss that I will complete the drawings by the end of this month. I promise my team I will have the presentation completed and ready their review by the end of the day Wednesday. I promise my employee I will take his idea to senior management.

When we make promises casually, without thinking them through, we greatly increase the risk of failing to deliver. Yet many years of coaching leaders and leadership teams has repeatedly shown me that people in work settings fail to keep the promises they make way too often. In fact, it is so common in some companies that it is assumed that people will only do what they've committed to if they are continually nagged about it (the squeakiest wheels syndrome). The costs of this insignificant seeming failure—this inattention to keeping promises—are enormous: slipped deadlines, missed opportunities, lost business, resentment, resignation—the list goes on, including, of course, loss of trust.

On the other hand, the most successful companies I've had the pleasure of serving as a coach and consultant are places where keeping promises is one of the top priorities of everyone in the organization, from the shop floor to the C-suite.

Managing to Keep Promises

What makes the difference? Many small things contribute, but there are two characteristics I have observed that are consistently present in successful organizations where promises are consistently kept. One of these is that everyone in the company takes their promises seriously. People intentionally manage their commitments. They don't over promise. They are clear about what they are promising to do. When they do commit to do something and subsequently find that something outside their control will prevent them from fulfilling all or part of their commitment, they let their "customer" know as soon as they possibly can. In these companies good commitment management is often supported by using a clear, shared language for making requests and offers, and responding in such a way that the commitment they make is mutually understood and accepted.¹⁶

Many times my colleagues and I have witnessed teams, workgroups, departments, and whole companies commit to rigorous commitment management—including using this language for clear requests, offers, and responses—that saw marked increases in engagement, collaboration, productivity, innovation, and results. This, in turn, led to greater success and well being for everyone.

¹⁶ You can learn more about promise management and the language of clear, complete requests, offers and promises, sometimes called the "cycle of commitment," the following sources: Charles Feltman and Sue Annis Hammond, *The Thin Book of Trust* (Bend, OR: Thin Book Publishing, 2009) and these websites: www.insightcoaching.com/insights-papers.html (Cycle of Commitment paper); conversationsforaction.com/fernando-flores; and www.generativeleadership.co/.

In one company, for example, we worked with a group of project managers on the language and behavior of good commitment management. This group had been having serious difficulty delivering projects on time and budget. In some cases the company had lost business and customers as a result. Some of the PMs who attended our workshops chose to consistently apply what they were learning with their teams while others didn't. Within six months, those who focused on managing commitments were dependably delivering projects on time and budget while the other teams were still struggling.

In another example, the president of a firm I worked with, which had been acquired by a much larger company, was being asked to double their revenue over three years while maintaining profitability. This client knew he needed to let go of much of the day-to-day activity of his company so he could focus on strategy. His challenge was trusting his people would keep commitments they'd made. He believed they needed constant reminding or they'd fail to do so. He was committed to his own integrity and trustworthiness but wasn't considering that building trust also requires extending trust to others. He was trying to be trustworthy on behalf of everyone.

The result was a culture in which his team was dependent on him to remind them of what they were supposed to do. And they did the same with their reports on down the line. Once he understood the problem, the president began deliberately substituting a process of commitment management in place of nagging his people. The result over about the next eight months was that the entire culture of the company shifted toward individual responsibility and accountability for action. Since then, the president has been able to focus on what is important in his role.

The Larger Commitment

The other key characteristic I've observed is that everyone in the organization understands how requests, offers, promises, and the resulting actions are connected to the larger organizational purpose. They are part of the process of coordinating action in service to the mission and vision shared by everyone. When someone makes a work-related request—whether it's the CEO or other senior leader, a middle manager, or an individual contributor on the factory floor or engineering lab—both the person making the request and the individual to whom it is made understand how it fits with what they are all working to accomplish. If it's not inherently obvious, the requestor takes the time to explain how the request fits in the greater scheme of things.

Creating this kind of clear connection between requests, offers, promises, and shared purpose requires people throughout the company to participate in ongoing conversations about what they care about. It means the software engineer's supervisor has taken the time to help her understand how the lines of code she is writing will affect their shared future. She may not understand (or care about) all the elements of company strategy, but she

People can thoughtfully and intentionally build trust by keeping promises and continually checking to ensure their behavior is worthy of others' trust.

knows enough to appreciate that when her boss asks her to drop what she's been working on for weeks to go help a team doing a last minute redesign, the request is not capricious, nor is it something that could have been avoided with better planning.

This, in turn, requires strong trust throughout the company. That engineer has to believe the people "at the top" setting company strategy, and the people in the middle deciding how to best implement that strategy, are all working to serve the same mission and vision she does. The leaders have to earn the engineer's trust in this regard.

I recently had the pleasure of coaching the division head in a large U.S. government agency who learned to make this link for her people. At first she just talked about her team having a strong shared commitment to their larger goals. But her actions were often at odds with this ideal. Not long after she started in the position she gave everyone her vision of changes that would make the division more accurate, timely, and responsive to the rest of the agency. But when she saw that people weren't changing how they did things on their own initiative she quickly abandoned the big picture and resorted to giving them detailed direction about each step she wanted them to take.

Then, after a period of coaching, attending an intensive week-long leadership development workshop, some targeted reading, and lots of trial and feedback, she began developing a different approach. She spent time making sure her people understood and bought into the larger commitment of their division. At the same time she began teaching them, directly and by example, to make clear, complete requests and offers, and follow through with promises they were committed to fulfilling. Rather than harping on them to manage their time better she taught them to manage their commitments. She made sure they knew they could say "no" to requests if they were prepared to give a good reason for doing so.

Leaders like this woman, no matter what level in their company, thoughtfully and intentionally build trust. They do so by keeping promises themselves. They commit to being trustworthy, not just once but ongoing, and they continually check to ensure their behavior is, in fact, worthy of others' trust. They also do what is necessary to make sure they, and the people they lead, understand the connection between promising to take a specific

Loyalty needs to be openly discussed and integrated with missions and values, so that workers understand that doing the right thing is not disloyal.

action and the larger commitments their teams, departments, and companies have to their employees, customers, suppliers, communities, and other stakeholders.

These leaders build cultures where trust is deliberately cultivated. Integrity is a lived value in such places. Not surprisingly, promissory integrity comes around and connects back up with values integrity. These kinds of companies often hold other lived values that relate to trust, as well, including transparency, empowerment, gratitude, curiosity, success, and well being. Values the entire organization is committed to matter. What matters equally is that those values are accepted and lived by everyone in the organization. ❖

Implications for Managers and Researchers

Let's close by considering the implications these five essays offer both for practice and for further research. While there's little doubt of the efficacy of the suggestions made above, most of these principles remain anecdotal and could benefit from rigorous research.

Schnaubelt: "The Nitty Gritty of Integrity"

Kurt Schnaubelt provides additional anecdotal evidence for my assertion of the effectiveness of simple time management tools, such as Day-Timers and to-do lists, for the management of consistent follow-through and thus of integrity perceptions.¹⁷ It is no accident that Steven Covey, the performance guru behind *Seven Habits of Highly Effective People*, partnered with Franklin Planners, the maker of Day-Timers.¹⁸ Schnaubelt likewise confirms the importance of verbal precision, the avoidance of casually made promises, and general ineffectiveness of promise qualifiers such as "I'll try to..." in managing integrity perceptions. These practical suggestions, while probably effective, still warrant careful empirical study to increase confidence in their efficacy. The context of bankruptcy and debt restructuring, as discussed in this essay, is intriguing as an opportunity to study and better understand how credibility can be rebuilt after

¹⁷ Simons 2008, *op.cit.*

¹⁸ Steven Covey, *The Seven Habits of Highly Effective People* (New York: The Free Press, 1989).

broken promises—as creditworthiness is, in essence, an effort to quantify the credibility of a potential debtor.

Longstreet: Role Modeling, Culture, and Integrity

John Longstreet documents the fact that modeling of desired behavior is critical for promoting behavioral change in others. His essay demonstrates how transparency and receptiveness to suggestions build trust, and how all of these elements help to create a positive organizational culture that is "employee-centered," while also providing excellent guest service. Longstreet's discussion of how some managers believed the new vision, and so implemented it successfully, while others did not, suggests an interesting research avenue, as "value congruence" can be examined as both an antecedent to effective organizational change and possibly also as an outcome of it.

Sarkisian: Integrity Dividend Observations

The many examples of integrity proposed by Michele Sarkisian focus on straight talk and transparency, with an emphasis on long-term human resource enhancement over short-term gain. Her illustration of the "honeymoon period" is an intriguing notion for further research, since it points to the source of increasingly cynical behavior by executives and employees alike, possibly in response to incentives for short-term financial performance. It would be interesting to document this trajectory, especially if it is as typical as Sarkisian suggests.

Allen: Integrity and the Challenge of Conflicting Loyalties

Heather Allen's article continues the theme of conflicting values, and highlights the role of loyalty—to peers, to the company—and to mission or principle. Her examples of the potentially corrupting effects of loyalty to peers demonstrate how that loyalty can sometimes become an enabler of much behavior that we might term "unprincipled." From a practical standpoint, this argument suggests that loyalty needs to be openly discussed and integrated with other missions and values, to better assist workers in understanding that doing the right thing is not disloyal, and that sometimes loyalty to the enterprise must trump loyalty to peers. From a research standpoint, the argument opens up both a particular value that should be measured alongside others (loyalty), and a perspective that asks why some values are both espoused and enacted, some are espoused but not enacted (classic hypocrisy), and some are enacted but not espoused (like loyalty). Is the challenge here that loyalty is openly espoused, but only to internal audiences? Given the apparent repercussions of this particular driver of divergent words and actions, it deserves to be researched and better understood. A second implication of this piece is the illustration of a phenomenon described by Hennesstad as a "double bind," wherein established behavioral routines conflict with espoused values,

creating an organizational context that inhibits honest questioning, learning, and adaptation.¹⁹

Feltman: Keeping Promises as an Integral Part of a Culture of Integrity

Finally, Charles Feltman highlights the way that we all tend to think we are better at managing promises than others think we are, a finding that has been replicated in research and one that raises the question: what determines accurate self-perception? He discusses the interrelationship between promise-keeping and enactment of espoused values, as two mutually reinforcing aspects of the behavioral integrity construct. From a practical standpoint, he addresses the development of one's own integrity through a process of prioritizing it and building habits of organization and of communication. He points the way toward creating a culture of accountability with steps that include

- getting everyone to take commitments seriously,
- learning careful language to use when asking for or making commitments,
- deliberately extending trust,
- holding people accountable,
- sharing the "big picture" purposes behind broad directives (a specific kind of transparency), and
- training employees to manage their commitments well.

The processes he describes are similar to those discussed in my book, but he offers the perspective of someone who has coached numerous organizations through the process of enhancing personal credibility and of building a culture of individual responsibility and accountability. This culture he describes may be a refinement of the high-trust, high-service cultures alluded to by Sarkisian and Longstreet. The nature of the convergence between the cultures described by these three authors warrants thought and articulation. ■

¹⁹ Bjørn W. Hennesstad "The Symbolic Impact of Double Bind Leadership: Double Bind and the Dynamics of Organizational Culture," *Journal of Management Studies*, Vol. 27, No. 3 (May 1990), pp. 265–280.

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