



Winning with Integrity: The Impact of Virtues Training

Lori K. Long, Colleen Tokar Asaad, and Thomas Sutton

School of Business, Baldwin Wallace University

Author Note

We have no conflicts of interest to disclose.

Correspondence concerning this article should be addressed to Lori K. Long, Ph.D., Professor of Management, Baldwin Wallace University, 275 Eastland Road, Berea, Ohio 44017. E-mail: LLong@bw.edu

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Abstract

Can virtuous behavior be linked to concrete organizational elements? Over two years, with the theme of “winning with integrity,” the Vice President of Ethics & Integrity at a global Fortune 500 company delivered a two-day training program on the role of classical virtues in building an ethical workplace culture. Results from paired-sample t-tests and linear regressions show that organizational training positively affects the development of a growth mindset and the perceptions of the importance of classical virtues, regardless of employee nationality. This understanding creates an opportunity for organizations to take proactive approaches to strengthen the character of their employees.

Keywords: integrity, virtuous behavior, training

Winning with Integrity: The Impact of Virtues Training

To what degree are virtues the result of individual, innate character traits? Are virtues dependent on particular cultural constructs, or a set of universal standards that persist through time and place? Can virtues be learned, or are virtues developed through social environments into permanent predispositions that resist attempts to change through external influences such as education, training, and organizational cultures? Is the appeal of improving organizational performance, through its members learning and practicing virtuous behavior, a sufficient motivation for individual change? Can virtuous behavior be linked to concrete elements of organizational strength such as innovation, effective teamwork, and nurturing a growth mindset (Dweck, 2006)?

This paper presents evidence from an international Fortune 500 company's training program, which focuses on developing a workplace culture that emphasizes virtuous behavior as integral to the company's corporate culture and historical legacy. Equally important was the company's commitment to the idea that a corporate culture based in virtuous behavior would maximize performance through cultivation of an environment of innovation, employee commitment, and minimization of the need for rule-based systems of behavioral compliance. The company created a senior executive position titled 'Vice President for Integrity and Ethics,' whose role was to develop and implement training programs for managers across the company's plants and offices in over forty countries. Survey data from over 550 employees who participated in a series of virtues training workshops conducted over a two-year period provide empirical evidence of acceptance of the virtues as important to employee and organizational performance. The workshops were designed using the framework of 'winning with integrity,' which focuses on how developing a character-based corporate culture rooted in the virtues results in improved workplace engagement and company performance (Rea, Stoller, & Kolp, 2018). The study also finds that there is no statistical variance in employee response due to demographic factors, in particular, employee nationality.

Character, Virtue, and the Organization

Ethics and virtues in the workplace have been the focus of a broadening arena of research. Defining what constitutes ethical decision making often relies on the use of some version of the classical virtues. Morales-Sanchez and Cabello-Medina (2013) define four universal moral competencies in the context of the four cardinal virtues (prudence, justice, fortitude, temperance) as the basis for ethical decision-making. Wright and Goldstein (2007) define virtues and values as related to, but distinct from, character. Character is defined as the psychological elements of moral discipline and moral attachment, which are foundational to the development of virtue. Drawing from the work of Peterson and Seligman (2004), the virtues are defined as wisdom, courage, humanity, justice, temperance, and transcendence. Wright and Goldstein review meta-analyses of studies of organizational virtue, in particular the Values in Action Inventory of Strengths survey (Peterson, Park, & Seligman, 2005), concluding that individual character, as understood in the study of positive psychology, is related to organizational virtues.

The relationship of character, virtue, and ethics in business is a matter of some debate. Arjoon (2000) uses Aristotle's *Nichomachean Ethics* to develop a meta-theory of virtue in business using the themes of virtue, the common good, and a dynamic economy. The common

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

good is the core element in Arjoon's analysis, in which he argues that individuals, society, and business are integral, with virtues understood as the conditions that develop social trust, which is necessary for social and economic development: '...businesses must create conditions that provide broad base participation, distribute burdens and benefits, and contribute to the larger community. To create such conditions, people must be virtuous, otherwise they will not trust each other and therefore prevent the possibility of a true community of work' (Arjoon, 2000, p. 166). Arjoon extends business ethics to the idea of corporate social responsibility as a form of 'corporate mercy' aimed at promoting the common good.

Virtues and Individual Behavior

Wang, Cheney, and Roper (2016) suggest that moral character may have a more significant impact on behavior than other business factors. Their study found that individuals who pursued sustainable business practices on a more long-term basis did so based on a desire to do good and follow virtue more so than on a desire to meet immediate market demands. Emphasizing virtues in a business leads to many positive outcomes for organizations including positive energy, growth and vitality, and the potential for high performance. Individuals and organizations also navigate turbulence and uncertainty more effectively when virtues are present (Caza, Barker & Cameron, 2004).

Alzola (2007) explores the debate between situationist and dispositional, character-based virtue ethics. Alzola suggests that group behavior is not indicative of individual ethics, critiquing the evidence used to defend situationist ethics such as the Milgram and Stanford prison experiments. Alzola argues that based on the situationist approach, corporations should replace ethics education and training with systems of incentives for ethical behavior and sanctions for unethical behavior. The situationist sees the organization as shaping its members, while the dispositionist sees the members shaping the organization. Alzola concludes with the idea that both are valid approaches to understanding ethical behavior. These approaches should be brought together in a synthetic theory of human behavior, recognizing the importance of both approaches. Alzola sees the dispositionist argument as relevant, but also acknowledges that in situations involving strong authority or a strong 'group-think,' humans tend to be morally weak. Decisions are more likely influenced by the situation than by ethical predisposition.

Many organizational trainers look to improve the decision-making ability of managers through focusing on emotional intelligence. However, the study of emotional intelligence has also been analyzed in the context of the role of virtue and ethics. Segon and Booth (2013) suggest that high emotional intelligence does not guarantee ethical behavior. Business leaders with high emotional intelligence, as measured by the Emotional Competency Inventory (ECI) or the Emotional and Social Competency Inventory (ESCI), may still act unethically. They argue for the inclusion of ethics-virtue competencies with Emotional Intelligence measures rather than a utilitarian or responsibility-based ethics. Two iterations of ECI (Sala, 2002; Wolff, 2005) developed by Boyatzis, Goleman, and Rhee (2000) organize measures into four groups: self-awareness, social awareness, self-management, and social skills. Segon and Booth (2013) suggest adding a fifth set of measures for Ethical Management to the ECI as a way to incorporate ethical behavior as a factor in instruments gauging levels of Emotional Intelligence. Contrasting with Segon and Booth, Jeffries and Lu (2018) find that Emotional Intelligence (EI) is an influence on ethical behavior. EI explains variance in moral performance when mental ability is high. Van

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Rooy & Viswesvaran (2004) conducted a meta-analysis of EI studies, finding the high performing employees had high levels of general mental ability and EI, concluding that both contribute to ethical behavior.

Virtues and Organizational Performance

Ultimately, the importance of virtues in a business environment relates to effects on organization performance. A study of eighteen organizations (Cameron, Bright, & Caza, 2004) found that virtuousness amplifies staff positive self-image and positive behavior while also providing a buffering function that strengthens and protects organizations from traumas such as downsizing.

Virtuousness is ennobling, contributing to personal flourishing; it produces moral muscle and stamina. At the aggregate level, virtuousness is synonymous with internalization of moral rules that produce social harmony. A survey of randomly sampled employees of sixteen Midwest region companies found a positive correlation between virtue measures (compassion, trust, love, meaningfulness, courtesy, respect, kindness, doing good) and four key performance measures (innovation, quality, customer retention, and employee turnover). Companies that had recently experienced downsizing also showed positive correlations, providing evidence for the claim of a 'buffering' effect of virtuousness (see also Caza, Barker, & Cameron, 2004).

Wang and Hackett (2016) present analysis of data derived from a survey designed to measure how employees ('followers') perceive the levels of virtue in their leaders. The virtues identified and explored are developed from Aristotelian and Confucian concepts of virtue: courage, temperance, justice, prudence, humanity, and truthfulness. A distinction is made by the authors between virtues-based (virtues are learned, external) leadership and virtuous leadership (character-based). The authors designed an eighteen-question survey, the 'Virtuous Leader Questionnaire' (VLQ), to measure a leader's virtues, virtuous behaviors, and the context of leadership. The model is character-based, ethical by nature, and emphasizes the intrinsically motivated self-cultivation of virtue. Building on Riggio et al. (2010) and models of character-based leadership (Hannah & Avolio, 2010), perceptual and attributional processes were articulated through which followers are seen as receiving inspiration and intrinsic rewards by imitating the virtuous behaviors of their leaders. Ultimately, the happiness and life satisfaction of both the follower and leader are impacted, as are their ethical behaviors and workforce effectiveness' (Wang & Hackett, 2016, p. 340).

While most studies focus on virtues as an individual behavior, there is also the dimension of team virtues to consider. Palanski, Kahai, and Yammarino (2011) analyzed the presence of transparency, behavioral integrity, and trust as virtues operating at the level of work teams. Their study of 35 temporary student university work teams and 16 ongoing work teams of nurses and their managers found that team transparency positively correlates with team behavioral integrity, which in turn correlates with trust. A positive correlation was also found between trust and team performance.

Riivari and Lamsa (2017) explored the relationship of organizational ethical virtues and innovativeness. Interviews conducted with 39 staff from three Finnish specialist organizations (one public, two private) found that the organizational ethical virtues of feasibility, discussability,

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

supportability, and congruency correlated with organizational innovativeness, defined as the behavioral tendency to produce innovative products and services for customers. This set of virtues is drawn from the model of Corporate Ethical Virtues (CEV) developed by Kaptein (2008). CEV (clarity, congruency, feasibility, supportability, transparency, discussability, sanctionability) are posited to influence innovativeness and ethical conduct by organization staff. The ethical culture of an organization, constituting its ethical virtues, guides the ethical behavior of the organization's members.

Whetstone (2003) addressed the question of virtuous behavior of managers by exploring the question, 'What makes a manager excellent?' By conducting an ethnographic study of one corporation, Whetstone uses manager interview data to determine how managers define excellence in management. The data support use of virtue ethics as a practical tool for applied management ethics.

Impact of a Growth Mindset

Businesses and organizations value the ability of staff to engage in problem solving and innovation, understanding that these skills contribute to efficiency, development of new products, services, and markets, and reduce the need for supervision and rules for compliance. The model of the fixed mindset versus growth mindset, developed by Carol Dweck (Dweck, 2006), provides a framework for understanding individual predispositions and how this affects performance and workplace culture (Holtbrugge et al, 2015). Innovation has been identified as a key element in the success of businesses in rapidly changing environments (Anderson et al, 2014).

According to Dweck (2006), a mindset is a view that you adopt of yourself that affects how you lead your life. A person with a fixed mindset believes that personal qualities such as personality, intelligence, and moral character are innate and do not change. A person with a growth mindset believes these qualities can be developed through one's efforts. When faced with a deficiency, a person with a fixed mindset will attempt to hide it while a person with a growth mindset will work to overcome the deficiency. Because the right ethical decision in an organization is not always easy to determine, even a person with strong character can make mistakes. Therefore, a fixed mindset response to making the wrong ethical decision can often lead to more ethical challenges as the individual may try to hide or downplay the mistake. A growth mindset approach allows one to learn from the mistake and move on to do better, leading to improved ethical behavior in organizations. We can then hypothesize that employees with a growth mindset are more likely to embrace the idea that practicing classical virtues could lead to improved ethical behavior, which ultimately could impact organizational performance.

Hypothesis 1: A growth mindset will have a positive correlation with a perceived belief of the importance of practicing virtues on organizational performance.

Virtues and Training

Virtuous, ethical behavior is important to the success of a business but is not something that can be assumed in employees, managers, or executives. The Recession of 2007-09 occurred in part because of fraudulent practices in the mortgage industry, as noted by Clarke (2011). Unethical business practices contributed to the worst economic downturn since the Great Depression. The

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

catastrophic consequences of unethical behavior underscore the importance of ethics training across the spectrum, from accountancy and audit firms to large corporations. The primary negative effects of unethical behavior are usually followed by regulatory consequences, which limit the efficiencies of market dynamics, serving as hurdles that often take down smaller firms unable to shoulder the cost of implementing compliance requirements. Clarke outlines two schools of thought: (a) Moral ethics – requiring business leaders and staff to act morally, but understanding that certain circumstances may result in immoral, but justified, behavior; (b) Amoral theory – business activity is amoral and should only focus on economic self-interest, which is related to Adam Smith's pursuit of self-interest contributing social benefits, laissez faire economics, and Social Darwinism. Merchant (1987) notes three reasons for unethical behavior: (a) Incentives/inducements (Pay, Promotion, Praise); (b) Temptations; (c) Lack of moral guidance and leadership by top management. Merchant suggests that strong penalties, realistic performance goals, and a de-emphasis on short term goals will create a more ethical environment. Kerin et al (2007) found that about 80% of corporations have a code of ethics. Clarke describes corporations as learning organizations that need boards to institute ethical standards and practices. Business school curricula need to teach the value of ethical behavior in an environment of stiff competition.

Green (1997) provides an overview of the need for ethics in the workplace as well as the reluctance of companies to improve ethical standards, based on the assumption that they already have an 'ethical workplace.' Green highlights the 1991 Federal Sentencing Guidelines for Organizations as drawing attention to the importance of corporate ethical standards. Unethical behavior more often is the result of good intentions marred by one or more of three challenges: 1) Lack of information; 2) Competing, unrealistic expectations; 3) Conflict between two positive values. Green discusses the important potential, but often not actual, role of human resource departments in ethics training and policies related to hiring, promotion, training, and discipline. Effective employee – management communication, education, and incentives for responsible behavior are additional strategies for developing and maintaining company ethical standards.

Burke and Koyuncu (2010) conducted a study of the virtues of gratitude, optimism, and pro-active behavior through a survey of Canadian and Turkish physicians, nurses, and bank managers. Positive correlations between gratitude and pro-active behavior were found in each of the groups, while positive correlations of optimism and pro-active behavior were found in the surveys of the Turkish nurses and bank managers. Job satisfaction positively correlated with optimism and gratitude in each of the survey groups. The study concluded that the virtues of gratitude, optimism, and pro-active behavior correlate consistently with positive emotions, higher levels of physical and psychological health, and with gains in productivity and personal accomplishment. The virtues also have the ancillary benefit of influencing the attitude and behavior of co-workers.

In an empirical assessment of business organizations' values and financial performance, Caza et al. (2004, p. 174) found that "organizations with high scores on virtue assessments significantly outperformed organizations with low scores." The authors distinguish between employees working in less virtuous firms versus virtuous firms. Employees in the virtuous firms embrace their virtuousness by aspiring for excellence, meaning, purpose, and moral muscle (Caza et al. 2004, p. 173). They also reported that virtuous firms recovered more quickly and more fully from downsizing and other traumas, retained customers and employees more effectively, and were more creative and innovative than non-virtuous firms. Therefore, the appeal of a strong ethics

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

training approach addresses many organizational goals: the avoidance of costly litigation, the seeking of profitability and success, the desire for employees to act ethically, the related goal of socializing newcomers to the organization, the response to regulatory or legal recommendations, and the ultimate pursuit of ethical employee behavior and organizational performance (Weber, 2015, p.29). A survey of members of the Ethics and Compliance Officer Association (ECO) found that most firms see training as a way to assist employees to make ethical decisions, rather than focusing on external and internal rule compliance. The survey also found that most training is assessed based on participation and mechanics, not on outcomes.

Hypothesis 2: Employee training on classical virtues will impact employees' perception of the importance of classical virtues on organizational outcomes.

Virtues in Global Organizations

Training on the classical virtues likely promotes ethical behavior across cultures. Ethics is a “foundation competency,” suggesting that ethics can be learned (Orme & Ashton, 2003). Furthermore, a virtues approach emphasizes a “purposiveness that defines human endeavor” and “transcends the realm of business and defines its place in larger society” (Segon & Booth, 2015, p. 797). Zak (2008) argues that there are not Eastern or Western values, but instead, that values are “deeply human, strongly represented physiologically, and evolutionarily old” (p. 276). A cross-cultural comparison finds that virtue ethics applied in organizational settings are significant in both western and non-western contexts, signifying that virtue ethics are generalizable and characterize organizational matters worldwide (Fernando & Moore, 2015).

Moral learning, however, is a “socially-situated phenomenon.” Human virtue involves both reason and affect, whereby the environment effects individual character and corporate character (Sadler-Smith, 2012). A virtuous corporation must therefore practice excellence and ward off threats (Moore, 2005). National culture may also influence ethical approaches. The word culture is derived from the Latin word ‘colere’ which means ‘to plant’ or ‘to cultivate.’ Thus, culture “often involves a rather rigorous and systematic attempt to teach specific moral beliefs in a very specific and consistent way” (Rose, 2011, p. 194). So, while training on classical virtues is a transcendental human endeavor from which everyone can grow, individuals from different nations and cultures may start with differing beliefs and levels of development, which relates to each individual’s cultural socialization. Therefore, training on practicing classical virtues has the opportunity to make an impact on employees across nationalities.

Hypothesis 3: Participant nationality will not impact perceptions of importance of classical virtues in impacting business outcomes.

Methods

Design and Sample

Over a two-year period, the Vice President of Ethics & Integrity at a global Fortune 500 company delivered a two-day training program of the role of classical virtues in building an ethical workplace culture. This training program explored seven classical virtues including wisdom, temperance, hope, courage, compassion, trust and justice. Participants engaged in discussions around the meaning of each virtue and through break-out activities, applied the virtues

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

to a variety of workplace challenges. The participants also engaged in self-reflection to identify their personal strengths and opportunities for future character development.

The training program was delivered to 574 participants, in 29 training sessions, in 20 global locations. More than three-fourths of the sample is male and over a quarter of the sample has been with the company for 20 or more years. Participants ranged in age from 22 to 69, with the mean age of 45.07, and originate from 33 countries. Table 1 provides descriptive statistics of the sample.

With the theme of “winning with integrity,” the training program helped participants understand the role of embracing classical virtues in managing employees and organizational operations. Specific virtues explored included trust, courage, wisdom, hope, temperance, justice, and compassion. With a conceptual belief that a growth mindset would encourage participants to embrace investing time in practicing the classical virtues, the training also included building awareness around a growth mindset, challenging participants to adopt a growth mindset.

Table 1

Characteristics of the Sample

	<i>n</i>	<i>%</i>
<i>Gender</i>		
Male	438	76.3
Female	127	22.1
<i>Age</i>		
22-35	79	14.4
36-45	207	37.8
46-55	192	35.0
56 plus	70	12.8
<i>Year's service</i>		
0-5	129	22.8
6-10	95	16.8
11-15	111	19.6
15-20	70	12.4
20-30	110	19.5
31+	50	8.8
<i>Nationality</i>		
American (US)	205	36.6
British (UK)	19	3.4
German	35	6.1
Swedish	88	15.3
South African	31	5.4
Korean	50	8.7
Chinese	37	6.4
Other*	95	17.3

*Other: French (13), Indian (13), Italian (9), Brazilian (7), Canadian (7), Polish (6), Dutch (4), Czech (4), Malaysian (4), Mexican (4), Spanish (3), Bulgarian (1), Danish (1), Filipino (1), Finnish (1), Indonesian (1), Lebanese (1), New Zealand (1), Nicaraguan (1), Norwegian (1), Pakistani (1), Singaporean (1), Venezuelan (1), Taiwanese (1), and Turkish (1)

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Measures

A pre- and post-survey were administered as part of the training program (see the Appendix). The pre-test was given to the employees as they arrived at the training program. The post-test was administered at the end of the training program, before the employees departed the training facility. To explore the impact of the training on participant perceptions of the utility of practicing virtues in the organization, the survey asked for employee perceptions on four areas of potential impact: (a) protecting the financial strength of the company; (b) employee engagement; (c) teamwork; d) individual performance. Table 2 shows the frequencies of participant responses on the pre-test and post-test surveys. Employees responded on a five-point Likert scale on both the pre-test and post-test for the training. These four items were combined into a composite score of belief in the importance of virtues in the organization. The higher the composite score, the stronger the overall belief in the importance of practicing virtue (see Table 4).

Table 2

Virtues: Frequencies of Participant Responses (%)

Survey Question	Pre-Training					Post Training								
	Var	n	1	2	3	4	5	Var	n	1	2	3	4	5
2. I believe the virtues help preserve the reputation and protect the financial strength of the company.	V1	574	0.0	0.3	2.4	34.0	63.2	PV1	574	0.2	0.2	1.2	30.1	68.3
6. I believe learning and practicing the virtues increases employee engagement.	V2	573	0.0	0.3	4.4	45.7	49.6	PV2	573	0.2	0.0	0.2	28.3	71.4
9. I believe learning and practicing the virtues improves teamwork.	V3	573	0.2	0.2	3.3	49.2	47.1	PV3	573	0.3	0.3	0.5	30.5	68.2
12. I believe learning and practicing the virtues improves individual performance.	V4	574	0.0	0.2	4.4	48.3	47.2	PV4	573	0.2	0.0	0.9	31.6	67.4

Note. The survey questions were included in the pre- and post-training surveys. *Var* represents the variable name. *n* is the sample size. Numbers 1-5 represent the Likert-scale responses, whereby a 1 represents “strongly disagree” and 5 represents “strongly agree.”

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

A growth or fixed mindset was measured with four items adapted from Dweck (2006). Employees responded on a five-point Likert scale on both the pre-test and post-test for the training, with two of the items reverse coded. Table 3 shows the frequencies of participant responses. These four items were combined to create a composite mindset score where a higher score indicated more of a growth mindset and a lower score indicated more of a fixed mindset (see Table 4).

Table 3

Growth Mindset: Frequencies of Participant Responses (%)

Survey Question	Pre-Training							Post Training						
	Var	N	1	2	3	4	5	Var	N	1	2	3	4	5
3. You are a certain kind of person and there is not much that can be done to really change that.*	G1	574	0.9	8.6	20.3	58.0	12.2	PG1	571	1.2	7.5	8.9	54.6	27.7
5. No matter what kind of person you are, you can always change substantially.	G2	574	0.7	5.6	21.5	53.8	18.5	PG2	574	0.7	3.7	12.1	54.7	28.8
8. You can do things differently, but the kind of person you are can't really be changed.*	G3	574	1.0	15.4	24.1	52.4	7.2	PG3	574	1.7	12.4	15.3	48.4	22.1
10. You can always change basic things about the kind of person you are.	G4	574	0.7	10.8	23.7	53.2	11.5	PG4	574	0.9	6.8	13.2	52.4	26.7

Note. The survey questions were included in the pre- and post-training surveys. *Var* represents the variable name. *n* is the sample size. Numbers 1-5 represent the Likert-scale responses, whereby a 1 represents “strongly disagree” and 5 represents “strongly agree.” *Reverse coded.

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Table 4

Composite Virtue and Growth Mindset Variables

Composite Variable	n	Mean	Median	Mode	Min	Max	SD
Pre-Virtues	572	17.91	18.00	20.00	10.00	20.00	1.83
Post-Virtues	571	18.69	19.00	20.00	4.00	20.00	1.63
Pre-Growth Mindset	569	14.69	15.00	16.00	5.00	20.00	2.39
Post-Growth Mindset	569	15.82	16.00	16.00	4.00	20.00	2.58

Analysis

Hypothesis 1: A growth mindset will have a positive correlation with a perceived belief of the importance of practicing virtues on organizational performance.

Table 5 shows the Pearson correlations between the pre- and post-test composite measures for virtues and growth mindsets. There is a significant positive association between a growth mindset and a stronger belief in the importance of practicing virtues. This relation holds for a pre-test measure of a growth mindset and a pre-test measure of the importance of virtues ($r(566) = .286$, $p < .001$) and for a post-test measure of a growth mindset and a post-test measure of the importance of virtues ($r(565) = .349$, $p < .001$). These positive relations between a growth mindset and values perception are in support of *Hypothesis 1*. (Forthcoming regression analysis also provides support. See Table XI.)

Table 5

Correlations

Variable	1	2	3	4
1. Pre-Virtues	$\frac{3}{4}$			
2. Pre-Growth	0.286***	$\frac{3}{4}$		
3. Post-Virtues	0.579***	0.165***	$\frac{3}{4}$	
4. Post-Growth	0.322***	0.611***	0.349***	$\frac{3}{4}$

Note. ***, **, * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Given the importance of the growth mindset, additional analyses examine if the participants shifted mindsets as a result of the training. A paired-samples t-test evaluates the difference in the participant's mindset before and after training. The results indicate that the mean for the pre-training mindset ($M = 14.69$, $SD = 2.40$) was significantly less than the mean for the post-training ($M = 15.82$, $SD = 2.59$), $t(565) = -12.13$, $p < .001$. The higher score indicates more of a growth mindset, thus showing a statistically significant shift toward a growth mindset post-training. Table 6 summarizes the pre- and post-test mindset measures.

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Table 6

Growth Mindset Pre- and Post-Training

Growth Mindset	Mean	SD
Pre-test	14.69	2.40
Post-test	15.81	2.59

Table 7 examines the composite variable. Results of the paired-samples t-tests indicate there are significant differences in mindset across all four measures.

Table 7

Mindset by Question Pre- and Post-Training

Pre-Training			Post-Training			paired-samples t-test	
Pre-Growth	Mean	SD	Post-Growth	Mean	SD	n	t
G1	3.72	0.82	PG1	4.00	0.88	570	-7.70***
G2	3.84	0.81	PG2	4.07	0.78	571	-6.60***
G3	3.49	0.87	PG3	3.77	0.97	573	-7.17***
G4	3.64	0.85	PG4	3.97	0.87	573	-9.12***

Note. ***, **, * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Together the results in Tables 5, 6, and 7 show that a growth mindset is associated with an increased perception of the importance of virtues and that participants' mindsets shifted more towards a growth mindset after the training.

Hypothesis 2: Employee training on classical virtues will positively impact employees' perception of the importance of classical virtues on organizational outcomes.

To test *Hypothesis 2*, a paired-samples t-test evaluates the difference in the importance of virtues before and after the training program. The results indicate that the mean for the pre-training ($M = 17.92$, $SD = 1.83$) is significantly lower than the mean for the post-training ($M = 18.70$, $SD = 1.62$), $t(568) = -11.67$, $p < .001$. A higher score indicates a stronger belief in the importance of virtue, thus indicating the employees' perceptions of the importance of virtues increased after the training. Table 8 summarizes the pre and post test virtue measures.

Table 8

Virtue Perceptions Pre- and Post-Training

Virtues	Mean	SD
Pre-test	17.92	1.83
Post-test	18.70	1.63

Table 9

Virtue Perceptions by Question Pre- and Post-Training

Pre-Training			Post-Training			paired-samples t-test	
Pre-Virtues	Mean	SD	Post-Virtues	Mean	SD	n	t
V1	4.60	0.56	PV1	4.66	0.53	574	-2.57***
V2	4.45	0.60	PV2	4.71	0.48	572	-10.43***
V3	4.43	0.59	PV3	4.66	0.55	572	-8.82***
V4	4.43	0.59	PV4	4.66	0.51	573	-9.45***

Note. ***, **, * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

The results of the paired-samples t-tests in Table 9 indicate significant differences in the importance of virtues across all four measures. The results in Tables 8 and 9 support *Hypothesis 2*.

Hypothesis 3: Perceptions of importance of classical virtues in impacting business outcomes will increase post-training, regardless of nationality.

To test *Hypothesis 3*, paired-samples t-tests examine, by nationality, if there are significant differences in the perception of the importance of virtues pre- and post-training. While many nationalities are excluded from this analysis due to small sample size, the results in Table 10 indicate that six of the seven nationalities significantly increased their perceptions of the importance of virtues post-training. The Chinese nationality does not have significant differences pre- and post-training; however, the pre-training virtues measure is high (M=18.73, SD=1.41). Thus, Table 10’s results support *Hypothesis 3*: the perceptions of virtues are important across countries and cultures.

Table 10

Virtue Perceptions Pre- and Post-Training by Nationality

Nationality	PRE-virtues		POST-virtues		paired-samples t-test	
	Mean	SD	Mean	SD	df	t
US	18.13	1.88	18.80	1.83	203	-5.78***
UK	17.95	1.51	18.68	1.25	18	-2.22**
German	17.20	2.23	18.26	1.40	34	-3.36***
Sweden	17.56	1.90	18.48	1.55	83	-5.38***
South African	17.32	1.60	18.13	1.91	30	-3.01***
Korean	16.76	1.66	18.00	1.44	49	-5.28***
Chinese	18.73	1.41	19.05	1.27	36	-1.43

Note. Many countries are not reported due to small sample sizes. ***, **, * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Multiple linear regressions consider if a growth mindset positively impacts the belief in virtues, after controlling for gender and age. Results in Model 1 of Table 11 show that a growth mindset (t=8.31, p <.001) is a significant predictor of a higher belief in the importance of virtues. These results hold after controlling for years of service (Model 2) and nationality (Model 3).

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

Nationality is proxied for by grouping countries by continents, because many nationalities have a sample size of one. These additional control variables are not statistically significant, indicating that there are not significant differences between the continents (or nationalities) in the belief in the importance of virtues.

Table 11

Linear Regression Predicting Post-Training Virtues

Variable	Model 1	Model 2	Model 3
POST-growth	0.34***	0.34***	0.33***
Female	0.07*	0.05	0.05
Age 22-35	-0.03	-0.08	-0.08
Age 36 - 45	0.01	-0.06	-0.06
Age 46 – 55	-0.13**	-0.15**	-0.15**
Service 0-5		0.14*	0.15**
Service 5-10		0.00	0.02
Service 11-15		0.09	0.11
Service 16-20		0.06	0.07
Service 21-30		-0.06	-0.06
African			0.04
Asian			-0.12
European			-0.03
North American			-0.04
South American			0.03

Note. The standardized betas are reported. Age 56 plus, Service 30 years plus, and New Zealand are the omitted variable groups. ***, **, * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

In summary, results of the multiple linear regression in Table 11 (Model 3) indicate that there is a significant effect between a growth mindset and a higher perception of the importance of virtues, controlling for gender, age, years of service, and nationality ($F(15,516) = 7.48, p < .001, R^2 = .18$). The classical virtues in business is valued across nationalities. The regression analysis provides additional support for *Hypothesis 1* and *Hypothesis 3*.

Results and Discussion

This research provides preliminary support on the value of emphasizing classical virtues as an approach to supporting ethical behavior in organizations. Overall, the organizational training has a positive effect on the development of a growth mindset as well as on the perceptions of the importance of classical virtues on organizational outcomes, regardless of employee nationality. While perception of the importance of virtues is not as strong an indicator as actual outcomes, the evidence presented here provides a foundation to support the inclusion of practicing classical virtues as an approach to building integrity within organizations. The structure of the training in this case suggests that learning about virtues, coupled with application and personal reflection is an effective approach to training. This training required participants to not only learn about classical virtues and apply them to organizational ethical challenges, but also to engage in personal reflection focused on character development. If employees believe acting with strong character

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

can lead to positive organizational outcomes, they may be more likely to embrace character development leading to improved ethical behavior.

This research suggests that training can influence one's mindset. It is important to note that those with a growth mindset see the connection between virtues and improved organizational outcomes. However, if everyone in the organization does not have a growth mindset, the training may not necessarily be effective. Proceeding on the assumption that those with a growth mindset are the only ones that can benefit from virtues training may mean that training efforts could fall short of having an organizational impact. But if influencing mindset is part of the training, then virtues training can be more effective. Therefore, including mindset as part of a training program is important. A participant's belief that character can be developed leads to different thoughts and actions in response to ethical challenges.

The evidence that suggests embracing virtues holds across nationalities is also useful for organizations with a global employee base. Encouraging ethical behavior is challenging for global organizations as ethical standards vary across cultures. For organizations that have employees in different countries, as well as those that do business across borders, emphasizing character development based on classical virtues creates a common, accessible language to guide ethical behavior.

This understanding creates an opportunity for organizations to take proactive approaches to strengthening the character of their employees. Training can help employees embrace practicing classical virtues, providing a path for organizations to improve ethical behavior. Managers and employees that embrace practicing virtues can have a positive impact on organizational outcomes through enhanced innovation, teamwork and personal commitment to performance.

Further research on the impact of classical virtues can help support organizational efforts to improve ethical behavior, in particular in global organizations. Organizations need to tie training efforts to actual organizational outcomes to determine the effectiveness of efforts. Organizations that embrace the strategy of "winning with integrity" have the opportunity to support organizational success through positive ethical behaviors.

References

- Alzola, M. (2008). Character and environment: The status of virtues in organizations. *Journal of Business Ethics*, 78(3), 343-357.
- Anderson, N., Potocnik, K., & Zhou, J. (2014). Innovation and creativity in organizations: A state-of-the-science review, prospective commentary, and guiding framework. *Journal of Management*, 40(5), 1297-1333.
- Arjoon, S. (2000). Virtue theory as a dynamic theory of business. *Journal of Business Ethics*, 28(2), 159-178.
- Boyatzis, R. E., Goleman, D., & Rhee, K. (2000). Clustering competence in emotional intelligence: Insights from the Emotional Competence Inventory (ECI). *Handbook of emotional intelligence*, 99(6), 343-362.
- Burke, R., & Koyuncu, M. (2010). Developing virtues and virtuous behavior at workplace. *The IUP Journal of Soft Skills*, 4(3), 39-48.
- Cameron, K., Bright, D., & Caza, A. (2004). Exploring the relationships between organizational virtuousness and performance. *American Behavioral Scientist*, 47(6), 766-790.
- Caza, A., Barker, B., & Cameron, K. (2004). Ethics and ethos: The buffering and amplifying effects of ethical behavior and virtuousness. *Journal of Business Ethics*, 52(2) 169-178.
- Clarke, C. (2011). A systems approach to implementing business ethics in the corporate workplace. *Journal of Business Systems*, 6(2), 1-11.
- Dweck, Carol S. (2006). *Mindset: New psychology of success*. Random House.
- Fernando, M., & Moore, G. (2015). MacIntyrean virtue ethics in business: A cross-cultural comparison. *Journal of Business Ethics*, 132(1), 185-202.
- Green, N. (1997). Creating an ethical workplace. *Employment Relations Today*, 24(2), 33-44.
- Hannah, S. T., & Avolio, B. J. (2010). Moral potency: Building the capacity for character-based leadership. *Consulting Psychology Journal: Practice and Research*, 62(4), 291-310.
- Holtbrügge, D., Baron, A., & Friedmann, C. B. (2015). Personal attributes, organizational conditions, and ethical attitudes: A social cognitive approach. *Business Ethics: A European Review*, 24(3), 264-281.
- Jeffries, F., & Lu, Y. (2018). Emotional intelligence as an influence on ethical behavior: A preliminary study. *Journal of Behavioral and Applied Management*, 18(1)19-32.
- Kaptein, M. (2008). Developing and testing a measure for the ethical culture of organizations: The corporate ethical virtues model. *Journal of Organizational Behavior*, 29(7), 923-947.
- Kerin, R. A., Hartley, S. W., & Rudelius, W. (2007). *Marketing: The core*. McGraw-Hill Companies.
- Merchant, K. (1987). *Fraudulent and questionable financial reporting: A corporate perspective*. Financial Executive Foundation.
- Moore, G. (2005). Corporate character: Modern virtue ethics and the virtuous corporation. *Business Ethics Quarterly*, 15(4), 659-685.
- Morales-Sanchez, R., & Cabello-Medina, C. (2013). The role of four universal moral competencies in ethical decision-making. *Journal of Business Ethics*, 116(4), 717-734.
- Orme, G., & Ashton, C. (2003). Ethics—a foundation competency. *Industrial and Commercial Training*, 35(5), 184-190.
- Palanski, M. E., Kahai, S. S., & Yammarino, F. J. (2011). Team virtues and performance: An examination of transparency, behavioral integrity, and trust. *Journal of Business Ethics*, 99(2), 201-216.

WINNING WITH INTEGRITY: THE IMPACT OF VIRTUES TRAINING

- Peterson, C., Park, N., & Seligman, M. E. (2005) Assessment of character strengths. *Psychologists' Desk Reference*, 2, 93-98.
- Peterson, C., & Seligman, M. E. (2004). *Character strengths and virtues: A handbook and classification* (Vol. 1). Oxford University Press.
- Rea, P. J., Stoller, J. K., & Kolp, A. (2018). *Exception to the rule: The surprising science of character-based culture, engagement, and performance*. McGraw Hill Professional.
- Riggio, R. E., Zhu, W., Reina, C., & Maroosis, J. A. (2010). Virtue-based measurement of ethical leadership: The leadership virtues questionnaire. *Consulting Psychology Journal: Practice and Research*, 62(4), 235-250.
- Riivari, E., & Lamsa, A-M. (2019). Organizational ethical virtues of innovativeness. *Journal of Business Ethics*, 155(1), 223-240.
- Rose, D. C. (2011). *The moral foundation of economic behavior*. OUP USA.
- Sadler-Smith, E. (2012). Before virtue: Biology, brain, behavior, and the “moral sense”. *Business Ethics Quarterly*, 22(2), 351-376.
- Sala, F. (2002). Emotional competency inventory (ECI): Technical manual. McClelland Center for Research and Innovation Hay Group.
- Segon, M., & Booth, C. (2015). Virtue: The missing ethics element in emotional intelligence. *Journal of Business Ethics*, 128(4), 789-802.
- Van Rooy, D. L., & Viswesvaran, C. (2004). Emotional intelligence: A meta-analytic investigation of predictive validity and nomological net. *Journal of Vocational Behavior*, 65(1), 71-95.
- Wang, Y., Cheney, G. & Roper, J. (2016). Virtue ethics and the practice-institution schema: An ethical case of excellent business practices. *Journal of Business Ethics*, 138(1), 57-77.
- Wang, G. & Hackett, R. D. (2016). Conceptualization and measurement of virtuous leadership: Doing well by doing good. *Journal of Business Ethics*, 137(2), 321-345.
- Weber, J. (2015). Investigating and assessing the quality of employee ethics training programs among US – based global organizations. *Journal of Business Ethics*, 129(1), 27-42.
- Whetstone, J. T. (2003). The language of managerial excellence: Virtues as understood and applied. *Journal of Business Ethics*, 44(4), 343-357.
- Wolff, S. B. (2005). Emotional competency inventory (ECI): Technical manual. Hay Group: McClelland Center for Research and Innovation.
- Wright, T., & Goodstein, J. (2007). Character is not “dead” in management research: A review of individual character and organizational-level virtue. *Journal of Management*, 33(6), 928-958.
- Zak, P. J. (2008). Values and Value. In Zak, P. J. (Eds), *Moral economics in moral markets: The critical role of values in the economy* (pp. 259-278). Princeton University Press

Appendix

Pre-Test Survey Questions

1. I am willing to exert considerable effort to learn during this course. **(M1)**
2. I believe the virtues help preserve the reputation and protect the financial strength of the company. **(V1)**
3. You are a certain kind of person and there is not much that can be done to really change that. **(G1)***
4. I am willing to take risks and try to make adjustments to improve myself. **(M2)**
5. No matter what kind of person you are, you can always change substantially. **(G2)**
6. I believe learning and practicing the virtues increases employee engagement. **(V2)**
7. I am motivated to seek advice from people who bring out the best in me. **(M3)**
8. You can do things differently, but the kind of person you are can't really be changed. **(G3)***
9. I believe learning and practicing the virtues improves teamwork. **(V3)**
10. You can always change basic things about the kind of person you are. **(G4)**
11. I am motivated to reflect on how the virtues will help me professionally and personally. **(M4)**
12. I believe learning and practicing the virtues improves individual performance. **(V4)**

**Reverse coded*

Post-Test Survey Questions

1. I motivated to implement what I learned in this course. **(PM1)****
2. I believe the virtues help preserve the reputation and protect the financial strength of the company. **(PV1)**
3. You are a certain kind of person and there is not much that can be done to really change that. **(PG1)***
4. I am willing to take risks and try to make adjustments to improve myself. **(PM2)**
5. No matter what kind of person you are, you can always change substantially. **(PG2)**
6. I believe learning and practicing the virtues increases employee engagement. **(PV2)**
7. I am willing to exert considerable effort to implement what I have learned in this course. **(PM3)****
8. You can do things differently, but the kind of person you are can't really be changed. **(PG3)***
9. I believe learning and practicing the virtues improves teamwork. **(PV3)**
10. You can always change basic things about the kind of person you are. **(PG4)**
11. I am motivated to learn more on how the virtues impact the business and individuals. **(PM4)****
12. I believe learning and practicing the virtues improves individual performance. **(PV4)**

**Reverse coded*

***Different from pre-test.*