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# Trust, integrity is what makes top companies tick



"Integrity is huge," says Dan Gotter, of Winter, Kloman, Moter & Repp. Credit: Michael Sears

*By Rick Romell of the Journal Sentinel*

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Virtue may be its own reward, but in business it doesn't hurt to get something tangible out of the deal, too.

And the leaders of Wisconsin companies such as accounting firm Winter, Kloman, Moter & Repp and Sendik's Food Markets think they do. For one thing, their employees cite the companies' ethical principles as part of what makes them good places to work.

"Integrity is huge," said Dan Gotter, president of Winter, Kloman, a 65-employee certified public accounting firm that handles a variety of work for small to medium-size private businesses and nonprofits. "... If someone tells you something, you want to be able to know it's the truth. If someone tells you they'll do something, you want to be able to rely on their statement."

You'd think that would be a given for accountants, but the example of Enron Corp. and the financial ruin brought about by its illicit business deals and accounting tricks shows it's not necessarily the case.

Enron used balance-sheet chicanery to cook up short-term profits. Gotter believes the long-term interests of a business are best served by doing what's right.

"When people work with integrity and do what they say they will, and they're honest and straightforward, they build a reputation," he said. "... And if you have a reputation of being a company with integrity, you're going to have more opportunities than if that's not your reputation."

Perhaps more businesses are seeing things that way. The Ethics Resource Center, a 92-year-old nonprofit based in Alexandria, Va., said the percentage of employees observing misconduct at their workplace fell last year to its lowest level, 41%, since the organization began conducting surveys on the topic in 1994.

That's still a lot of misconduct, Ethics Resource Center President Patricia Harned acknowledged, but it includes "some more subtle, sort-of-softer things like Internet abuse."

What's encouraging to Harned is that the survey indicates more companies are investing in ethics programs and tending to the cultures of their workplaces.

"It's very good news," she said.

Winter, Kloman will walk away from a potential client who wants to make intentional misrepresentations — in other words, lie — Gotter said. He pointed to initial interviews a couple of years ago with the owners of a company that generated lots of cash, much of which they were pocketing and never recording on the books.

"I told them that that was not correct, that was not the way we did business, and (we) would not do their work," Gotter said.

Ted Balistreri, co-owner of Sendik's Food Markets — the "red bag" Sendik's — said the firm's foundation rests on building a strong employee team through mutual trust.

"Every job is valued," he said. "Doesn't matter who you are or what your title is. All jobs are important. ... We remember our father stocking, taking out the garbage, picking stuff off the floor, and we talk about that."

Respect for employees contributes to an annual turnover rate of about 35%, which Balistreri said was low for the grocery industry. He said the firm also always scores high on internal surveys asking employees whether they have confidence in the direction the company is heading.

But the most tangible evidence that the firm is on solid ground with its ethical foundation and the way it treats employees is its continued growth, Balistreri said.

In the hyper-competitive grocery industry, Sendik's Food Markets has expanded from six stores in late 2007 to 11 today, with plans to open a 12th location, in Hartland, this year. The employment count, meanwhile, has risen from 1,000 to about 1,500.

"That would not be possible if we didn't have great team members," Balistreri said.

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