



What is Leader Character and How Does It Influence How We Lead?

Gerard Seijts, Ivey Business School

<http://www.ivey.uwo.ca/leadership/>

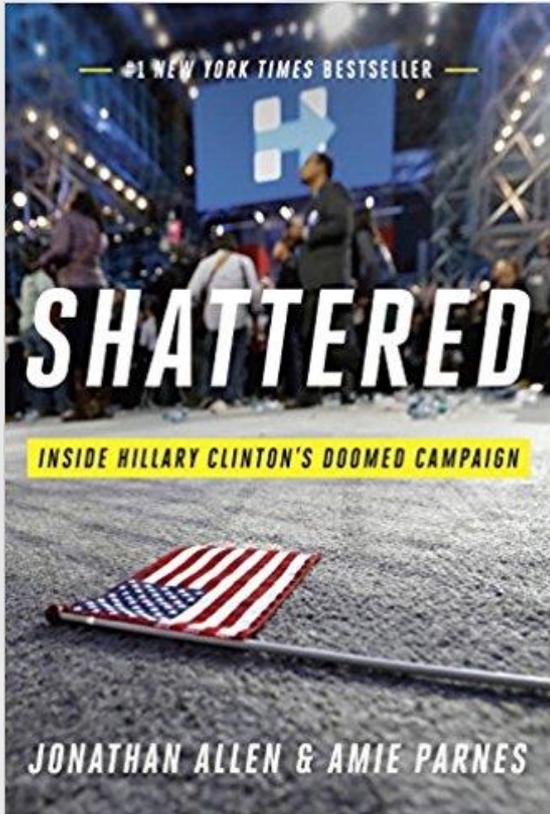
@iveyleadership

Why Focus on Leader Character?



The 10th anniversary of the global financial crisis for which character deficits were a significant contributor.

Why Focus on Leader Character?



#MeToo

There are constant reminders of the costs of character deficits.



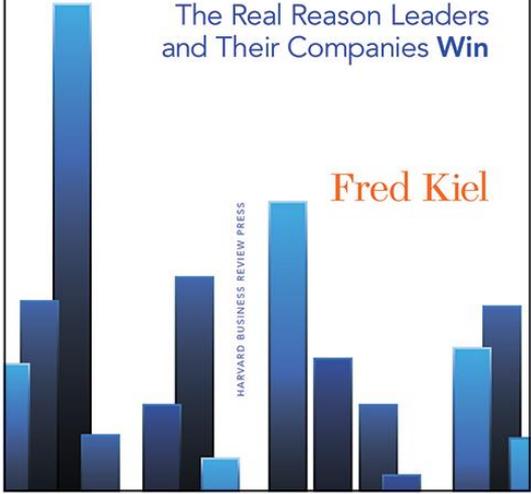
Why Focus on Leader Character?

Return On Character

The Real Reason Leaders
and Their Companies **Win**

Fred Kiel

HARVARD BUSINESS REVIEW PRESS



There is mounting evidence that character makes a difference to individual and organizational outcomes.

#1 New York Times bestselling author of
The Social Animal

The Road to Character



DAVID
BROOKS

Why Focus on Leader Character?



There is a growing belief that leaders can develop character in themselves, others and their organizations.

Five messages

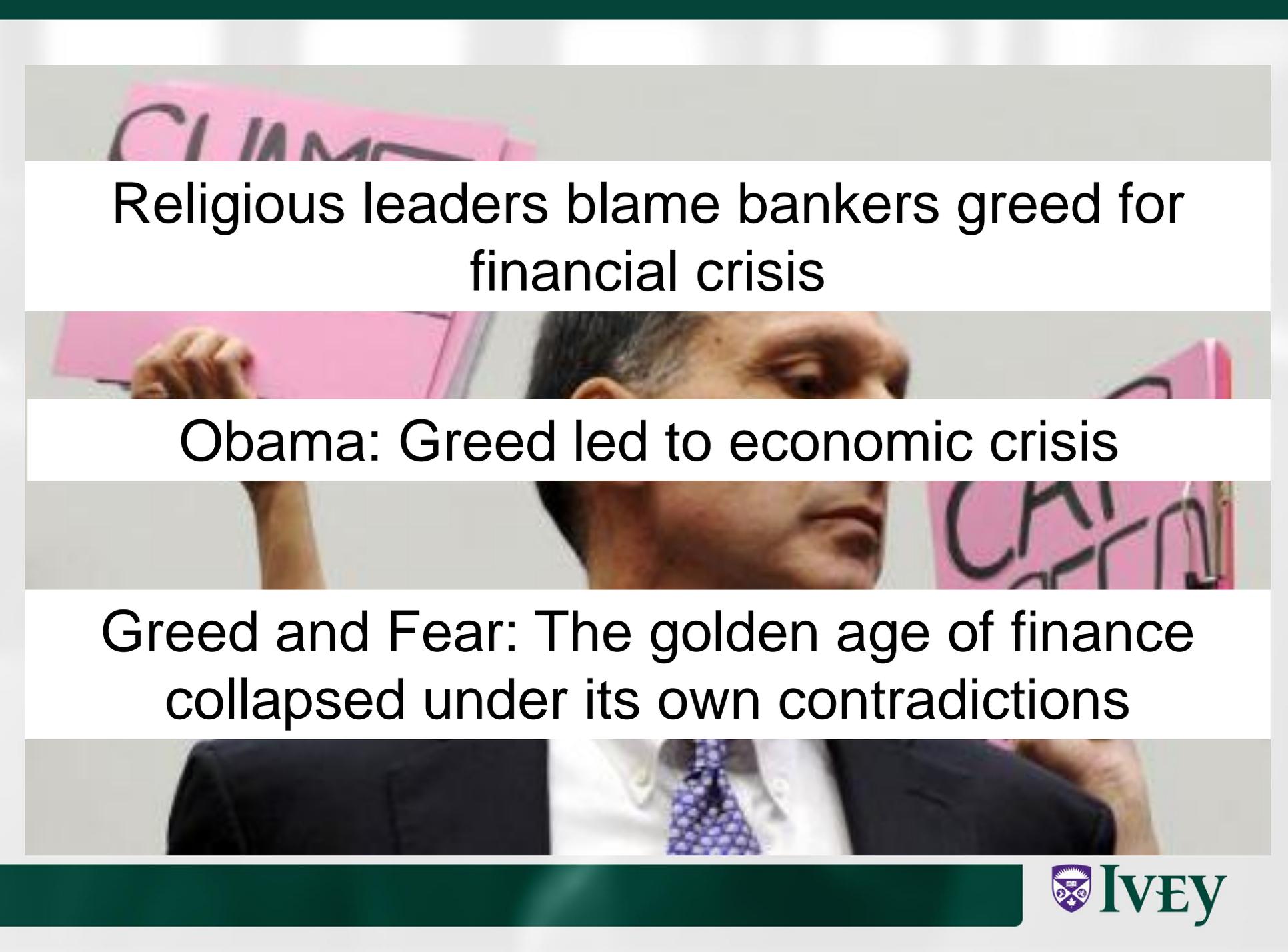
- The 3 Cs of leadership (competencies, character, commitment)
- What is character? Why is it important?
- Character can be defined, assessed and developed
- Character matters hence ... elevate it alongside competencies!
- Ways in which leaders can apply leader character in organizations

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Richard Ivey School of Business,
The University of Western Ontario

LEADERSHIP ON TRIAL

*A Manifesto for
Leadership Development*





Religious leaders blame bankers greed for financial crisis

Obama: Greed led to economic crisis

Greed and Fear: The golden age of finance collapsed under its own contradictions



Worldwide financial crisis largely
bypasses Canada

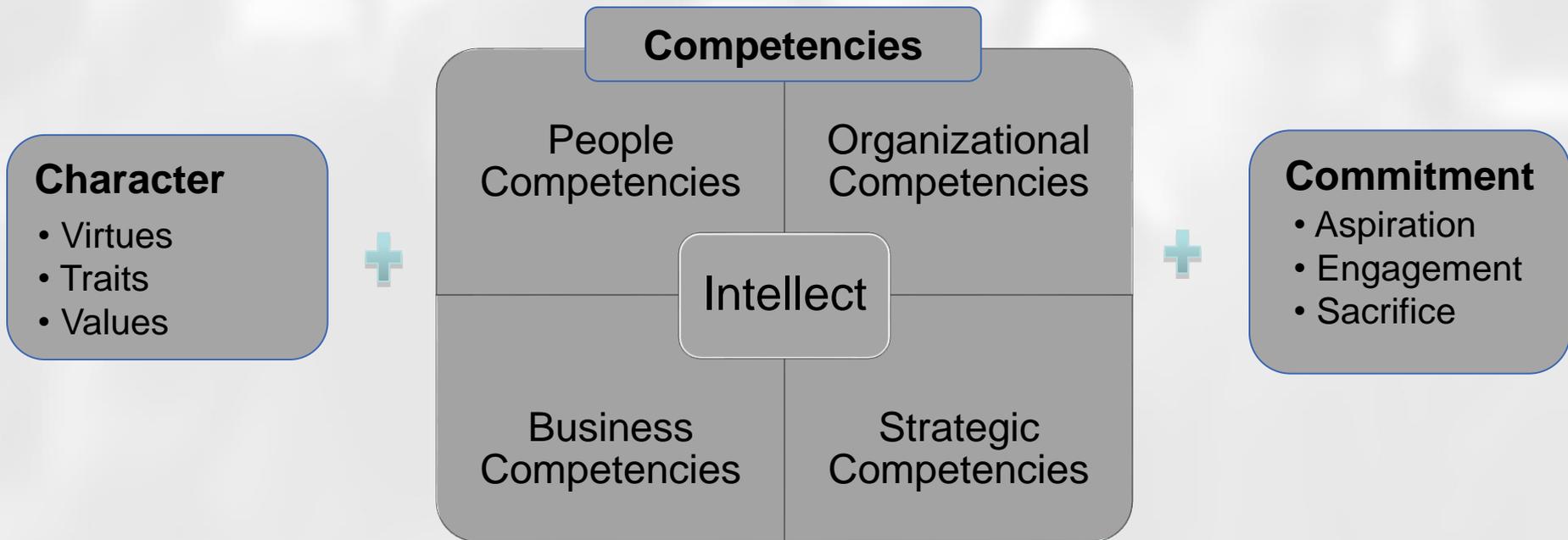
Prudent, perhaps, but the Canadian
model pays off

IMF: Canada banks avoid global
banking crisis thanks to regulation

Among the many questions we asked

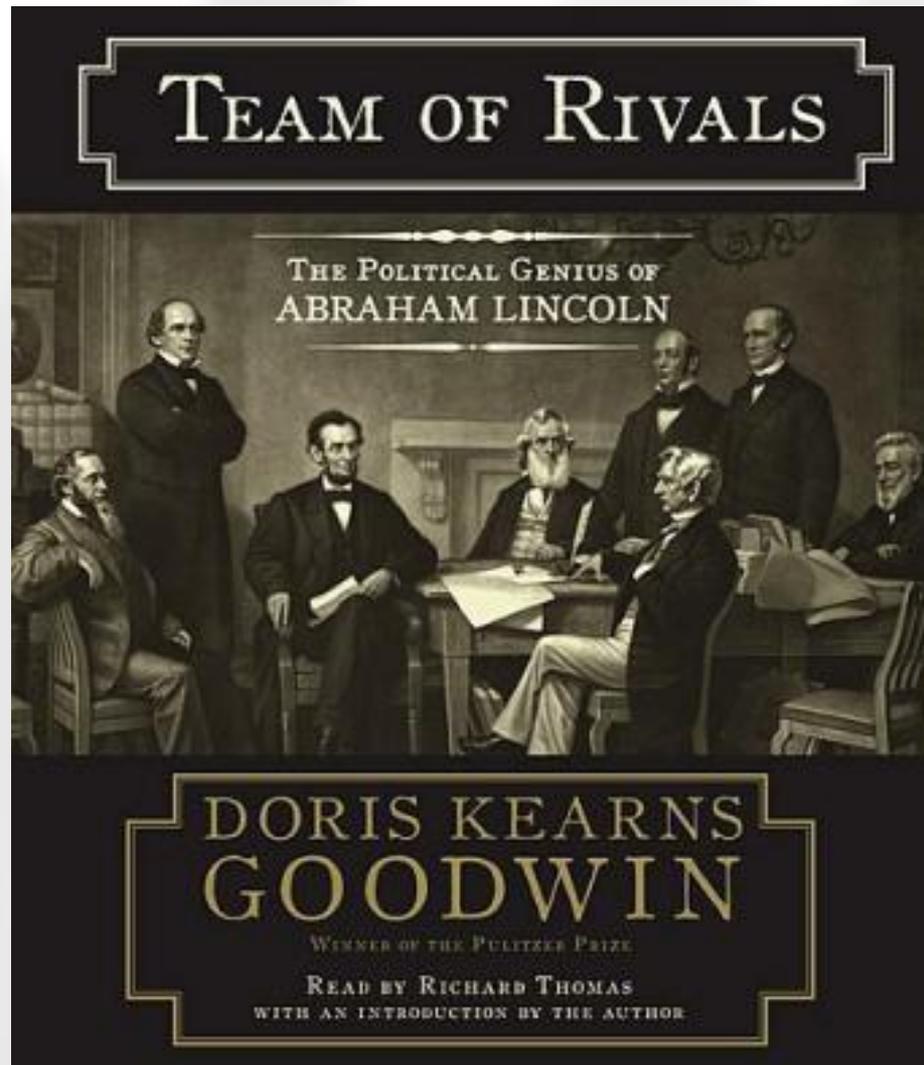
- What went wrong with leadership that contributed to the 2008 – 2009 financial crisis? Could good leadership have made a difference? Or ... was the crisis an act of Mother Nature?
- What do we know about good leadership? What did we – scholars, educators, leaders – miss about the formulation of good leadership?
- What can we learn from those organizations and leaders who anticipated the crisis and avoided it or who coped well throughout?
- What do organizations need to do differently to reduce the likelihood of these kinds of events from happening again?

The Effective Leader

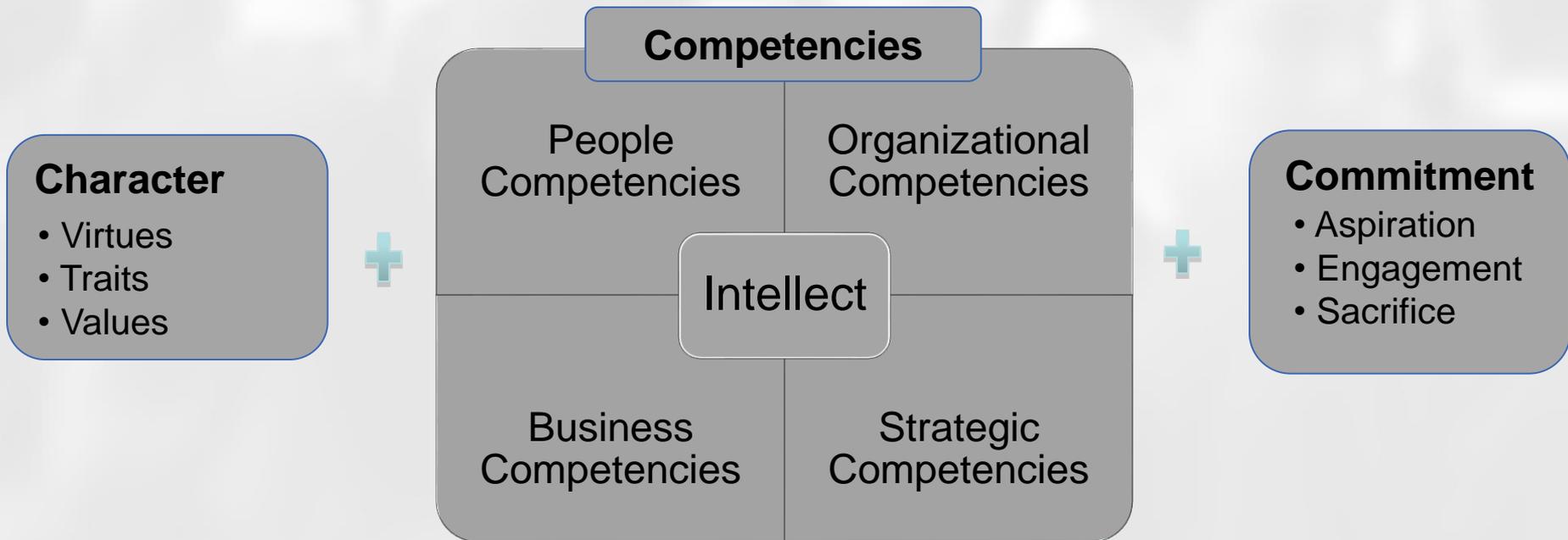


If any of these three pillars are deficient, the shortfall will undermine the other pillars and, ultimately, lead to performance problems for leaders, organizations and related stakeholders.

Competencies



The Effective Leader

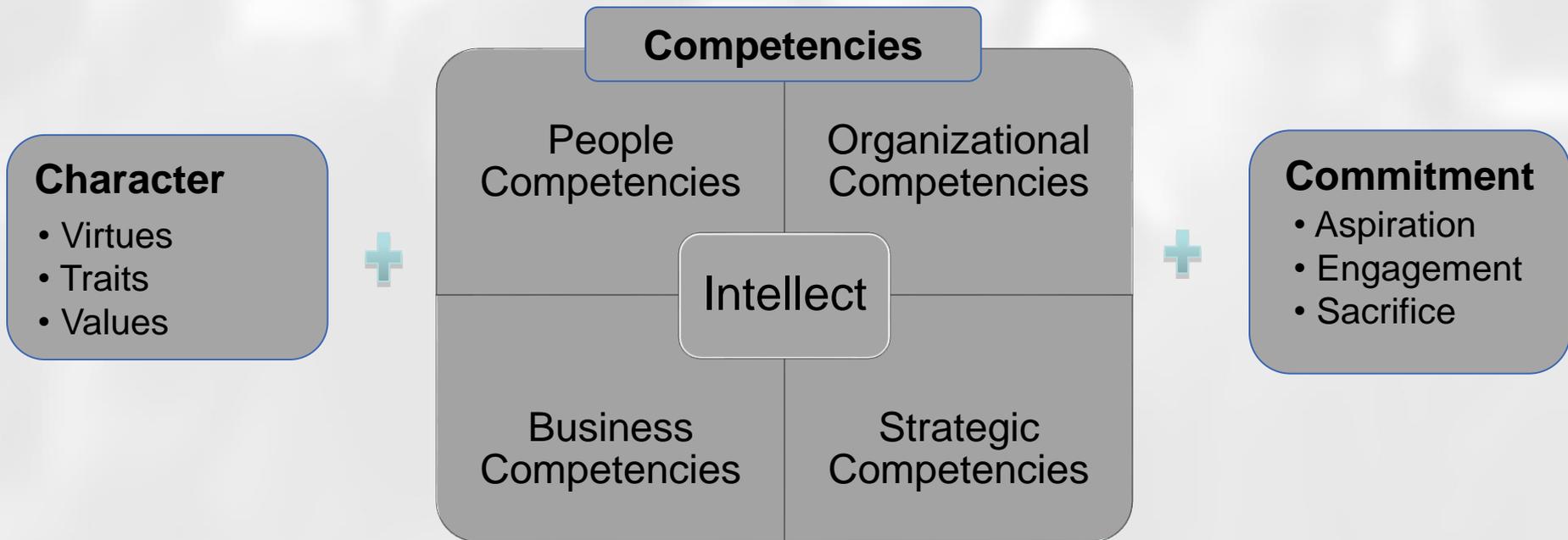


If any of these three pillars are deficient, the shortfall will undermine the other pillars and, ultimately, lead to performance problems for leaders, organizations and related stakeholders.

Commitment



The Effective Leader



If any of these three pillars are deficient, the shortfall will undermine the other pillars and, ultimately, lead to performance problems for leaders, organizations and related stakeholders.



Character has traditionally received the least attention – both in research as well as in our day-to-day practices and conversations. Yet, when we think about both the famous and infamous leaders of recent times, it's impossible not to think of their character.



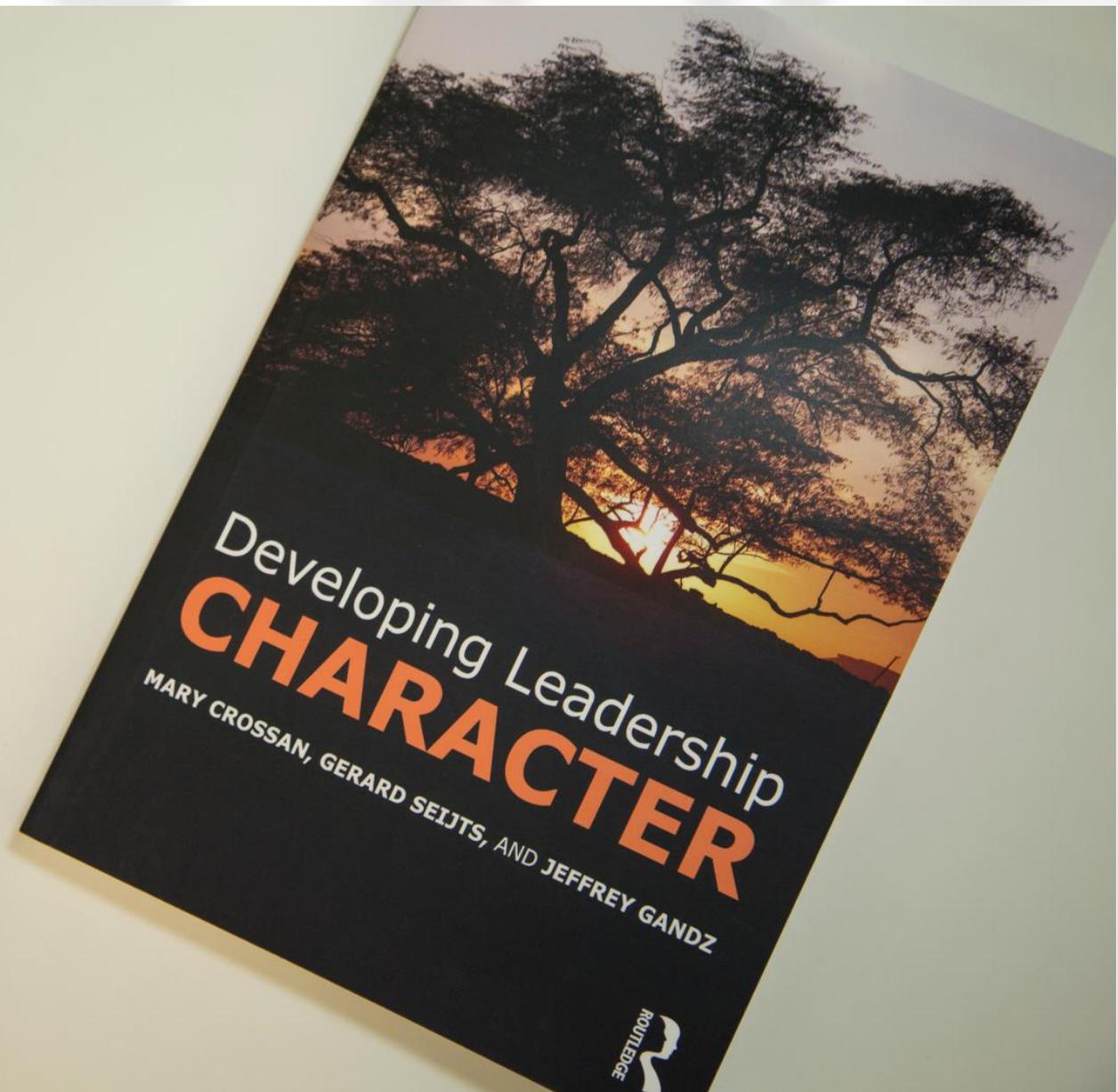
The challenge with leader character

Why haven't we emphasize leader character in organizations to the same extent as competencies?

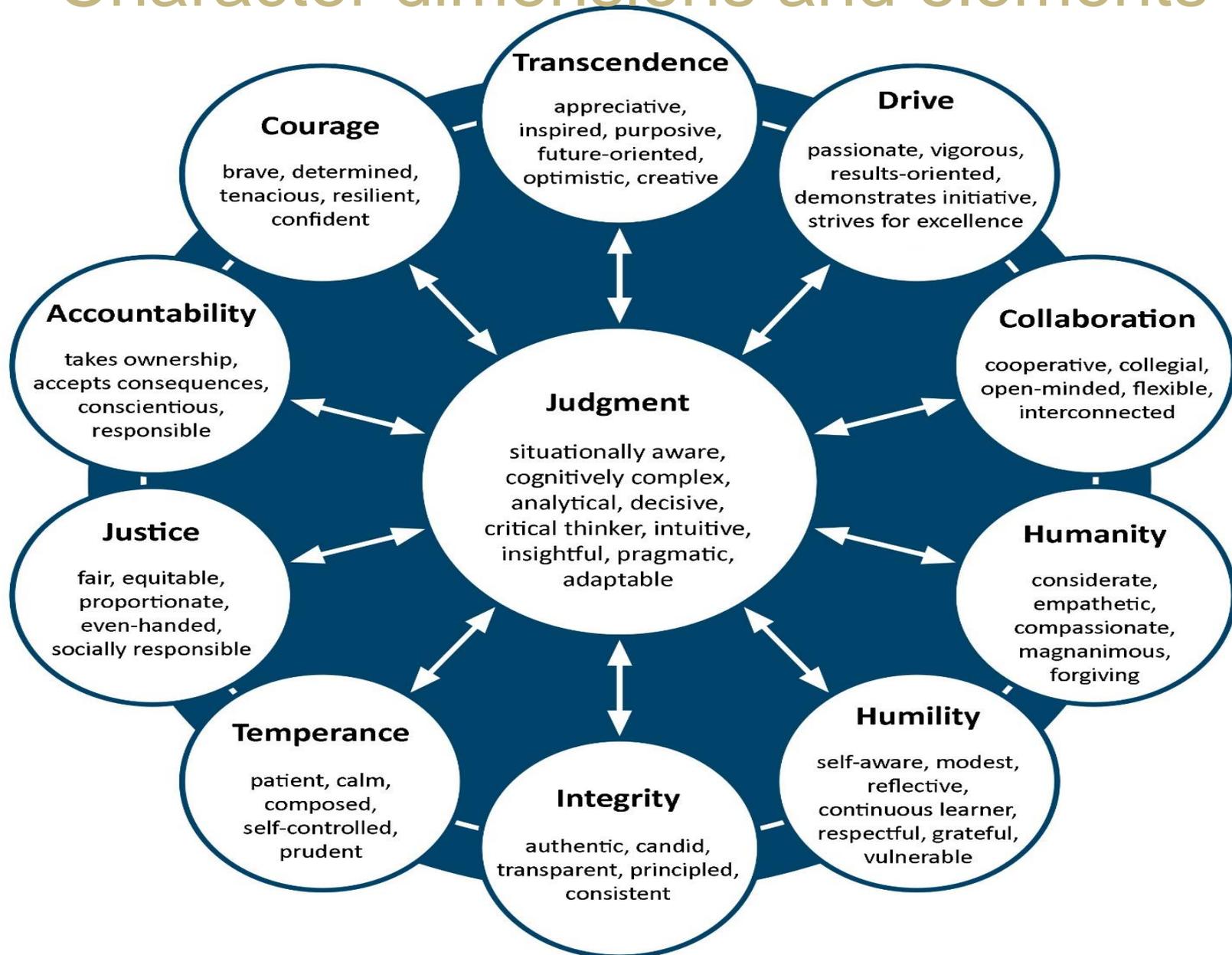
- There is a great deal of ambiguity about what is meant by the word character
- Leaders need a contemporary, practice-focused vocabulary with which to address character in the workplace
- Few reliable and valid instruments are available for the systematic assessment of character

So ... where did that leave us?

- Conducted countless focus groups with executives, directors and practitioners from the public, private and not-for-profit sectors in North America, Europe and Asia
- Distributed surveys in multiple organizations to collect data
- Partnered with the Institute of Corporate Directors to understand leader character in board governance and to test our ideas
- Focus on character development in both degree and executive programs at Ivey and other business schools
- Worked with organizations to develop leader character in individuals and to build and strengthen character-infused cultures
- Exposed our conclusions to peer review (academic journals) and practitioner scrutiny (articles, conferences, programs)



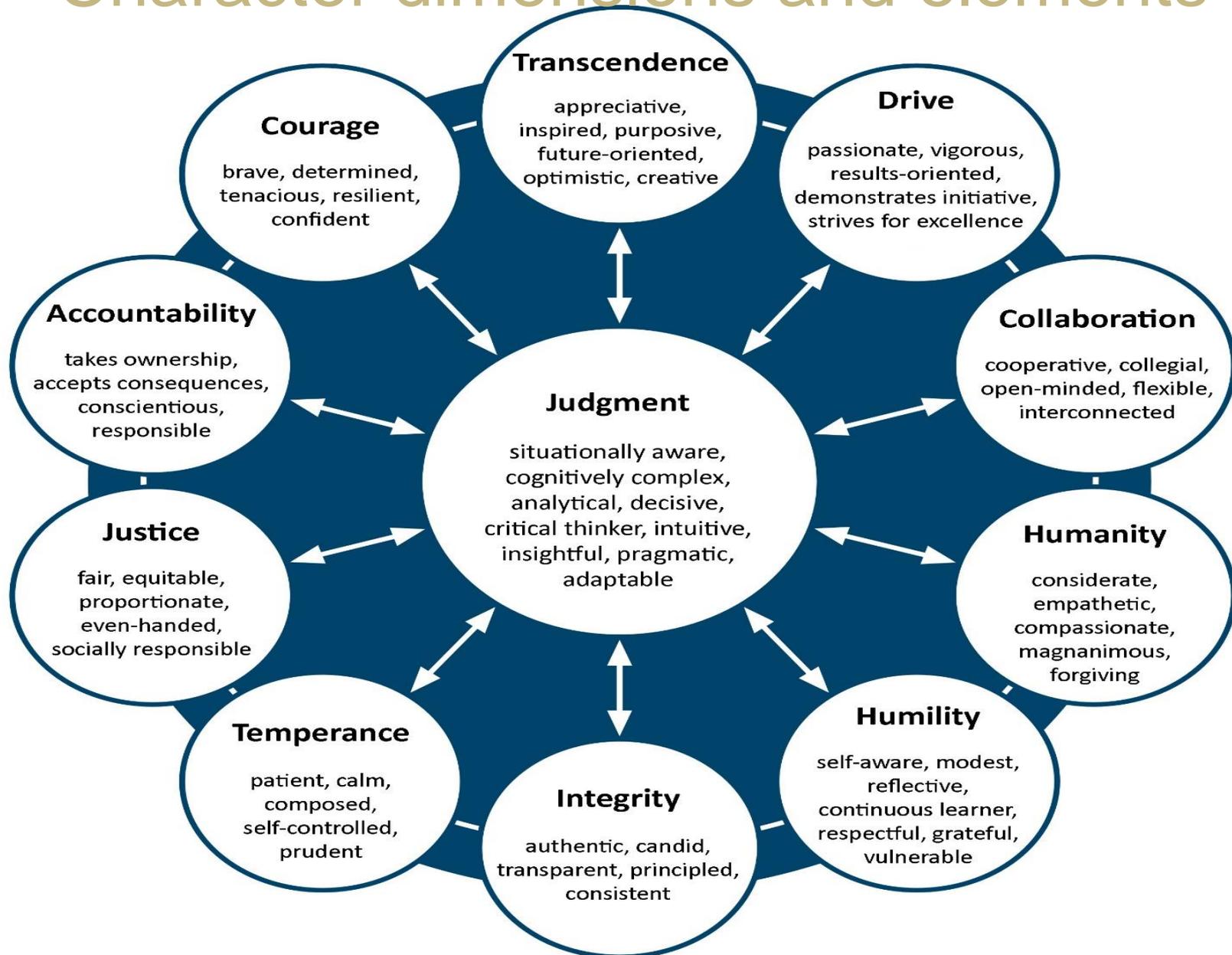
Character dimensions and elements



Examples of dimensions and elements

Dimension	Element	Item
Temperance	Self-control	Controls strong emotions like anger or disappointment, especially in difficult situations.
Humility	Continuous learner	Takes advantage of any opportunity to learn from someone else.
Drive	Demonstrates initiative	Recognizes the need for, and takes prompt action, without being asked to do so.

Character dimensions and elements



Keep in mind ...

- Character is a habit of being (a set of observable behaviors) anchored in a set of virtues, values and personality traits
- Each dimension is composed of several elements; and the elements affect the strength of the particular dimension.
- The character dimensions are "non-negotiable" and interconnected – they work together ... otherwise virtues may become vices.
- Our challenge is to master the elements, dimensions to achieve personal effectiveness.

Director views (1 = strongly disagree, 5 = strongly agree)

The character of the CEO has a tremendous impact on the effectiveness of a board	4.48 (0.73)
A critical role of the board is to assess and evaluate the character of the CEO and the C-level executive team	4.43 (0.81)
Boards (or their selection committees) spend sufficient time assessing a potential director's character before asking them to join a board	2.35 (1.09)
Early workplace experiences have a substantial impact on character formation	4.01 (0.85)
The educational system does a good job of developing character	2.26 (0.86)
Business schools need to address character issues more than they do	4.36 (0.73)

Character - its relationship to performance

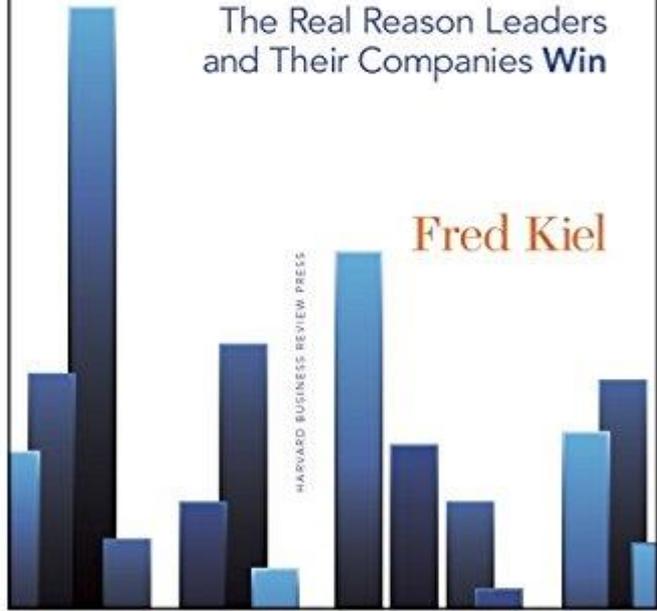
- Individual
 - Executive performance
 - Well-being
 - Promotability, derailment
- Team
 - Team processes and subsequent team performance
- Organizational
 - Customer retention
 - Innovation
 - Voluntary turnover
 - Profit margin

Return On Character

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- CEOs who scored high on four aspects of character – integrity, responsibility, forgiveness and compassion – had an average return on assets (ROA) of 9.35% over a two-year period. In contrast, CEOs with low ratings had a ROA of 1.93%.

The impact of character (examples)

Dimension	Present	Absent
Courage	<ul style="list-style-type: none">- Decisions are made in spite of uncertainty- There is opposition to bad decisions	<ul style="list-style-type: none">- There is agreement with poor decisions- Moral muteness prevails, groupthink
Collaboration	<ul style="list-style-type: none">- There is diversity in teams that contributes to innovation, understanding, and appreciation for others' ideas	<ul style="list-style-type: none">- Lack of information sharing leads to poor understanding of decisions, resulting in friction and conflict in teams
Humility	<ul style="list-style-type: none">- There is a willingness to identify and discuss mistakes- The organization supports continuous learning	<ul style="list-style-type: none">- Interactions are ruled by arrogance and overconfidence – hubris results- Problems and projects are approached with complacency

Can character be developed?

Can character be developed?



Princess Leia in Star Wars



Frodo Baggins in Lord of the Rings

- Character can change for the better or worse
- Character is developed incrementally
- Range of different approaches (e.g., education; reading; workshops; simulations including role plays; or experiences)

The individual's role in character development

- People have the potential to constantly learn, modify, adapt and experiment as they make their way in life
 - Reflect
 - Who am I? What are my character strengths and deficiencies today?
 - Who am I becoming? What is my character today, and what is it likely to be tomorrow if I carry on with the way I'm doing things now?
 - What do I want to be? What is it about my character that I'd like to change that would bring me satisfaction and success in all facets of my life?
 - What am I going to do to become what I want to be? What actions will I take, by when, to make my character complete?
 - Stretch, goal-setting
 - Course-correct, seek feedback

The leader's role in character development

- Hire and promote for character
 - Every job opening is an opportunity to reinforce the importance of character
 - Be explicit about search criteria and include the character dimensions along with competencies
 - Develop the kind of behaviorally based interviewing skills that can expose character strengths and deficiencies requiring training
 - Conduct deep and wide reference checking

The leader's role in character development

- Model behaviors
 - Any character associated behaviors expressed or enacted by leaders are perceived by others – especially those at early stages of their leadership development – as the behaviors that are valued in the organization
 - Guide senior leaders to model the requisite character-related behaviors

The leader's role in character development

- Personal coaching and engagement
 - Personally coach individuals when they encounter teachable moments – the positives and the developmental opportunities
 - Incorporate the character dimensions used in recruiting into performance management programs
 - Take every opportunity to refer to character when making crucial decisions

Sustained excellence: Character in action



Conclusion

- Remember the 3 Cs of leadership.
- Leader character matters! Hence elevate character alongside competencies.
- Character is observed and revealed in behaviors.
- Character can be defined, assessed and developed.
- Consider the implications for you and the organization. There are multiple ways in which character can be applied in organizations.



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"A wonderful book... Carter is an infectious reporter and gifted storyteller... 'hearting'"

—Bill Kelly, *The New York Times Book Review*

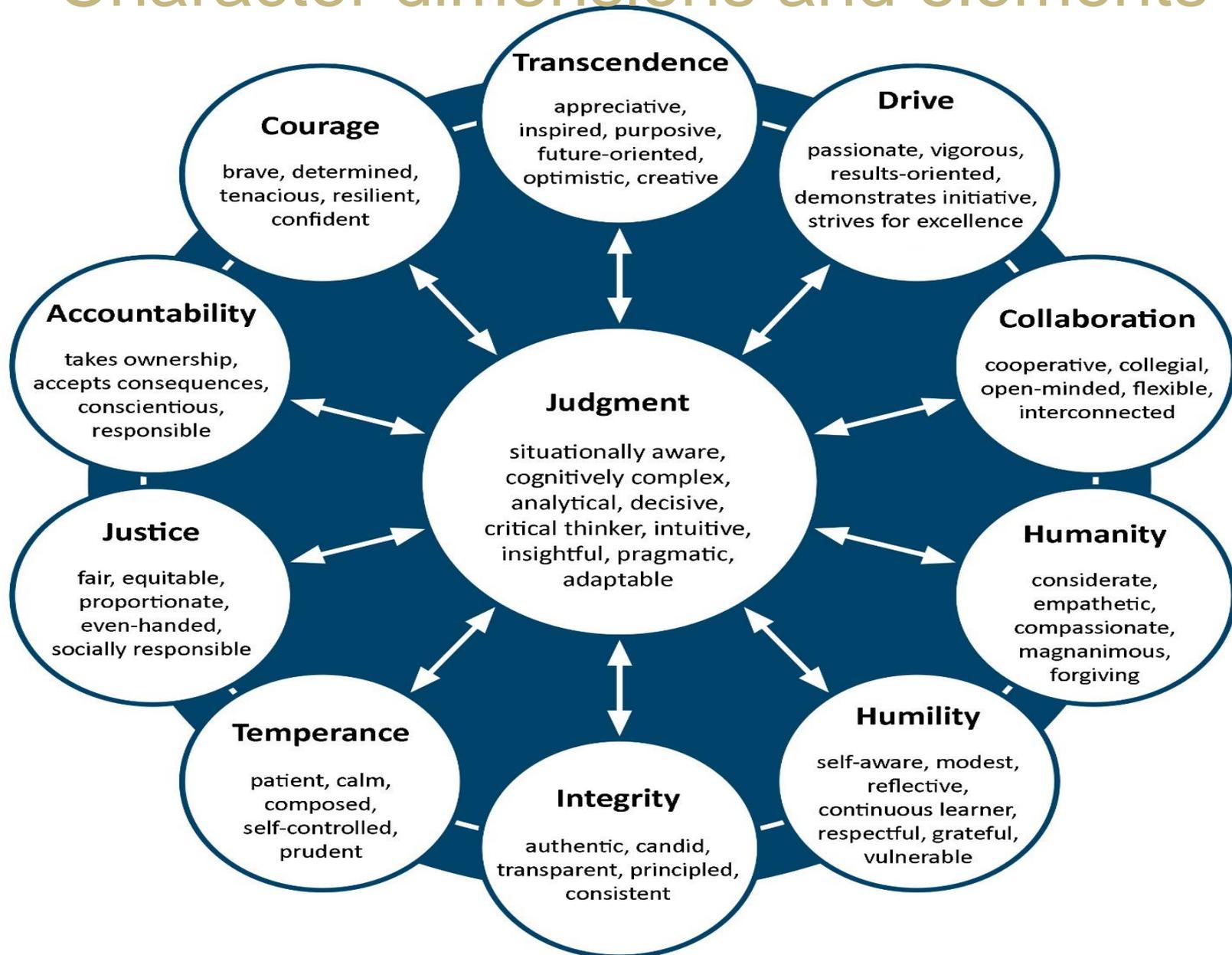


PLAYING THE ENEMY

NELSON MANDELA AND THE
GAME THAT MADE A NATION

JOHN CARLIN

Character dimensions and elements



Three observations

- What is perhaps most unique about Mandela's character is that he exhibited many different dimensions of character that are not as evident in other leaders such as Transcendence, Humanity and Humility. These dimensions have often been viewed as soft and a sign of weakness by many, but we see in Mandela the strength they bring.
- We scrutinized two leaders ... however, the people that we work for, or that we lead, make attributions about our competencies, character and level of commitment to the leadership role.
- The possibilities to develop and exercise character reside in everyday opportunities.

Personal reflection

- What are your key insights from the leader character framework?
 - What are your strengths?
 - Where do you see the greatest challenge / opportunity in your leader character development?
- Character is a habit of being: What will you do to change your habit and further develop dimensions of your leader character?
- Identify three commitments you will make over the coming month to advance your leader character development and hence your functioning in the team