

lan O. Ihnatowycz Institute for Leadership

CHARACTER MATTERS:

Character-based leadership and its influence on how we think and lead.

By Kimberley Milani kymilani@ivey.ca





AGENDA

- Explore the 3 Cs leadership framework: competency, commitment, character.
- Define the meaning of leadership character, including what it is and why it is important and how it impacts how we think and make decisions.
- Show how character can be defined, assessed and developed in individuals.

WHO WE ARE



VISION

We aspire to have a deep impact on individuals, organizations and societies through the creation and application of new knowledge on leader character.

We aim to:

- Be recognized by researchers and practitioners as a globally leading Institute for research, teaching and outreach regarding the awareness, assessment and development of leader character.
- Elevate the importance of character alongside competence in the practice of leadership.
- Develop global citizens who have strength of character, strive to make a difference, and contribute to the flourishing of teams, organizations, communities, and societies.

2008-2009 FINANCIAL CRISIS

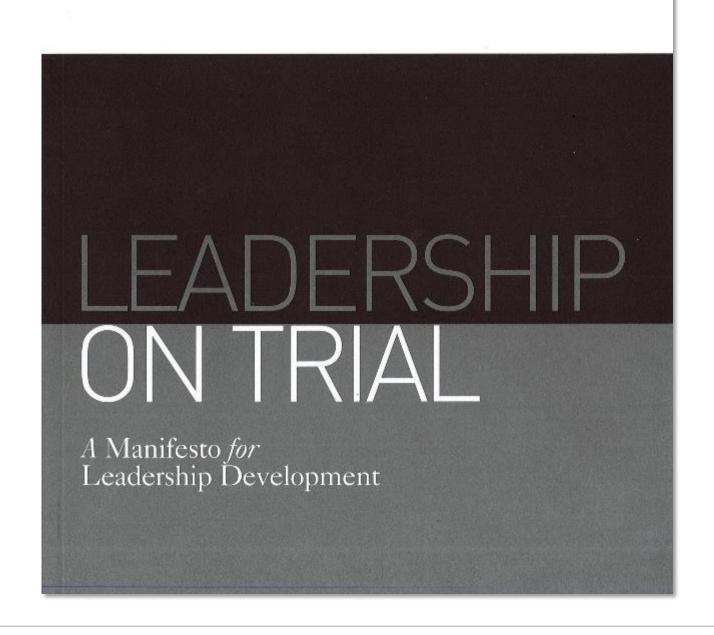


- What went wrong with leadership that contributed to the 2008 – 2009 financial crisis?
- Could good leadership have made a difference?
- What do we know about good leadership? What did we – scholars, educators, leaders – miss about the formulation of good leadership?
- What can we learn from those organizations 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?

LESSONS FROM 2008 ELEVATE CHARACTER ALONGSIDE COMPETENCIES

Jeffrey Gandz, Mary Crossan, Gerard Seijts *and* Carol Stephenson with research assistance from Daina Mazutis

Richard Ivey School of Business, The University of Western Ontario



- Focus Groups with 350 Leaders
- Canada, US, Europe, Asia

Key Insights

- 1. Character heavily implicated
- 2. Need to understand what character is, how it can be identified, developed and embedded in organizations.
- 3. Elevate character alongside competence in higher education and organizations

WHAT WAS DISCOVERED

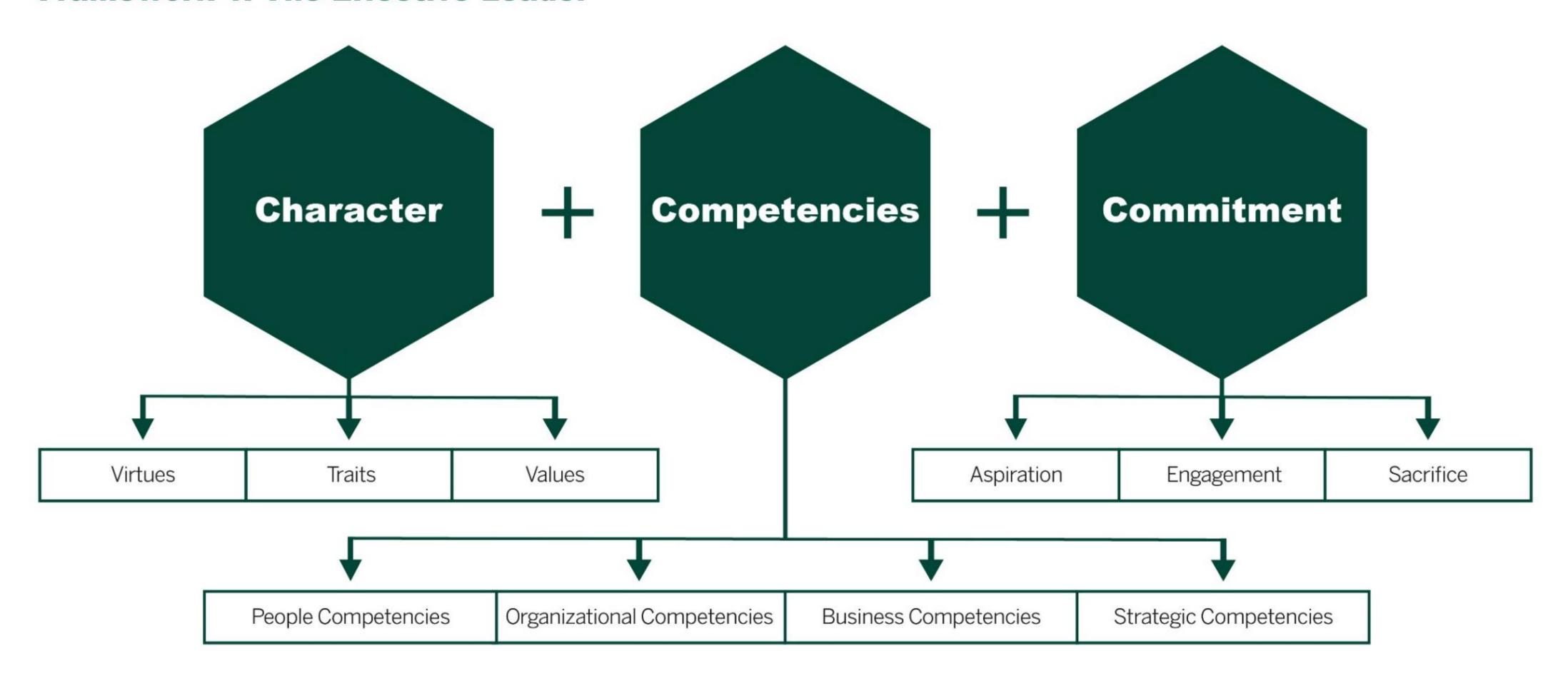
Competencies Count

Character Matters

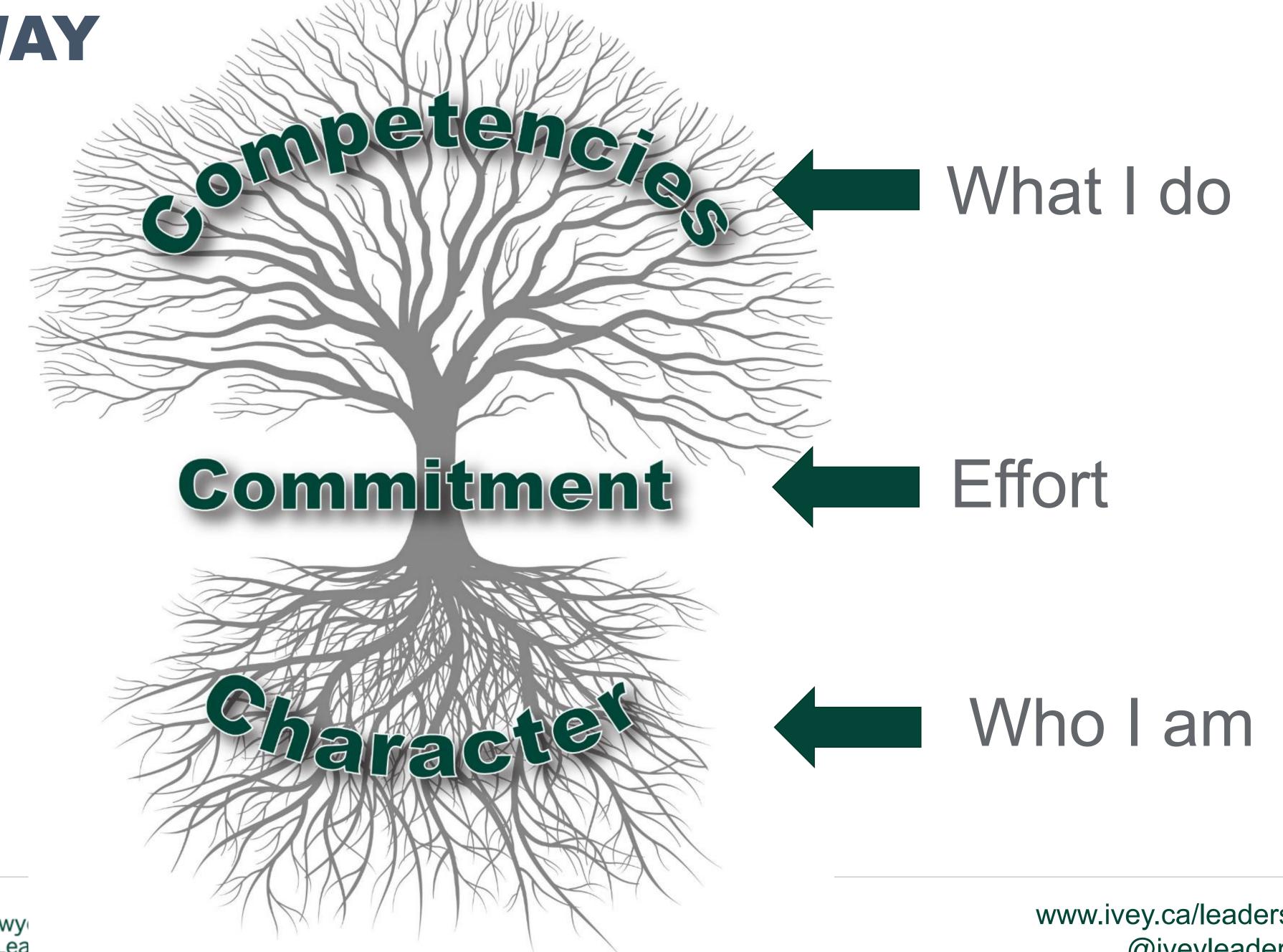
Commitment to the role of leadership is critical

3Cs FRAMEWORK

Framework 1: The Effective Leader



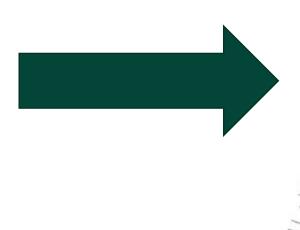
ANOTHER WAY TO LOOK AT IT....





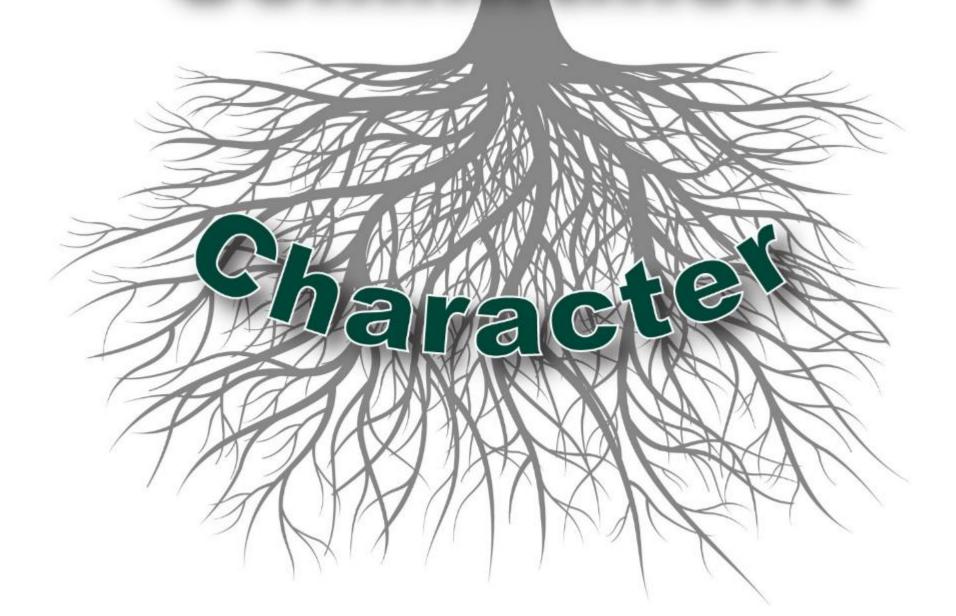
WHY FOCUS ON LEADER CHARACTER AND WHAT DOES IT HAVE TO DO WITH CRITICAL THINKING?







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WHEN IT COMES TO LEADERSHIP WHO YOU ARE MATTERS!

IF IT MATTERS SO MUCH... THE CHALLENGE WITH LEADER CHARACTER

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

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



RESEARCH TO PRACTICE

In Search of Virtue: The Role of Virtues,

Values and Cha

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Mary Crossan, Develop

ESW 0167-65W Volume 115 Number 6

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is to encourage and e. illding on a model of c lectsion making, we deil, group, and organizat t have focused on teacl educators can enable lattonshtps, and structu legrate a focus on char of individual courses nent of leadership char "it takes a village" to c

Leadership Cl By paying more a

BY JEFFREY GANDZ, MARY CROSS wey Business School at Western Ur

improve the qua

assessing CBOs, other or board members, the most boards to consider are compe character. This article focuses these criteria to assess - leade suggests the key dimensions

Competencies, Commitment Corporate directors look - or three things in the C-suite lev assess and occasionally have t commitment and character (

Competencies matter. They defi capable of doing; in our asses for intellect as well as organiz and strategic competencies. C reflects the extent to which in hard work of leadership, how role, and how prepared they a necessary to succeed. But also It determines how leaders per contexts in which they operat how they use the competencie the decisions they make, and implemented and evaluated

Science journal homepage: www.e

Character matters: Charac impact on leader performa

rganizational Dynamics (2015) 44, 65-74

Gerard Seijts*, Jeffrey Gandz, Mary C

Ivey Business School, Western University, 1255 Western Road Lon

INTRODUCTION

In a recent commencement address at the Nev Business School, Domenic Barton, the head of McKinsey & Co.'s global consulting practice, said: "When we think about leadership we focus too much on what leaders do . . . and we don't spend enough time on who leaders are — the character of leaders. Similarly, in a speech to Ivey students, Mark Carney, Governor of the Bank of England, said that "... to restore trust in banks and in the broader financial system, global financial institutions need to rediscover their values ... Employees need a sense of broader purpose, grounded in strong connections to their clients and their communities." Few among the hundreds of C-suite leaders and board directors with whom we have discussed this topic in focus groups sessions, conferences, and executive development programs over the last five years, would disagree with them.

While leaders readily agree that "character matters," they also report that they seldom refer to it, talk about it, or use it in recruiting, selecting, promoting or developing leaders . . . although it does surface more often when it comes to firing them! Based on our research, we attribute the gap between the perceived importance and the actual use of character to three things. First, there is a great deal of ambiguity about what is meant by the word character, which of its dimensions are most important in organizational leadership, how character can be assessed, and what can be done to develop character in today's and tomorrow's leaders. Second, leaders tell us that what they need is a

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Embedding leader charac practices to achieve susta

Gerard Seijts, Mary Crossan, Erica Ci

Good leadership is a function of competencies, character and the commitment to doing the hard work of leadership. Of these three, character has traditionally received the least attention - both in research as well as in our day-to-day conversations and practices — even though it has long been thought to be foundational to good leadership. For example, Fred Kiel and his colleagues found that 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%.

Character is a combination of virtues, personality traits and values that enable excellence. Virtues refer to situationally-appropriate behaviors that are widely seen as representative of good leadership. Virtues encompass personality traits such as resiliency and openness, two relatively stable dispositional variables. Virtues can also be seen in an individual's values, such as behaving equitably.

Research on character is currently bourgeoning and has begun to be incorporated in mainstream leadership research. This development is, in part, the result of recent crises and scandals in business, politics, and sports. For example, we conducted a qualitative study to understand the role of leadership in the lead-up to the 2008-2009 financial crisis. Questionable character was a recurring theme in our conversations with senior leaders from the public, private and not-for-profit sectors in Canada, Hong Kong, the United Kingdom, and the United States.

Character has been shown to affect both an individual's and an organization's performance. While our research revealed that senior leaders, including board members from public and private companies, believe that character is critical to good governance and organizational success it remains underdeveloped in the practice of management. Hence, two questions: What prevents executives, leaders and HR professionals from developing good character in

http://dx.doi.org/10.1016/j.orgdyn.2017.02.001 0090-2616/© 2017 Elsevier Inc. All rights reserved. **TOURNAL OF MANAGEMENT STUDIES**

Journal of Management Studies ••:•• 2017

Toward a Framework of Leader Characte in Organizations

Mary M. Crossan, Alyson Byrne, Gerard H. Mark Reno, Lucas Monzani and Jeffrey Gan Western University; Memorial University of Newfoundland; Western Unive Western University; Western University

ABSTRACT While the construct of character is well grounded in philosorecently psychology, it lags in acceptance and legitimacy within manmainstream practice. Our research seeks to remedy this through four offer a framework of leader character that provides rigor through a thr approach involving 1817 leaders, and relevance by using an engaged s to validate the framework with practicing leaders. This framework hig underpinnings of the leader character model and articulates the character elements that operate in concert to promote effective leadership. Secon character into mainstream management research, extending the tradition interpersonal focus on leadership to embrace the foundational compo-In doing this, we articulate how leader character complements and stre theories of leadership. Third, we extend the virtues-based approach to to the broader domain of judgement and decision making in support and organization effectiveness. Finally, we offer promising directions f leader character that will also serve the larger domain of leadership re

Keywords: character, effectiveness, leadership, sustained excellence

INTRODUCTION

The scholarly account of character dates back millennia and nature of 'good character' remain (Hackett and Wang, 2012). W made in moving beyond the debates as evidenced by the work of I (2004), and its recent incorporation into management research (e Hannah and Avolio, 2011a; Quick and Wright, 2011; So

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nternational

Character's Essential Role in Addressing Misconduct in **Financial Institutions**

Vol 18 No 3 pp 197-272 ISSN 1467 632X

William Furlong, Professor Mary Crossan, Professor Jeffrey Gandz and Larry Crossan

The General Data Protection Regulation: Achieving Compliance for EU and non-EU Companies

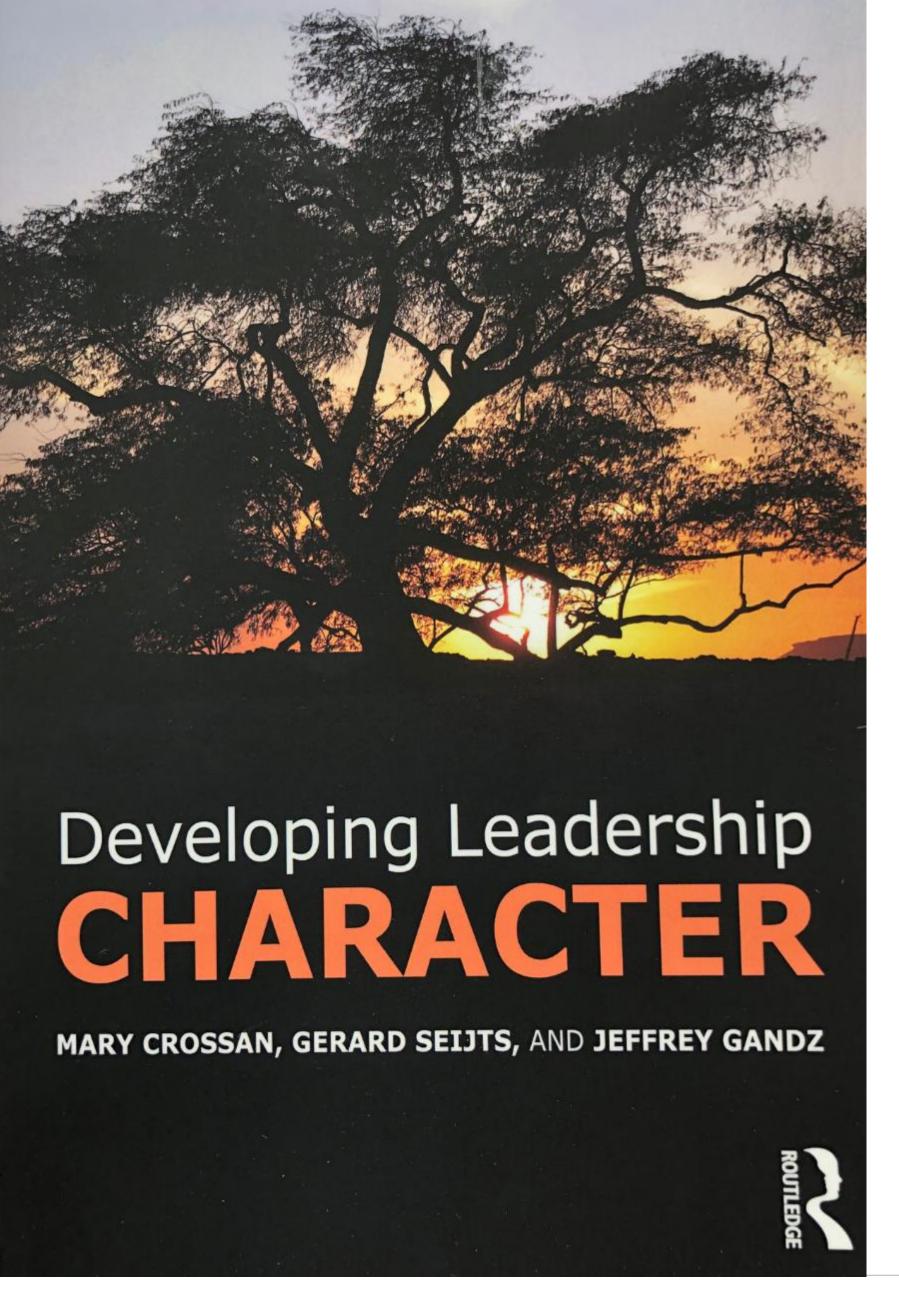
Ozan Karaduman

The Rise of the Sustainability Reporting Megatrend: A Corporate Governance Perspective Jerry K C Koh and Victoria Leong

In Pari Delicto and Ex Turpi Causa: The Defence of Illegality -Approaches Taken in England and Wales, Canada and the US Lincoln Caylor and Martin S Kenney



September 2017



RISING TO THE CHALLENGE

- 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
- Exposed our conclusions to peer review (academic journals) and practitioner scrutiny (articles, conferences, programs)





CHARACTER

"You keep using that word. I do not think it means what you think it means."

ModernServantLeader.com



DEFINING LEADER CHARACTER

- Being a leader is less about the position and more about the disposition to lead.
 - Having the disposition to lead is what allows professionals to rise above the fray and bring the best of themselves to their daily activities.
- Character is a "habit of being". Excellence of character is captured by a set of behaviors all of which are virtuous and some of which are traits or values.

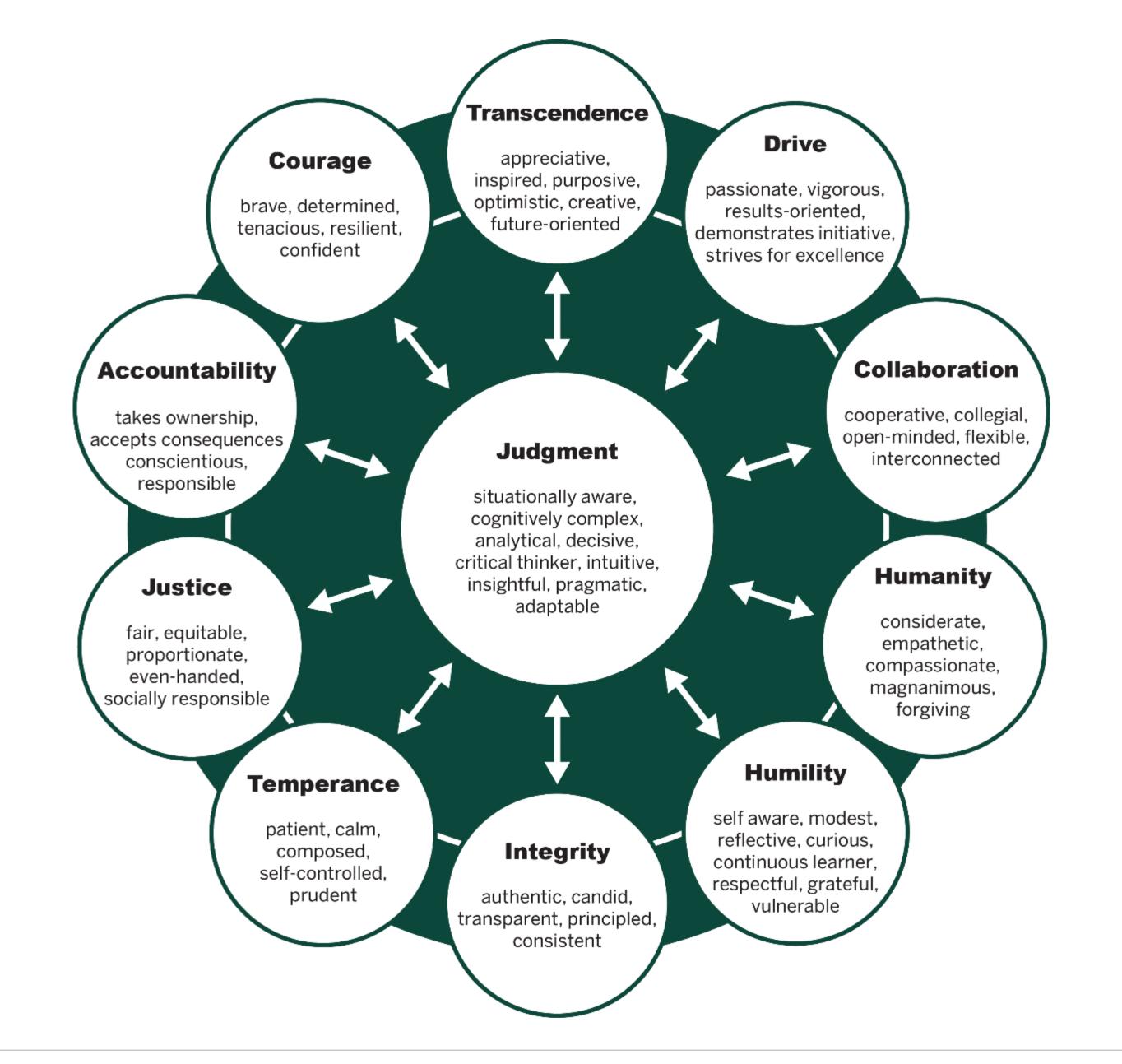
THE IVEY LEADERSHIP FRAMEWORK





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 character 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.
- Character is exercised through judgment; and the quality of judgment impacts individual and hence organizational performance.
- Our challenge is to master the elements, dimensions to achieve personal effectiveness.





EXAMPLES OF DIMENSIONS & ELEMENTS

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

THE IMPACT OF CHARACTER

Dimension	Present	Absent
Courage	- Decisions are made in spite of	- There is agreement with poor decisions
	uncertainty	- Moral muteness prevails
	- There is opposition to bad	
	decisions	
Transcendence	- Commitment to excellence; clarity & focus; inspiration motivates innovation	- Narrow goals & objectives; failure to acknowledge, appreciate, & strive for excellence; not inspired
Humility	 There is a willingness to identify and discuss mistakes The organization supports continuous learning 	 Interactions are ruled by arrogance and overconfidence Problems and projects are approached with complacency



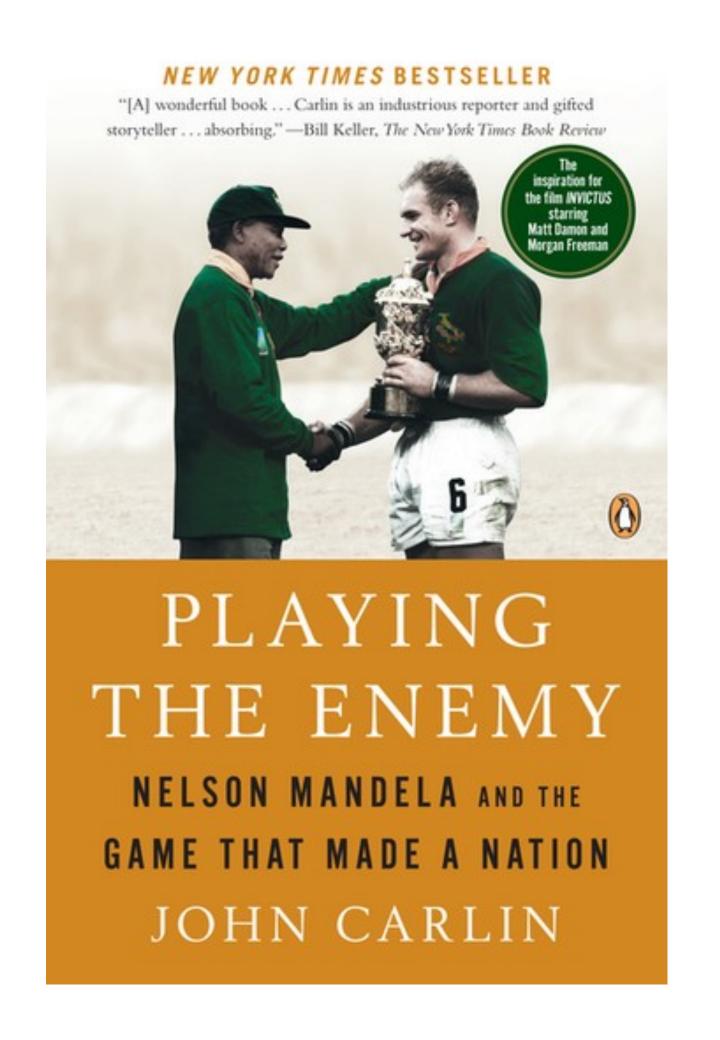
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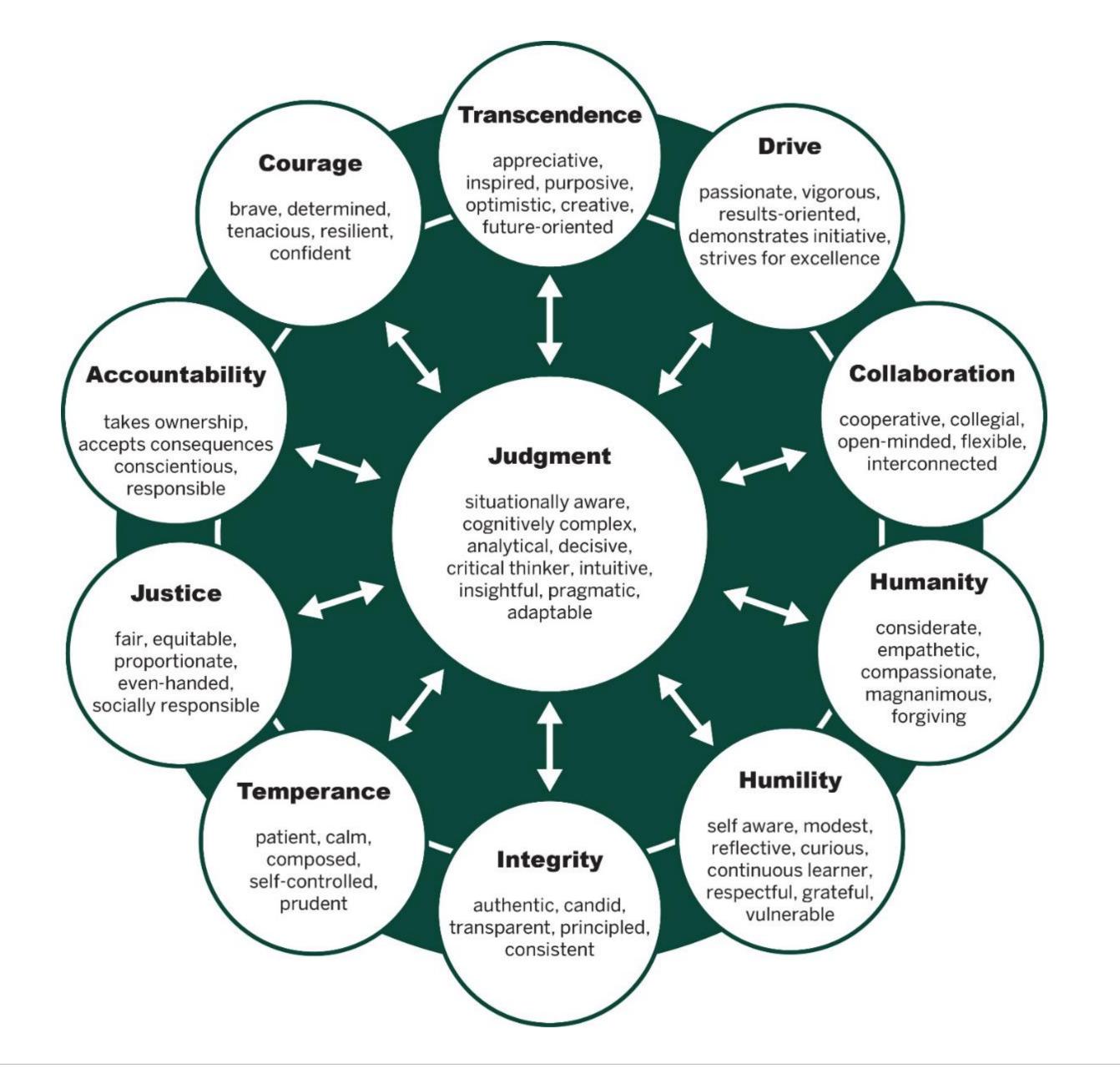
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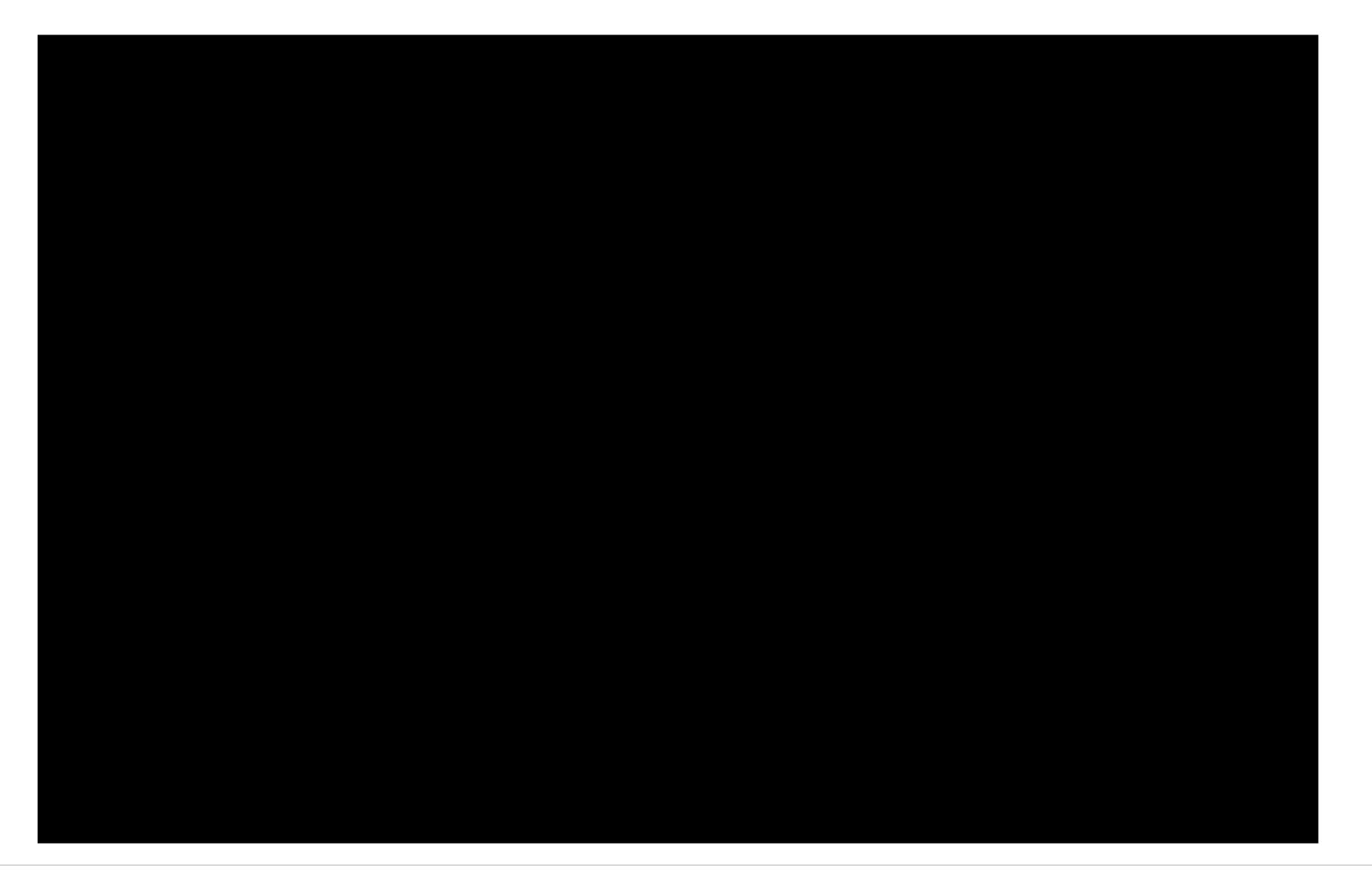


1 - MANDELA TAKING OFFICE





3 - SPORTS COMMISSION ASSEMBLY



4 - PIENAAR MEETS MANDELA





CAN CHARACTER BE DEVELOPED?

CAN CHARACTER BE DEVELOPED?



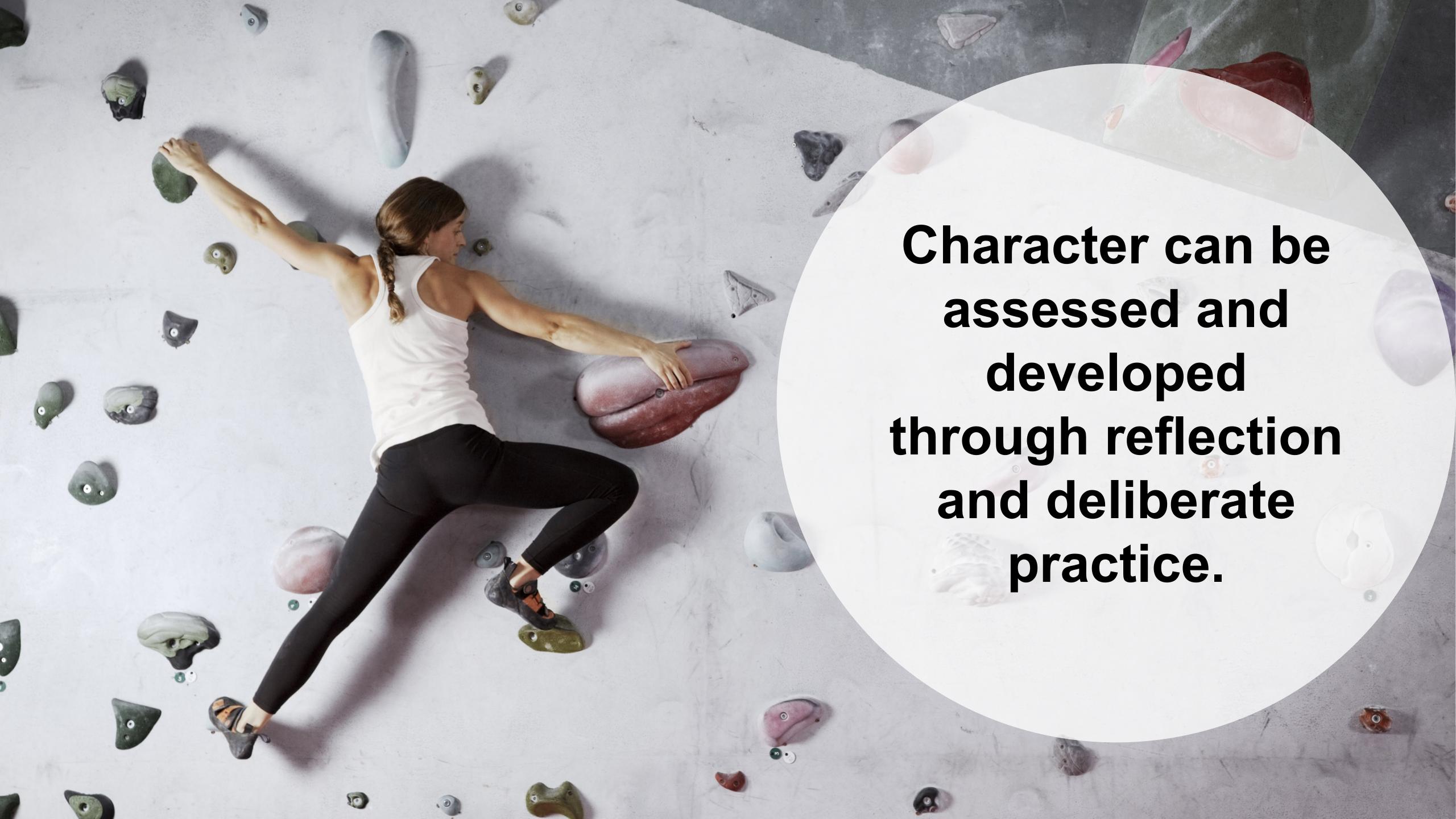


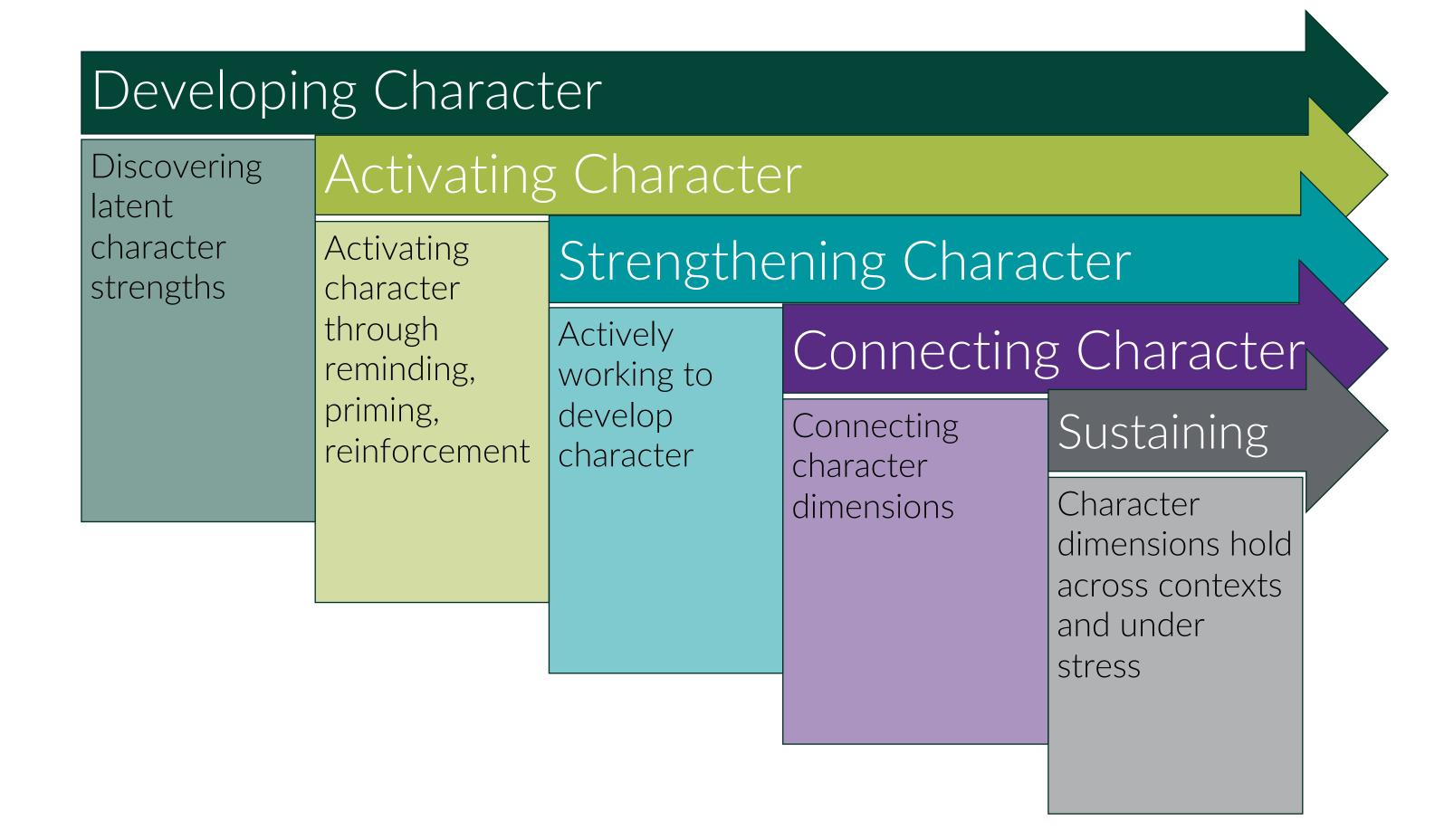


- Character can change for the better or worse
- Character is developed incrementally
- Range of different approaches e.g., education; reading; workshops; simulations including role plays; experiences; music

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 do I want to be?
 - What am I going to do to become what I want to be?
- Stretch, goal-setting
- Get data to course-correct, feedback especially on those experiences that really test character





Think about developing character along a continuum



THOUGHTS TO DESTINY

BE MINDFUL OF YOUR THOUGHTS, THEY BECOME WORDS.

BE MINDFUL OF YOUR WORDS, THEY BECOME ACTIONS.

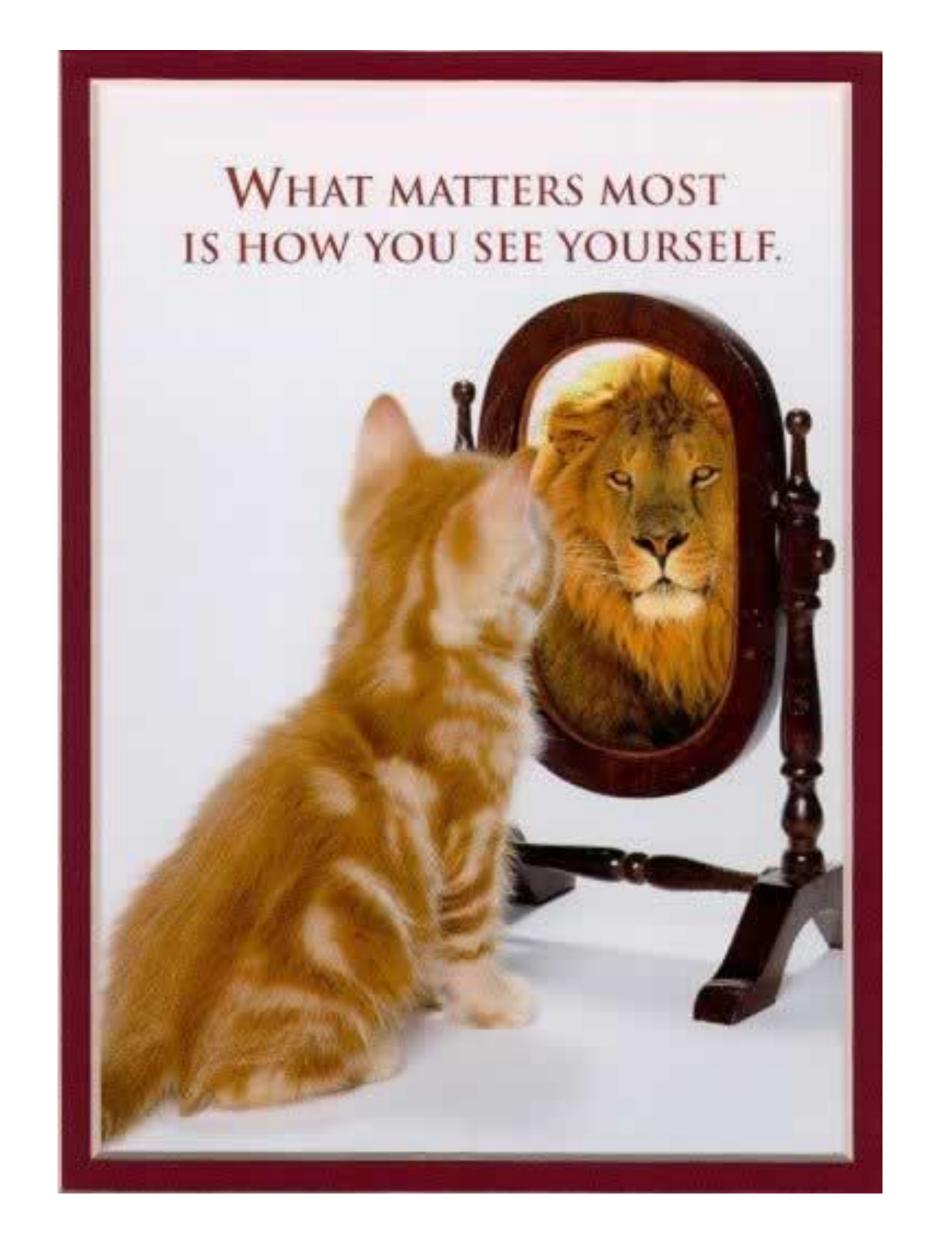
BE MINDFUL OF YOUR ACTIONS, THEY BECOME HABITS.

BE MINDFUL OF YOUR HABITS, THEY BECOME CHARACTER.

BE MINDFUL OF YOUR CHARACTER, IT BECOMES YOUR DESTINY.

Adapted Quote





"The root of leadership development is self-awareness."

Michael McCain



lan O. Ihnatowycz Institute for Leadership

HUMILITY



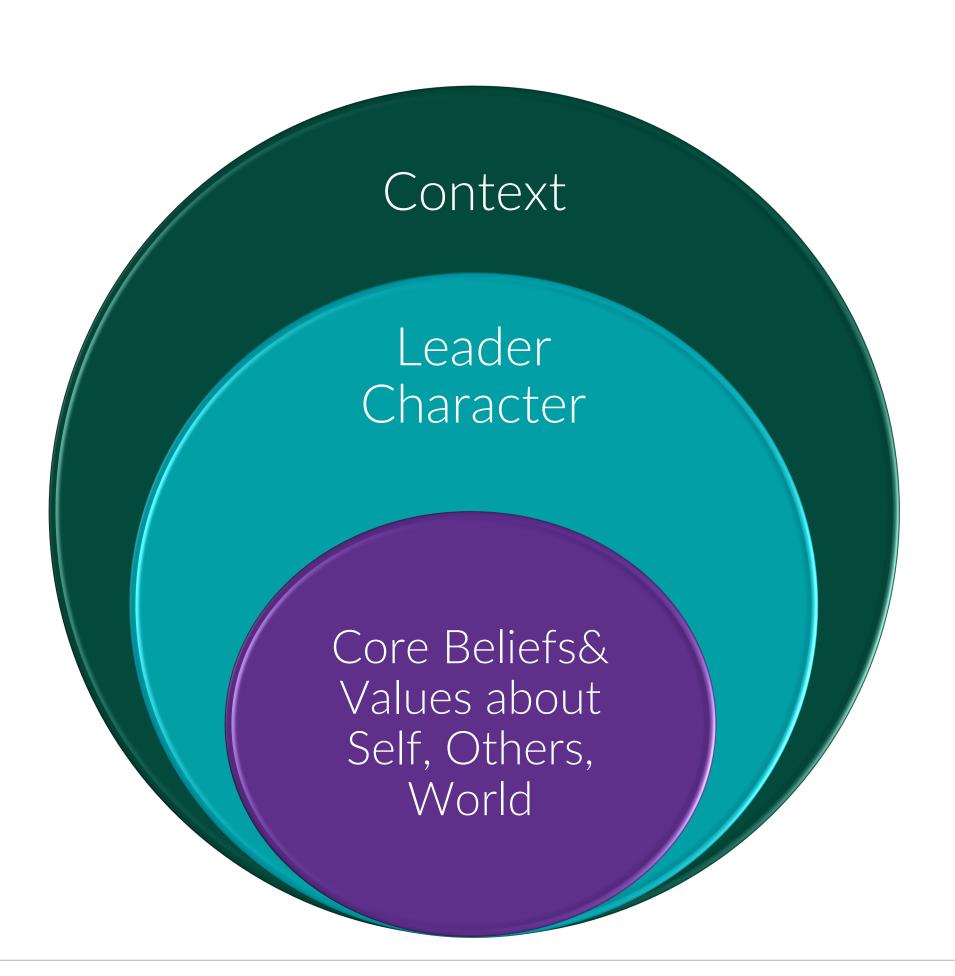


HUMILITY

What has had to exist for this paper to be in front of you?

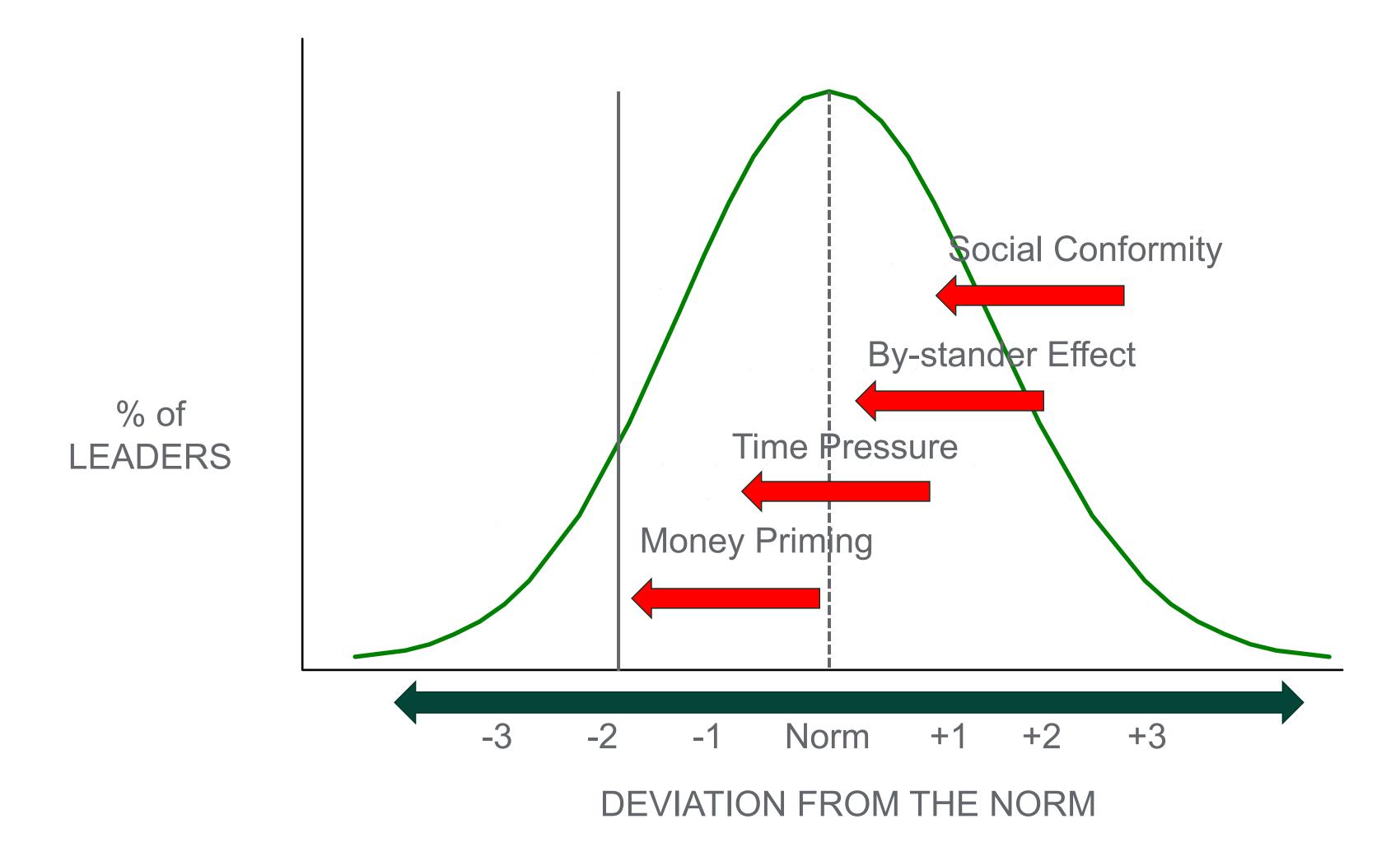


CONTEXT, CHARACTER AND CORE SELF

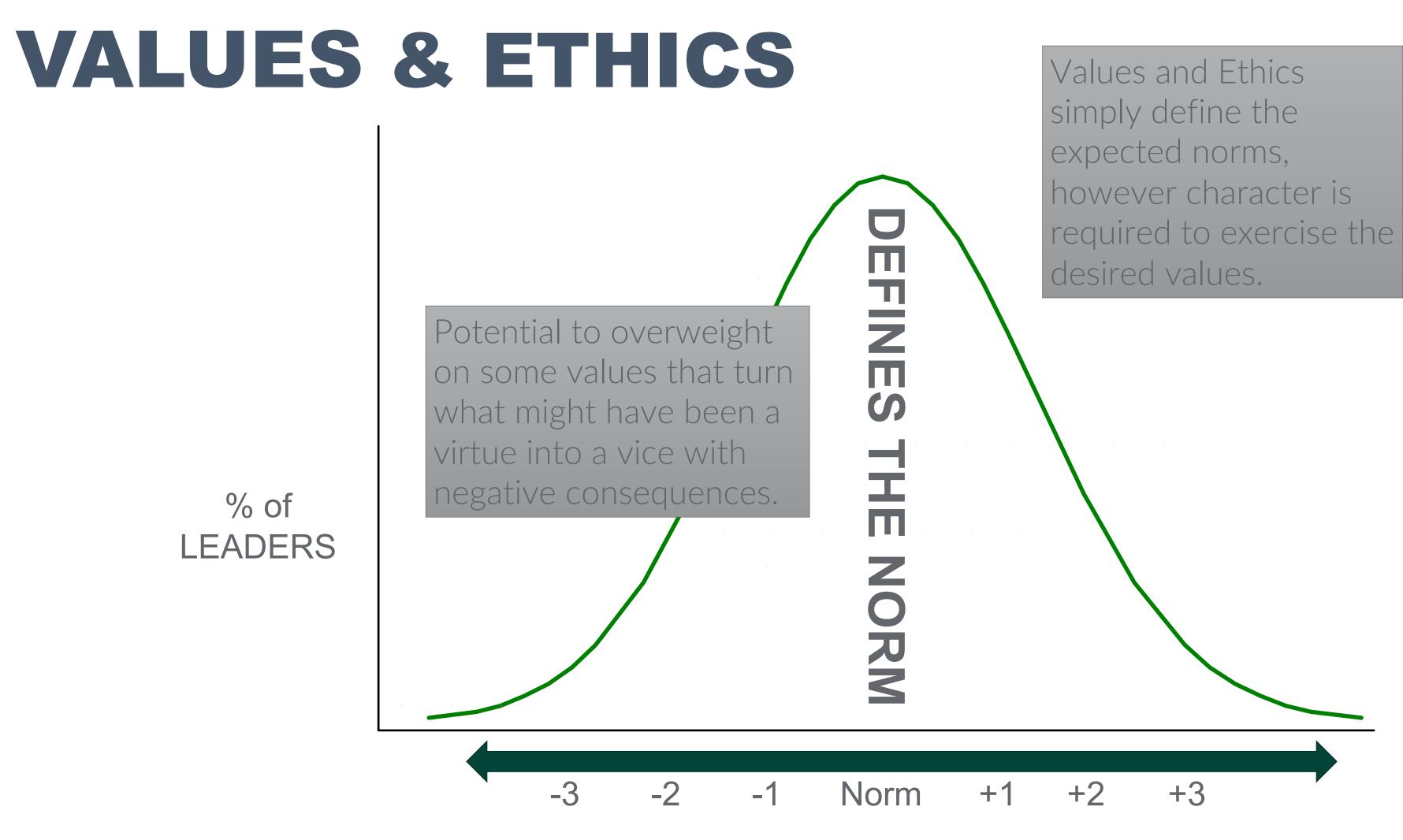


- The Context you face will present increasing challenge (and opportunity)
- You will need to continue to strengthen your character to navigate that Context
- Strengthening character is likely to shift your core beliefs
- Be aware that dimensions of character which could be virtuous may operate as a vice
- Be mindful of both the functional and potentially dysfunctional nature of your core beliefs

CONTEXT CHALLENGES CHARACTER



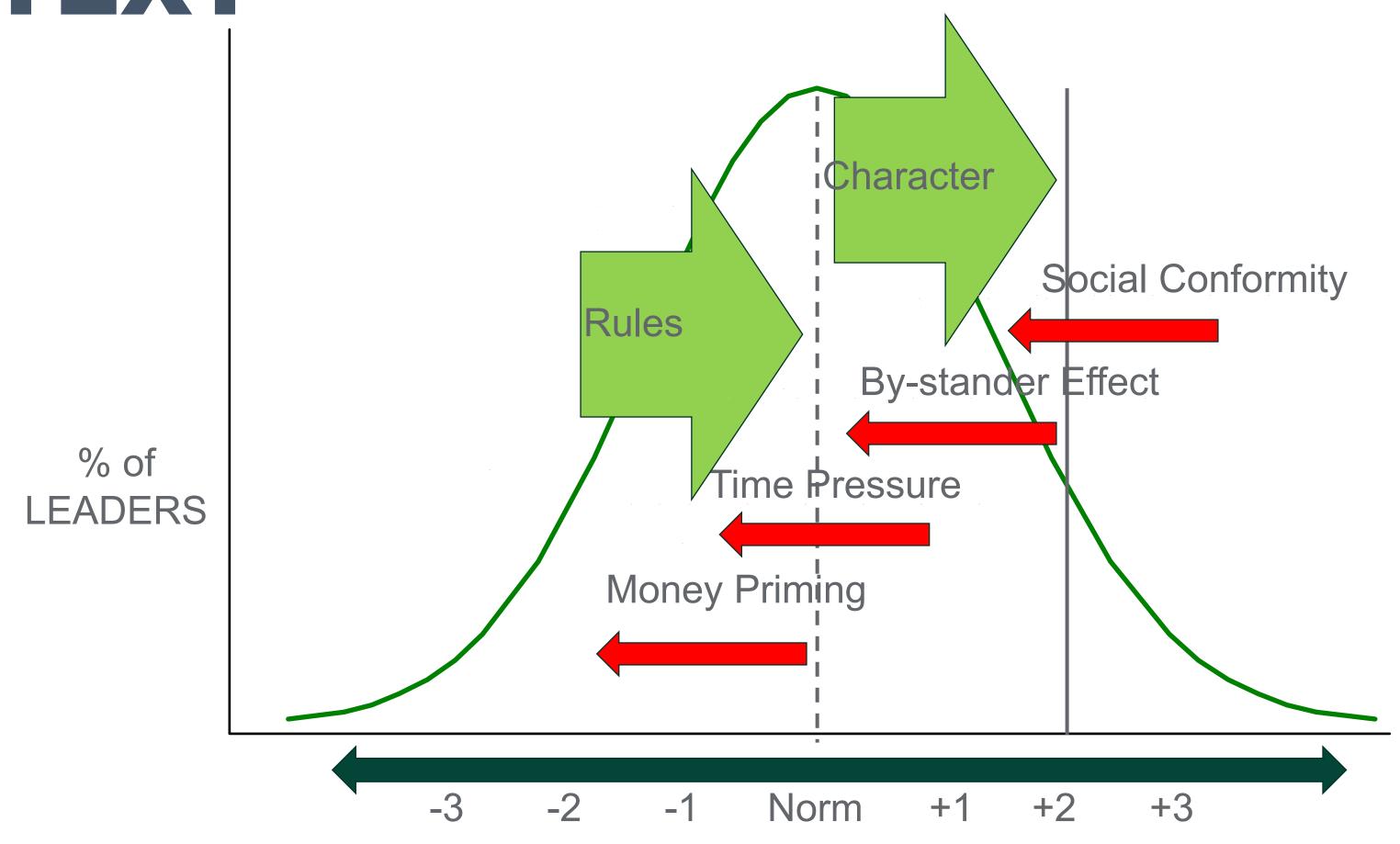








CHARACTER CHALLENGES CONTEXT



DEVIATION FROM THE NORM



CHARACTER IS FOUNDATIONAL

- · Character of an organization's leadership is critical....
 - Drives behaviour and conduct
 - Collective character defines the culture
- Embedded Leader Character transforms an organization
 - Character infuses thoughts, conversations and culture
 - Changes dynamics of every interaction, decision and judgment
 - Creates conditions for sustained excellence

KEEP IN MIND....

- Character is exercised through judgment
- Quality of judgment impacts individual and hence organizational performance
- Character is practiced and can be developed
- Context can build or erode character hence there are important implications for Culture in general and HR Practices in particular

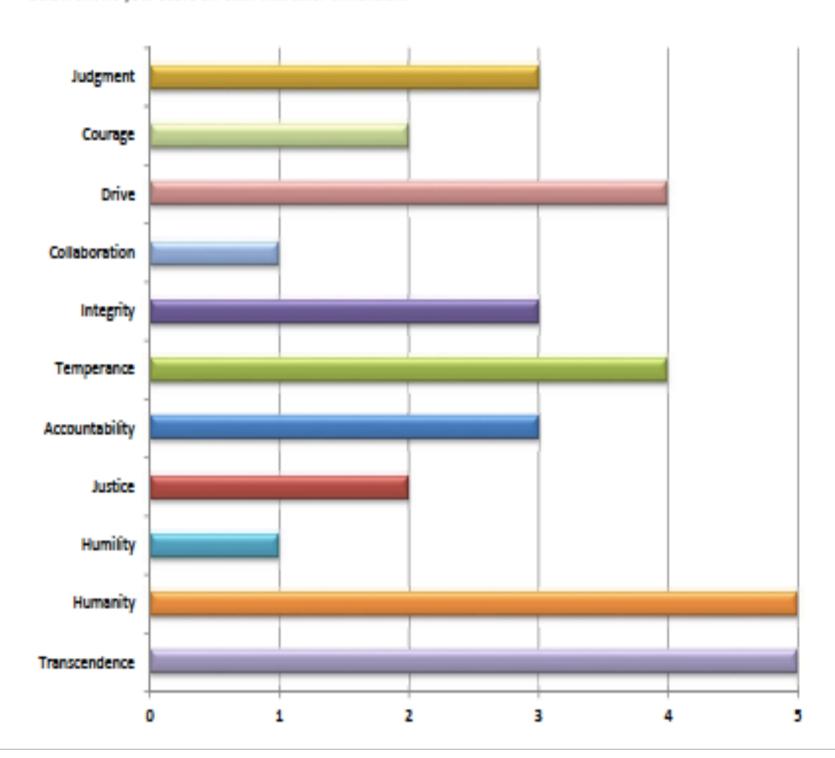
LCIA

LEADER CHARACTER INSIGHT ASSESSMENT

LCIA Results Overview

Dimension Scores

In responding to the LCIA items you were asked to identify how likely you would be to engage in various behaviours that reflect the character dimensions and elements described in this report. You responded using the following scale: 1=Extremely Unlikely, 2=Unlikely, 3=Unsure, 4=Likely, 5=Extremely Likely. The graph below shows your score on each character dimension.





JUDGMENT

Makes sound decisions in a timely manner based on relevant information and critical analysis of facts. Appreciates the broader context when reaching decisions. Shows flexibility when confronted with new information or situations. Has an implicit sense of the best way to proceed. Can see into the heart of challenging issues. Can reason effectively in uncertain or ambiguous situations.

ELEMENTS

Situationally Aware: Demonstrates an appreciation for unique circumstances that may dictate unique approaches.

Cognitively Complex: Analyzes, makes clear sense, and draws sound conclusions in uncertain, complex and ambiguous circumstances.

Analytical: Skilfully analyzes and employs logical reasoning.

Decisive: Promptly makes astute, level-headed decisions. Shows clear-sighted discernment of what is required.

Critical Thinker: Applies sound analysis and logical reasoning to evaluate ideas, decisions, and outcomes.

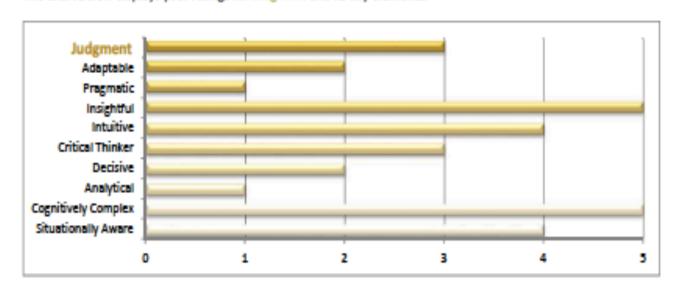
Intuitive: Understands things without an apparent need for conscious reasoning.

Insightful: Grasps the essence of situations. Sees into the heart of challenging issues.

Pragmatic: Understands, develops, and implements workable solutions under varied circumstances.

Adaptable: Modifies plans, decisions and actions to adjust to new conditions.

The chart below displays your ratings for Judgment and its key elements.



Good character is not formed in a week or month. It is created little by little, day by day. Protracted and patient effort is needed to develop good character.



