Character matters: Character dimensions’ impact on leader performance and outcomes

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INTRODUCTION

In a recent commencement address at the Ivey 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 contemporary, practice-focused vocabulary with which to address character. This vocabulary must be expressed in the language used today in their organizations. Third, there are few reliable and valid tools available for the systematic assessment of character. Practitioners tell us they need these tools if they are to move from thinking and talking about character development to actually doing something about it.

In this article, we propose an operational definition of character, outline a set of plain-language dimensions of character that we believe to be relevant to organizational leadership, present results from a survey relating these dimensions to leader performance and outcomes, and describe the practical implications for leader character development in organizations.

LEADERSHIP AND THE FINANCIAL CRISIS

Following the 2008–2009 financial crisis and the subsequent economic recession, we engaged more than 300 senior business, public sector and not-for-profit leaders from Canada, the United Kingdom, the United States, and Hong Kong in structured discussions on the role that organizational leadership played before, during and after the crisis. We posed a straightforward question: Would better leadership have made a difference? The answer we received was a resounding “Yes.”

We learned that three dimensions of leadership distinguished those companies that failed or were severely damaged by the crisis from those that survived and prospered: leadership competencies in such areas as risk management and management controls; leadership character, in particular the courage to speak up when people knew about poor lending and securitization practices, gross
over-confidence and arrogance that led to reckless risk-taking behavior, an indifference to the social consequences of their actions, and lack of accountability for the risks that were being taken and the eventual outcomes; and leadership commitment in the form of deep engagement in understanding how risk was taken and modeled, how decisions were really being made deep down in the organization and who was making them (see Figure 1).

We concluded that competencies reflect what a person can do; commitment refers to the effort someone will put into doing it; character influences the choices people make about what to do, as well as whether they will acquire the requisite competencies and make the commitment to do so in any given situation. We suggest that 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. Just ask the shareholders of Lehman Brothers. The organization had a surplus of competencies and commitment among its leaders; but shortcomings of character still set the organization up for failure.

We also concluded that leadership character had received little attention in business schools or corporate leadership development programs even though it had been the most widely, and heatedly, discussed aspect of leadership by executives in our research. Competencies have been well addressed in both the academic and practitioner literature and commitment seems somewhat clear and obvious; but character, it turns out, is less understood and harder to define. For example, one participant in our roundtable discussion on leadership and the financial crisis observed that, “Doctors, lawyers and accountants know about the standards of acceptable behavior that they need to live up to. I am not sure that business schools create that same standard among their graduates. I think that leads to a lot of problems with integrity and character.”

A more recent set of presentations and structured discussions with groups of directors of both private and public sector organizations across Canada (over 200 in total) suggests that they, too, would like to develop a better understanding of character, be able to talk more cogently and transparently about it and actually assess character in the directors and executives they recruit. They realize character is important but lack the vocabulary to bring character into conversations. Their request to us was to provide them with language and tools to discuss character with others in the context of real-world executive and governance decisions they make on a daily basis. To this end our team has taken on the challenge of explicating the concept of leader character, defining those dimensions of character that are relevant in the business world and assessing perceptions regarding character and its effect on individual and organizational performance through both structured conversations and surveys.

THE MEANING AND IMPORTANCE OF CHARACTER

The Greek philosopher Heraclitus stated that, “A man’s character is his fate.” Character is foundational to effective decision making and functioning. It shapes: what we notice in the context in which we operate; how we engage the world around us; what we reinforce through rewards and punishments; who we engage in conversation and how we conduct those conversations; what we value; how we interpret feedback; what we choose to act on; how we deal with conflict, disappointment and setbacks; the goals we set for ourselves; how we communicate; and so on. For example, aspiring leaders must commit to stretch assignments to develop their competencies, take in and act on constructive feedback, learn to take ownership for personal mistakes made, develop a cross-enterprise view of the business, and be willing to collaborate well with others on enterprise- or industry-wide projects. These behaviors and activities are rooted in character. Likewise, within a board, directors require open, robust and critical yet respectful discussion with other directors who bring a willingness to collaborate and have the courage to dissent. Senior leaders need to establish cultures of constructive dissent if they are to avoid phenomena such as groupthink. Establishing and maintaining such cultures hinges on certain character dimensions in both leaders and followers — such as courage, accountability, integrity, and humility. We have been focusing on character in executive development and next-generation leadership programs with companies in North America, Asia and Europe for the last five years and many, such as Allstream, OMERS, Newalta, and Hutchison Port Holdings, have built the explicit recognition of the importance of character into their own succession management processes.

Character is a “loaded” word, and it has different meanings to different people. Executives, directors and

Figure 1 The effective leader.
entrepreneurs in our focus groups and executive development programs had little difficulty talking about how they thought character had played a role in the lead-up to the financial crisis. But they did not always agree on what they meant by character. For example, Gail Cook-Bennett, former board member of organizations including Manulife Financial Corporation and Bank of Canada, articulated that the absence of agreed-upon definitions, tools to assess a person’s character, and the lack of conversations regarding character in the workplace, are the result of a limited vocabulary around the construct or some lack of understanding of the construct itself and its significance for leader effectiveness.

We define character as an amalgam of virtues, personality traits and values. Virtues, such as courage or temperance, refer to patterns of situationally appropriate behaviors that are generally, indeed near-universally considered to be emblematic of good leadership. Some of these virtues are personality traits, such as open-mindedness or conscientiousness, which are relatively stable dispositional variables. They may be either inherited or acquired; and they predispose people to behave in certain ways, if not overridden by contextual variables such as reward systems and organizational culture. And some of the virtues operate as values, such as honesty and transparency, which act as deep-seated beliefs people hold about what is morally right or wrong or, alternatively, what makes the most sense to do, or not to do, in choosing a course of action.

In our research we discussed with executives and directors what character looks like and how it plays out in business decisions. We also consulted relevant literatures from different fields — business, psychology, philosophy, sociology, anthropology, and education — as well as examined existing tools that purport to measure values and character. We also involved practitioners and students, most of whom have more than ten years of leadership experience, from executive M.B.A. programs in our empirical work on leadership character. Based on these activities we posit leadership character in the business world as consisting of 11 dimensions as shown in Figure 2.

We also include in our framework character elements — virtues, traits, or values — that are illustrative or descriptive (although not necessarily exhaustive) of each of these character dimensions. Our wording of the dimensions and elements is heavily influenced by the language used by

Figure 2  Character dimensions and associated elements.
executives in our initial research and by subsequent work with directors. It reflects a conscious decision to adopt language that is in common use in organizations rather than that used in the philosophical, psychological, or other academic literatures. However, we retained some terms that were not easily captured in modern-day language to ensure that the framework reflects management practice while leading it.

There are a number of key points to appreciate about the dimensions that make up character and how they relate to one another. First, each dimension is composed of several defining character elements. Each of these elements has an impact on the strength of the character dimension, although their impacts may not be equal. Second, all dimensions and elements of character matter, and it is important to understand both one’s strengths and one’s developmental areas. Finally, strength of character requires that each dimension be accessed as and when the situation calls for it.

The dimensions work separately and together to influence action. For example, individuals who have courage in excess may act recklessly unless they have access to the character dimensions of temperance and judgment. The effect of irresponsible and reckless behavior was on full display in Iceland where bankers from Glitnir, Landsbanki, and Kaupthing ruined financial institutions and caused a near-bankruptcy of the country by building up irresponsible leverage prior to the 2008–2009 financial meltdown. Similarly, courage is essential for integrity because being principled and candid require it. Michael McCain, president and CEO of Maple Leaf Foods, was lauded by many for his handling of the listeriosis crisis that involved the illness and death of people who had consumed sliced meats; his actions embodied courage, accountability, justice and humanity. Leadership effectiveness will be compromised if individuals ignore the development of any of the dimensions shown in Figure 2.

While certain personality traits are innate, character is developed over one’s lifetime, and individuals can enhance the development of character through deliberate practice and reflection on experience. Every situation presents a different experience and opportunity to exercise, apply and develop character. The well-developed, mature character is one in which all of these dimensions are present, accessible and manifested in situationally appropriate behaviors.

DESCRIPTION OF CHARACTER DIMENSIONS

Leadership is based upon good character. Leader character involves the following dimensions:

Drive is essential in leaders so that they will establish stretch goals and the plans to achieve them. Leaders with drive demonstrate a passion to achieve results, the vigor to motivate others, a natural curiosity that must be satisfied, and they demonstrate initiative and a desire to excel. We believe that this drive comes from within for good leaders. Good leaders drive for results because they are intrinsically rewarding; they are not driven by external forces such as incentive plans or the will of others. In its extreme, drive may be shown in hyper-competitiveness, over-confidence, and arrogance — characteristics that can impede collaboration, lead to destructive excesses and eventual under-performance.

Accountability includes a sense of ownership, being conscientious in the discharge of leadership mandates, and accepting of the consequences of one’s actions. However, taking the whole world on one’s shoulders is an excess that can result in burn-out or paralyze people from taking action. On the other hand, ducking legitimate responsibility results in negligent and reckless conduct that will lose leaders the respect of their peers, those whom they report to, and those who work for them.

Collaboration is essential for leaders to form effective teams, to cooperate with others, and to work collegially. They have to be open-minded and flexible so that they can work with those in their own organizations as well as in external groups. However, collaboration for its own sake may result in endless deferral of decisions until consensus is reached, while lone-wolf decision-making squanders the opportunities to benefit from a diversity of views, better-quality ideas, and smoother implementation of decisions.

Humility, which we describe as consideration for others, empathy, compassion, magnanimity, and the capacity for forgiveness, is essential to developing followership. Without it, a person can be an effective boss, but never a good leader. We do not view humanity as a soft or weak dimension of leadership character but, rather, as a fundamental strength that is often at the core of fostering quality and candid conversations. However, we recognize that being tender hearted may induce paralysis in decision making, especially in situations in which some people may be disadvantaged, such as discipline or downsizing. We also recognize that being cold-hearted, callous, or indifferent destroys human relationships, and usually results in leaders being rejected by their followers.

Humility has long been regarded as an essential quality for leaders; without humility, it is impossible to learn from one’s mistakes or those of others. This dimension embraces a degree of self-awareness, the capacity for reflection, and a sense of gratitude toward those who have helped one learn or achieve success. However, as with the other dimensions, it is important to guard against excessive humility, such as might lead to self-abnegation. This is actually a failure to recognize personal strengths, and it can undermine the self-confidence that leaders must have.

Temperance allows leaders to be calm when others around them panic, to think things through, and act in the best long-term interests of the organization. It helps them avoid over-reacting to short-term success or failure, and to assess both the risks and the rewards of alternative courses of action. However, leaders must guard against temperance that is so strong that it contributes to undesirable courses of action. For example, boards actually want leaders to take risks, provided that the leaders understand these risks and know how to manage them.

Justice is a dimension that is central to followers’ decisions to accept an individual’s leadership. This dimension incorporates fairness and even-handedness in both procedures and outcomes, such as the allocation of work and dispensation of rewards. It includes a sense of proportionality with respect to praise or censure and — in a broader sense — recognition of the requirement of a leader to contribute to
the growth and development of the societies within which they operate. Leaders who act unjustly soon find themselves violating societal expectations, which may lead to over-regulation and excessive controls that will likely undermine long-term performance.

**Courage** is a requisite character dimension for leaders. It includes preparedness to take risks, to challenge the status quo, to test uncharted waters, to speak out against perceived wrongdoing, and to be prepared to admit to concepts such as “I don’t know” or “I screwed up.” Sometimes it requires courage to adopt a lower-risk strategy and forgoing the immediate returns of a higher-risk route. It may include a degree of resilience as leaders fail in their first efforts to accomplish something. The absence of courage results in compliance with authority, a moral muteness that allows wrongdoing to go unchallenged and unreported, and average or even mediocre returns. An excess of courage, one that is not tempered by other character dimensions, may lead to foolhardiness and excessive risk-taking.

**Transcendence** is the dimension that allows leaders to see the big picture and take the long view. It is focused on future possibilities and means doing what is right for their organizations in the long-run rather than pursuing the expedient or momentarily satisfying route, climbing above petty rivalries or personal feelings. It often requires creativity. Transcendent leaders are optimistic: they focus on the future and inspire others to do the same. Transcendence is not a detached other-worldliness, which may detract from focus on the here and now. Nor is it the pursuit of perfection to the point where the organization fails to achieve acceptable results in the shorter term.

**Integrity** is essentially about wholeness, completeness, and soundness of leadership character. It is most readily apparent in principles such as honesty, authenticity, transparency, candor, and consistency, but it is also used to describe high moral standards. It is knowing who you truly are and being true to yourself. It is both saying what you think and doing what you say. Arguably one can never have enough integrity and, indeed, people often describe integrity as a “binary” variable. However, there are times when people with high integrity display rigidity of thinking and even dogmatism and self-righteousness that make them less effective as leaders. Making decisions in complex and ambiguous circumstances often requires the reconciliation of opposing principles and the exercise of a degree of pragmatism.

**Judgment** has a central place in an individual’s character. Each of the other dimensions of character represents reservoirs of varying depth — people may have lots of courage or a little, or great integrity or not so much. How an individual’s character influences their actual behavior in a particular context depends on their judgment. Judgment serves to moderate and mediate the way that the other dimensions determine individuals’ behaviors in different situations. Tom Long, managing director at executive search firm Russell Reynolds, suggested that judgment acts like an air traffic controller, determining when courage should be shown and when it is better suppressed; when to be temperate and when to be bold; and so on. The key is that leaders need a deep reservoir of all dimensions of character to draw on as needed.

### The Perceived Importance of Character Dimensions

The next step in our research program was to explore how leaders view the importance of the 11 character dimensions in both absolute and relative terms, the impact they perceive the dimensions have on leader performance and leader outcomes, and how these perceptions may be influenced by gender and organizational status.

We distributed an e-mail survey to 700 employees in leadership positions in a large, multidivisional conglomerate with operations mainly in Canada and the United States. The company operates in highly competitive industries, and has a reputation for having a high-performance culture in which leaders must succeed. The company would be considered a leader in management development and training. For example, it runs, among other initiatives, an in-company Executive M.B.A. program as well as many shorter development experiences. It has a very sophisticated suite of HR programs and a strong values statement that the senior leadership team often refers to in speeches, educational sessions and other corporate and individual communications.

Over 500 employees responded to parts of the survey; and 364 of them completed the entire survey. 320 males and 66 females provided answers. Most respondents were between 35 and 54 years old. Primary job functions covered a wide array of functional disciplines including accounting, operations and training. Twenty-two respondents were executive leaders (e.g., vice-president, senior vice-president, or executive vice-president), 131 respondents were first-level leaders (e.g., supervisors and managers), and 227 respondents were leaders of leaders (e.g., senior managers and directors).

The survey contained two questions regarding the impact of the character dimensions on (1) leader performance and (2) leader outcomes. The first question was: “To what extent do you think each of these character dimensions impacts the following aspects of leader performance at your organization?” We listed five aspects of leader performance based on our understanding of frequently used leadership effectiveness criteria: getting employee engagement; being an effective team member; building high performance teams; developing leadership in others; and developing further as leaders themselves. The second question was: “To what extent do you think each of these character dimensions impacts the following leader outcomes at your organization?” We again listed five commonly accepted outcomes for leaders: achieving superior results; making better decisions; being perceived by others as a good leader; being given opportunities to lead; and being successful in one’s leadership career. Scale scores on all dimensions ranged from −3 (very detrimental) to +3 (very beneficial).

Wherever we presented a character dimension (e.g., Transcendence or Temperance) we also presented its component elements, which served to provide some definition of the dimension by describing the kinds of adjectives that would be applied to behaviors that were representative of the dimension (e.g., future-oriented, purposeful, optimistic, or creative for Transcendence; and patient, prudent, or self-controlled for Temperance).
OUR FINDINGS

The respondents used both the “detrimental” (−3, −2, −1) and “beneficial” (+1, +2, +3) parts of the scales. For example, while most respondents viewed Humility as beneficial to all leader performance and outcome components, as many as 21 percent of respondents viewed it as detrimental to being given opportunities to lead. Indeed every one of the other character dimensions were seen as detrimental by some respondents with respect to some aspects of leadership performance or outcomes.¹

Respondents differentiated among the character dimensions on most of the questions; the mean scores ranged from 0.78 to 2.58. Based on the means alone, leaders see all 11 character dimensions as beneficial to leader performance and outcomes. However, some dimensions are seen as having more impact on some performance and outcome measures than others.

Across the five measures of leader performance, Drive, Accountability and Integrity stood out as highest. The average rating for these dimensions was 2.34 (between moderately and very beneficial). The character dimension of Transcendence scored lowest across all performance measures. The average rating of this dimension was 1.50 (between somewhat and moderately beneficial). Respondents saw Integrity as especially beneficial for getting employee engagement; Collaboration and Accountability as beneficial for being an effective team member; Integrity and Accountability for developing leadership in others; Drive, Collaboration and Integrity for building high performance teams; and Drive and Accountability to develop further as a leader.

Across all five measures of leader outcomes, Drive, Integrity, Accountability and Judgment stood out as the most beneficial. The average rating for these dimensions was 2.27, with 3.0 being “Very Beneficial.” The following four character dimensions scored consistently low: Transcendence, Temperance, Humanity, and Humility. The average rating for these dimensions was 1.29, with a significant number of respondents actually considering them to be detrimental. Respondents see Drive as especially beneficial for achieving superior results, getting opportunities to lead, and being successful in one’s leadership career; Judgment as beneficial for making better decisions; and Drive, Integrity, Accountability and Judgment as beneficial for being perceived by others as a good leader. Interestingly, the only two scores below 1.0 were for Humility and Humanity and their impact on being given opportunities to lead; they also had weak perceived relationships with achieving superior results.

While caution should be taken in interpreting the results given the imbalance of the number of males and females in the sample, the results show that women tend to consider Humanity, Humility, and Transcendence as more beneficial than men. The scores on the other dimensions are very similar.

Caution is also warranted with respect to interpreting the results across the three levels of leadership (first level leaders, leaders of leaders, executive leaders), given the relatively low number of executive leaders in the sample and the uneven distribution of respondents across the levels of leadership. Some interesting patterns emerged. First, there was a fairly consistent pattern across the three levels of leadership, in that Accountability, Integrity and Drive consistently received the highest ratings. Second, the results showed that respondents view Humility, Humanity, Justice, and Temperance as less beneficial for the leader performance and outcome measures with the increase in leadership level. Third, Transcendence, although low overall, was seen as more beneficial by executive leaders relative to leaders of leaders. Executive leaders also scored Courage higher vis-à-vis leaders of leaders. Fourth, the aggregated impact rating for Collaboration and Drive were lower among executive leaders than among first level leaders and leader of leaders.

INTERPRETATION OF OUR FINDINGS

Our data revealed that all of the 11 character dimensions were considered to be positive contributors to both leadership performance, such as being an effective team member, and leadership outcomes, such as building a successful leadership career. Individuals used the full range of scale scores, with some dimensions, such as Humility and Humanity, getting a sizeable number of “detrimental” responses. For example, 14 percent of respondents thought that Humility was very, moderately, or somewhat detrimental to being successful in one’s leadership career; 12 percent of respondents considered Humanity to be detrimental; and 11 percent of the respondents thought the same about Temperance. Drive was generally considered to be highly beneficial for most aspects of leadership performance and outcomes; however, 8 percent of respondents perceived it as being detrimental to “making better decisions.” In short, there was considerable variance in the ways in which people viewed these character dimensions as detrimental or beneficial for individually- and organizationally-relevant variables.

In general, Humility, Humanity, Temperance, and Transcendence were not rated as highly as the other character dimensions in terms of their beneficial contribution to leadership performance and outcomes. The question is — Why not? Could it be that these dimensions are just terms that people: (a) do not understand, (b) do not normally equate with good leadership, or (c) do understand the terms and still think that they do not matter that much because the organization does not reward them?

At least one possibility is that people responded more positively to the words with which they were familiar in discussions about organizational leadership, training programs, performance assessments, and so on in this organization or others with which they are personally familiar. Dimensions such as Accountability, Collaboration, and Drive are often found on the walls of most companies in mission and vision statements. These dimensions are embedded in selection, performance assessments, talent reviews, job postings, and so forth. And, arguably, these character dimensions are manifested in the behaviors of many leaders, including the senior leaders of the organization that took part in our survey. Thus the individuals involved in our data collection may be

¹ The full set of results can be obtained from the first author.
feeding back what is being espoused or enacted in their workplace and are forming their judgments about what leads to performance and outcomes based on their observations. Being less familiar with labels such as Justice, Temperance, Humanity, and Transcendence, and not seeing them used or expressed in their own work contexts, individuals may rate their impact on leadership performance and outcomes as lower. We will need to conduct comparative studies in different organizations to investigate these findings further. However, anecdotal evidence from our executive programs supports the view that leaders value what organizations measure. We also intend to conduct longitudinal studies to investigate whether differing character profiles, obtained through both self- and 360-degree character assessments, actually result in greater leadership success as measured by independent performance evaluations or promotions.

**IMPLICATIONS FOR CHARACTER DEVELOPMENT**

Although respondents in our survey reported differing levels of appreciation for each of the 11 character dimensions in achieving leadership performance and outcomes, prior research examining the dimensions independently reveal that all 11 are important. We argue that the well-developed, mature character encompasses each of these dimensions. In other words, individuals must be able to activate each of the 11 character dimensions. For example, Drive without Integrity may lead to self-serving goals and subsequent mistrust between individuals on the senior leadership team. Without Justice, Collaboration may derail, as emerging inequities erode trust and a lack of trust typically leads to an unproductive if not hostile environment. Without Humility, decision making may become autocratic and arrogant, Collaboration becomes difficult, and leaders no longer learn. Both empirical research and our own observations in decades of executive education have shown that mid-level and senior leaders in the public, private and not-for-profit sectors derail because of deficiencies in character dimensions.

Character is developed over one’s lifetime, and individuals can enhance the development of character through goal setting, deliberate practice and reflection. As we have stated before, every situation that we encounter in our personal or professional lives offers opportunities to exercise, apply and develop character. Developing good leadership is a lifelong journey. For example, at our institution we have designed new courses for our undergraduate and graduate students around leader character development; developed new cases and other teaching materials around the importance of leader character in private, public and not-for-profit organizations; and co-created activities with firefighters and members of the Canadian armed forces to stress-test students and to help them learn about leader character. We have extended this focus into executive and leadership development programs in both private and public sector organizations, and the focus on leader character is invariably the most highly evaluated component of such programs.

Business schools need to legitimize discussions around leader character. These discussions need to include colleagues from business disciplines other than leadership or organizational behavior and who recognize that character matters and want to incorporate character awareness and development into their own courses and research activities.

For individuals in leadership roles, or aspiring to them, it is important to set aside the time to fully understand both one’s strengths and developmental areas to grow as a leader, and this requires a degree of reflective thought and feedback from others. Self-awareness is critical to leadership and character development and, as Warren Bennis said so well: “You are your own raw material.” For example, reflection about why you might be impatient, inconsiderate, self-interested or careless provides the necessary insight for examining and further developing character. But how often do leaders set aside the time to truly reflect on their functioning? For example, Arkadi Kuhlmann, the current CEO of ZenBanx, conducts post-mortems on organizational events like a die-hard hockey fan analyzing the performance of his or her favourite team. He said: “People will argue for hours about why a goal was scored, or not scored, and how an individual played, and so on. In business, and even in family situations, we just won’t do those kinds of post-mortems.” Tools are now being developed that aid and assist the process of character self-awareness, but senior leaders must embrace it as a valuable and valued activity, and this is done best when they do it by example.

**IMPLICATIONS FOR PRACTICE**

We end this paper with three implications for practice. We believe leader character in all its dimensions is important to individual and organizational success; and we know that many leaders in the public, private and not-for-profit sectors share our view once they develop a deeper understanding of the full dimensions of character. For example, executives from organizations such as Royal Bank of Canada, TD Bank Group, Aeon, General Dynamics Land Systems — Canada, Allstream, OMERS, Parker Hannifin Corporation, and the Ontario and Hong Kong governments, have weaved leader character into their conversations and developmental practices. Unfortunately, in too many situations, we are seeing that character is not being recognized in organizations as critical to success or that there is a rather limited sense of which dimensions of character are considered to be important. What can or should CEOs and senior leadership teams, as well as those charged with identifying and developing leadership talent in organizations, actually do to elevate the importance of leader character?

First, senior leaders should never assume that leaders, managers, and employees in their organizations understand the meaning of character and its importance to individual and organizational success. They may be familiar with some dimensions such as Drive, Accountability, and Integrity, but may have given little thought to others or, if they have thought of them, may think that they will not figure significantly in their own development and success. They should never miss opportunities to bring character to the forefront. Their unequivocal support is required for the successful implementation of character alongside competencies and commitment in leadership profiles. For example, OMERS has strength of character and several of its dimensions in
its leadership profile — alongside competencies — to guide decision-making and action.

Similarly, in promotion decisions, leaders must be explicit in explaining how character or character dimensions contributed to people’s promotion to senior leadership roles and, more discreetly, be prepared to discuss character failings when they are manifested. Where those who are being promoted have demonstrated positive character dimensions, then emphasize and celebrate them as well as their competencies and commitment to the leadership role. For example, General Dynamics Land Systems — Canada is in the process of assessing their high-potentials on the character dimensions we identified using the Leadership Character Insight Assessment (LCIA). The initiative is driven by the senior leadership team. But before they committed to the assessment they wanted to go through the LCIA themselves and learn about their own character strengths and deficiencies. The team understands that they serve as role models and as such need to have a deep understanding of the meaning of the dimensions of character and how they themselves measure up. They understand that as leaders “you are always on.” People learn by observing what is considered important and valued in the organization, and this includes character dimensions. And the senior leadership team felt it needed to develop their vocabulary to engage the high-potentials in thoughtful and developmental conversations as part of the coaching and mentoring processes.

Second, the importance of character must be reflected and indeed embedded in organizational systems and processes, including but not limited to recruitment and selection, performance management, developmental processes, promotion criteria, compensation, disciplinary and termination practices, and so forth. This too requires ownership by both senior leaders and also executives in the HR and leadership development area.

We have to take on the mythology that the only thing that matters is short-term results and instead promote the value of getting the right results in the right way. The task of a senior leadership team is to build sustainable operations, and sustainability requires the integration of business objectives with social priorities. As Warren Buffet has pointed out, he has only been successful because the society in which he operates encourages, enables and allows him to be so. When an organization emphasizes narrow outcomes such as shareholder value, then we should not be surprised to get narrow leaders — those with a restricted range of character dimensions whose perspective may be that only results matter rather than a synthesis of results and the way they were achieved. We strongly encourage companies to go beyond the creation of competencies-based assessments and to develop leadership profiles that include competencies, character and commitment. When these are done well the profiles serve as beacons — they signal what it takes to be successful as a leader in the organization, and individuals understand that they will be measured against the competencies, character, and commitment embedded in the profile.

Third, leaders, managers and employees must be able to observe role models of character to whom they can relate. Hence senior leaders must recognize behaviors that exemplify good character and affirm verbally those who exhibit the less appreciated dimensions of character that nevertheless contribute to success. Stated values mean nothing unless they are reflected in actual behaviors of people in the organization; and if they do not, corrective action is warranted. Exemplary behaviors across all levels in the organization should be celebrated. For example, WestJet Airlines Ltd. has made a name for itself through a customer-centered and caring focus. Those in leadership positions, as well as peers, would no doubt correct a WestJetter if he or she does not demonstrate empathy and consideration in dealing with a distraught passenger — the caring culture is that strong! We also expect WestJetters to be patient, calm, and composed when faced with challenging situations, such as passengers who are visibly upset that their flight got cancelled. And the Kudos program that is in place at WestJet recognizes selected WestJetters for their extra-ordinary actions to provide a great guest experience to its guests. In sum, leaders must observe behavior and engage in conversations to direct or redirect behavior that is inconsistent with the stated values or leadership profile.

More than ever we need individuals who demonstrate a disposition to lead regardless of the position they hold. Competence alone is not enough. Individuals need to develop strength of character to fully engage their competencies and activate their leadership to reach their full potential. Organizations can foster or erode leader character, and a key leadership challenge is to elevate character alongside competencies in order to realize the promise of leadership.

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The results of our conversations with over 300 senior business, public sector and not-for-profit leaders regarding leadership and the 2008 financial crisis are captured in Leadership on Trial: A Manifesto for Leadership Development (London, Ontario: Richard Ivey School of Business, 2010).


We held workshops with over 750 directors of public, private and not-for-profit boards across Canada in 2013 and 2014 on board governance and the importance of leader character. The 2013 article by J. Gandz, M. Crossan, G. Seijts and M. Reno, “Leadership Character and Corporate Governance,” Ivey Business Journal, May—June, (http://iveybusinessjournal.com/topics/leadership/leadership-character-and-corporate-governance), was used to set up the conversation and discussion. The article also outlines the 11 character dimensions.

There are several articles that focus on leader character development, including M. Crossan, D. Mazutis, G. Seijts and J. Gandz, “Developing Leadership Character in Business Programs,” Academy of Management Learning and Education, 2013, 2, 285–305; S. Hannah and B. Avolio, “The Locus of Leader Character,” Leadership Quarterly, 2011, 22, 979–983; and S. Hannah and P. Jennings, “Leader Ethos and Big-C Character,” Organizational Dynamics, 2013, 42, 8–16. These articles all emphasize that the development of character is a life-long journey. At the Ivey Business School we have committed to the development of teaching materials, especially case studies and real-world based experiences that will encourage and enable business schools to develop their own, more comprehensive and stimulating character development programs. The book Good Leaders Learn: Lessons from Lifetimes of Leadership (New York: Routledge, 2014) highlights numerous character shaping events as part of leaders’ learning to lead process.

We have developed a leader character diagnostic — the Leader Character Insight Assessment (LCIA) — in both self-administered and 360-degree formats. The LCIA is a resource to help individuals unpack and discuss the dimensions and elements of leader character. Individuals who complete the LCIA receive a report that provides individual feedback on the character dimensions of leader character and their associated elements. The report also provides suggestions on how to strengthen character dimensions.


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