

#### The Strategic Impact of Character and Virtues

Dr. Mary Crossan Distinguished University Professor Ivey Business School Western University mcrossan@ivey.ca



lan O. Ihnatowycz Institute for Leadership



"What lies behind us and what lies before us are tiny matters compared to what lies within us."

Ralph Waldo Emerson



"You cannot dream yourself into a character; you must hammer and forge yourself one."

Henry David Thoreau



"Every man, as to character, is the creature of the age in which he lives. Very few are able to raise themselves above the ideas of their times."

Voltaire



Character is like a tree and reputation like a shadow. The shadow is what we think of it; the tree is the real thing.

Abraham Lincoln



People do not seem to realize that their opinion of the world is also a confession of character.

Ralph Waldo Emerson



I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character

Martin Luther King Jr.



Modern day organizations are the instrument of societal change...

### For better or worse

The most pressing and important problems (and opportunities) we face will require character based judgment that exceeds our current capacity.

Imagine if as educators and practitioners we could elevate character alongside competence to foster the quality of well-being and sustained excellence we seek.



"The difference between what we do and what we are capable of doing would suffice to solve most of the world's problem."

Mahatma Gandhi



# *"We must become the change we want to see."*

Mahatma Gandhi



### **Hopes & Aspirations**

- Share insights I wish I had known 40 years ago when I embarked on my academic career.
- Workshop Learn, Experience, Engage
- Perhaps inspire you in some small way
  - your personal well-being and those in your orbit
  - Your teaching, research, practice



#### 9th - 11th JANUARY 2025

If the character-and-virtue agenda in philosophy, psychology, and education is to maintain its contemporary relevance, it needs to be brought to bear on ongoing and future global challenges. Global challenges of our time include: the mental health epidemic; the sudden rise of GenAI and related new technologies that open a Pandora's box of moral issues; increasing environmental threats; and perceived political dysfunction leading to increased polarisation. All these challenges, and others, threaten the moral ecology underlying healthy character development.



### **Key Insights**

Character leadership is central to addressing the grand challenges of our time.

We are underestimating the strength of character required to navigate the grand challenges.

Organizations are instrumental (for better and worse). Understanding the architecture of character in organizations is critical.

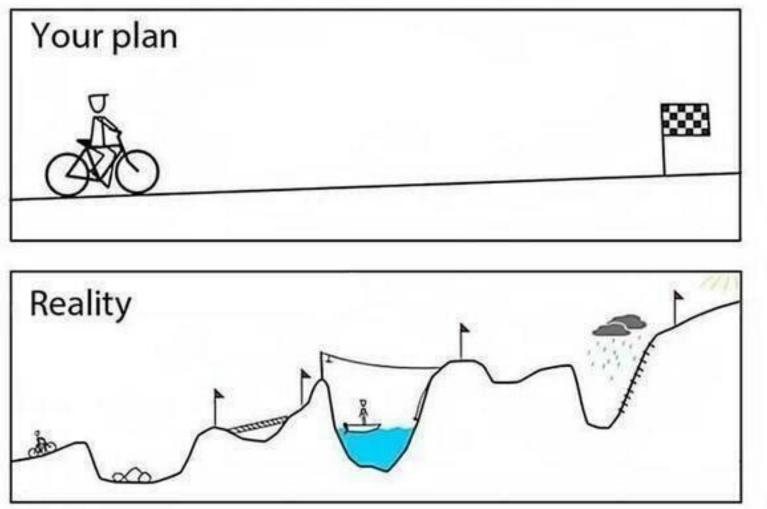
We need to move beyond the "temporary bump" of awareness to enable strategic impact.

Paradigm shifts needed...





# How much courage will it take?





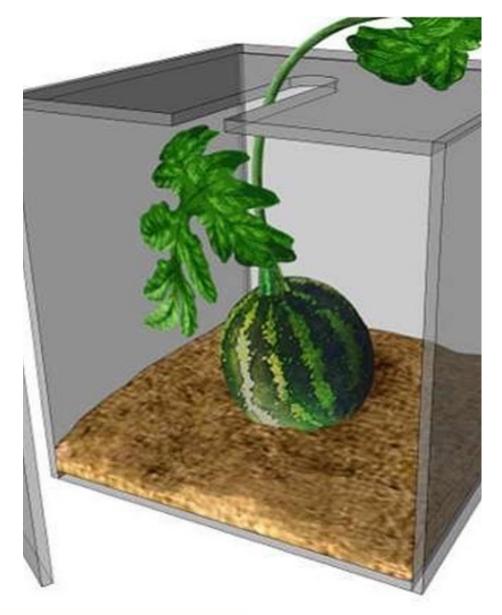
https://i.redd.it/hftf2bv0gt8y.jpg - Courtesy of Veronique

## **Culture & Character**

We share responsibility to be **good barrel makers**.

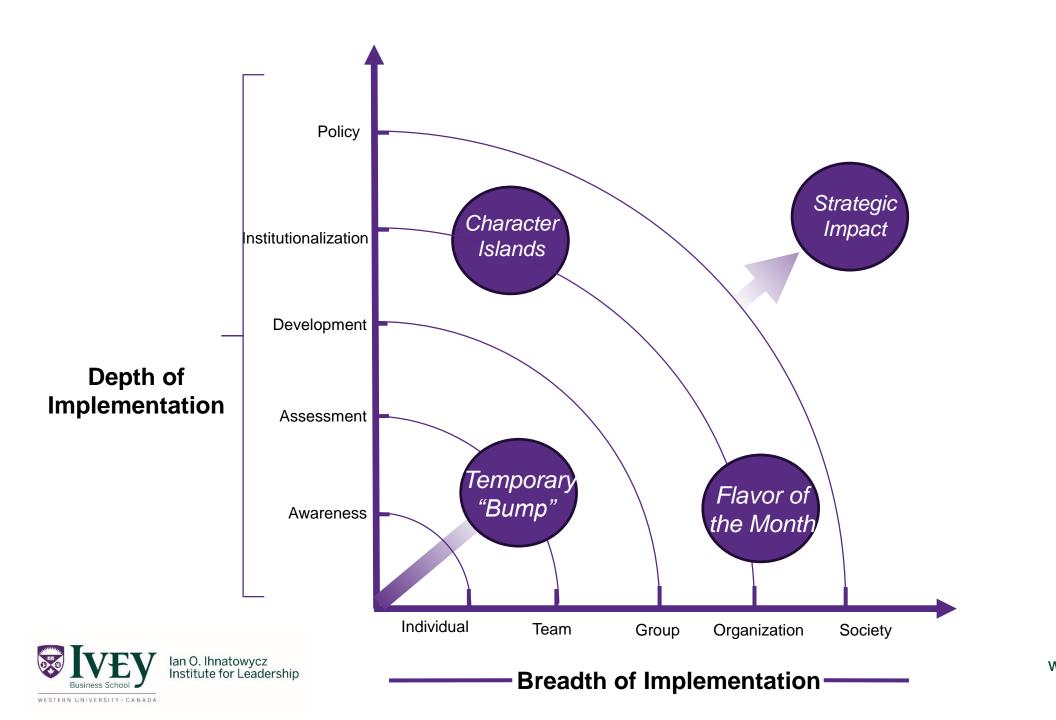












# The Journey.....





### Why Character? - Lessons from 2008



- 350 Leaders
- Focus Groups
- · Canada, US, Europe, Asia
- Key Insight Character implicated but no agreement on what it is or how it can be developed

#### **Elevate Character Alongside Competence!**

http://www.ivey.uwo.ca/research/leadership



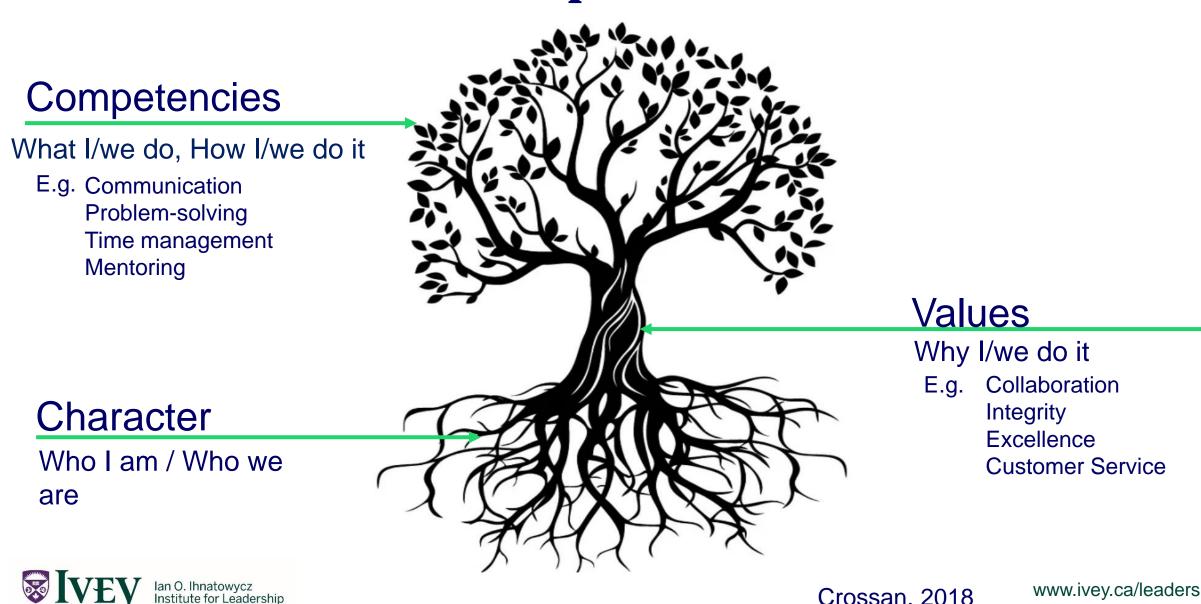
#### **The Perfect Hire for Community Management**

by Burke Nielsen | Feb 8, 2017 | 6 comments





### **Character, Competencies and Values**



WESTERN UNIVERSITY . CANAD

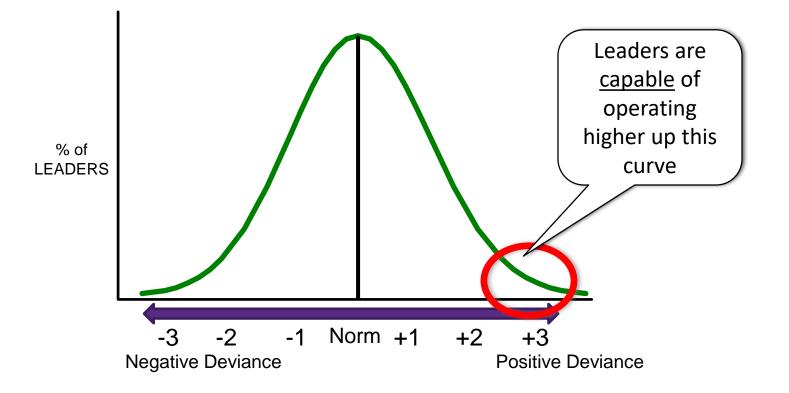
Crossan, 2018

# **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** "An interconnected set of habituated patterns of thought, emotion, motivation or volition, and action (Bright et al., 2014) that satisfy very specific criteria, identified by Peterson and Seligman (2004), as being virtuous." (Crossan et al., 2021, p. 287).



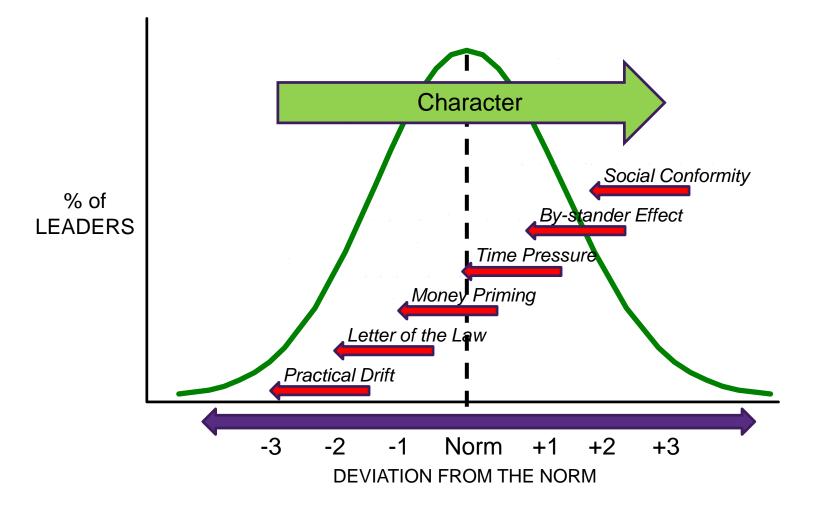
### **Character: Sustained Excellence & Human Flourishing**



**DEVIATION FROM THE NORM** 



### **Character Reasserts Judgment**





#### **Standing on the Shoulders of Giants**



Virtue Ethics and Practical Wisdom

https://commons.wikimedia.org/wiki/File:Platon-Confucius-Aristote.jpg



#### Seven Grandfather Teachings

Character Strengths and Virtues A HANDBOOK AND CLASSIFICATION **Christopher Peterson** Martin E. P. Seligman

Character strengths that apply across cultures, religions and time

www.ivey.ca/leadership/ @iveyleadership

western university canada https://ifhr.ca/the-seven-grandfather-teachings/

#### **Research to Practice**





#### Developing Leadership Character in Business Programs

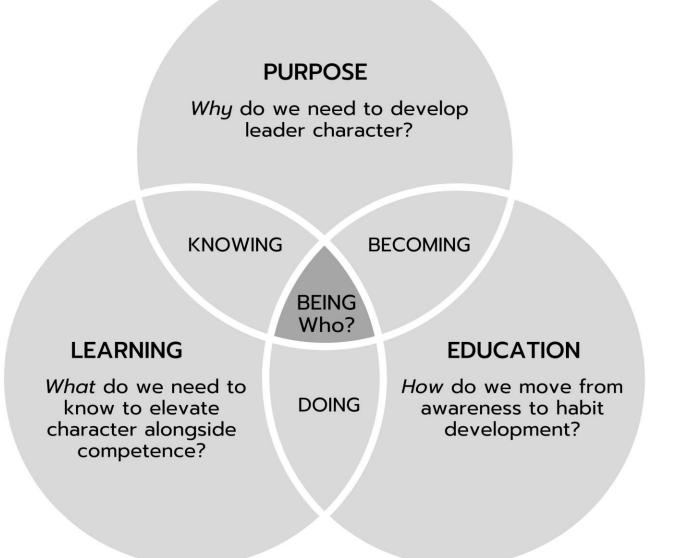
MARY CROSSAN Western University, London, Ontario, Canada

> DAINA MAZUTIS IMD, Lausanne, Switzerland

GERARD SEIJTS JEFFREY GANDZ Western University, London, Ontario, Canada

Our objective is to encourage and enable leadership character development in business education. Building on a model of character strengths and their link to virtues, values, and ethical decision making, we describe an approach to develop leadership character at the individual, group, and organizational levels. We contrast this approach to existing practices that have focused on teaching functional content over character and address how business educators can enable leadership character development through their own behaviors, relationships, and structures. Most important, we provide concrete suggestions on how to integrate a focus on character development into existing business programs, both in terms of individual courses as well as the overall curriculum. We highlight that the development of leadership character must extend beyond student engagement in a course since "it takes a village" to develop character.





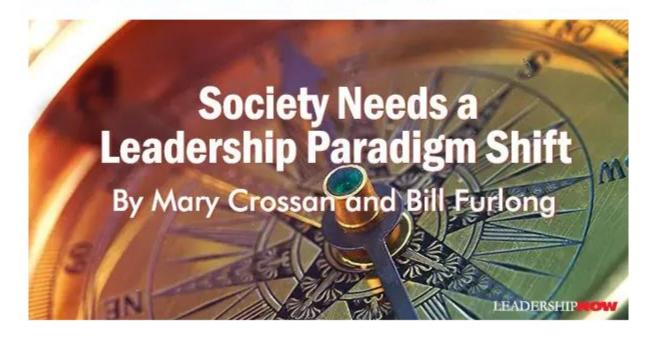


# Paradigm Shift – Elevating Character Alongside Competence

Benefits of leaders moving from weak to strong character:

•14% increase in leader effectiveness
•10% increase in leader resilience
•8% increase in leader well-being
•6% increase in promotion potential
•18% increase in employee voice
•16% improvement in psychological safety
•8% increase in organizational commitment
•8% increase in work engagement
•4% increase in subjective well-being
•10% increase in job-related well-being
•10% improvement in job satisfaction

#### Society Needs a Leadership Paradigm Shift







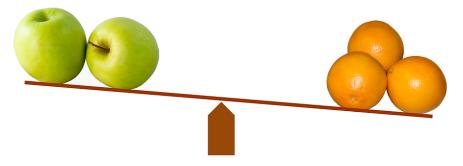
#### Paradigm Shift #1: "Casual" to "Leader" Character

#### **Casual Character**

- Morals and ethics
- Personality based
- Subjective
- Can't be assessed
- Can't be developed
- Competency most important
- "Nice" to have
- Restraining

#### Leader Character

- Performance, Judgment, Well-Being
- Habits of Being
- Objective
- Can be assessed
- Can be developed
- Character amplifies competency
- "Need" to have
- Liberating





www.ivey.ca/leadership/ @iveyleadership

Furlong & Crossan, 2023

#### Paradigm Shift #2: From Good to Strong

#### "Good Enough"

- "My intentions are good"
- "I am a good person"
- "I don't need development...but I see the need for this in others"
- "The devil made me do it It's not me, it's the organization."
- "I focus on my strengths"



https://www.pexels.com/photo/person-walking-on-beach-during-sunset-4612303/ Ian O. Ihnatowycz Institute for Leadership Furlong & Crossan, 2023

#### **Underestimating Needed Strength**

- Good intentions necessary but not sufficient

   accountable for our observable behaviors
- More than being "good" Does it hold up?
- Knowing how to exercise character daily.
- Work in the organization while working on it.
- Strengths operate like vices without support



https://getwindsurffit.com/windsurfing-boards/

#### Paradigm Shift #3: The Aerodynamics of Leadership

- Flight became possible once we grasped the invisible science of aerodynamics
- Likewise, the "X-factor" of great leadership is visible once we understand the science of Character
- "…realiz[e] the enormous benefits that accrue from recognizing how strength of character, alongside competence allows leadership to take flight."

- "Character - The Aerodynamics of Leadership" (Crossan & Furlong, CEO World Magazine)





# Make Leader Character Your Competitive Edge

October 19, 2022 | Mary Crossan, Bill Furlong, and Robert D. Austin | LEADERSHIP

The authors' research into leader character demonstrates its effect on judgment and finds that fostering a culture where character is valued equally alongside competence can result in better decisions and outcomes. Furthermore, they find that, as with competence, character can be developed through education and practice.

https://sloanreview.mit.edu/article/make-leader-character-your-competitive-edge/





### **Return on Character**

"Organizations with leaders of high character – those whose employees rated them highly on integrity, responsibility, forgiveness, and compassion – had nearly **five times the return on assets** of those with low character."

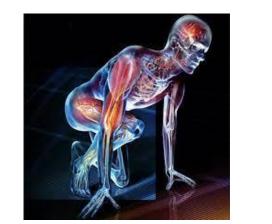


- "Return on Character", Fred Kiel, 2015



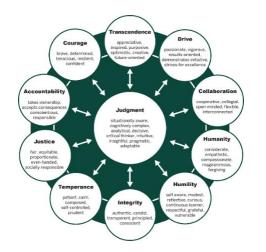


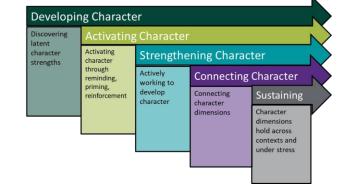
#### 





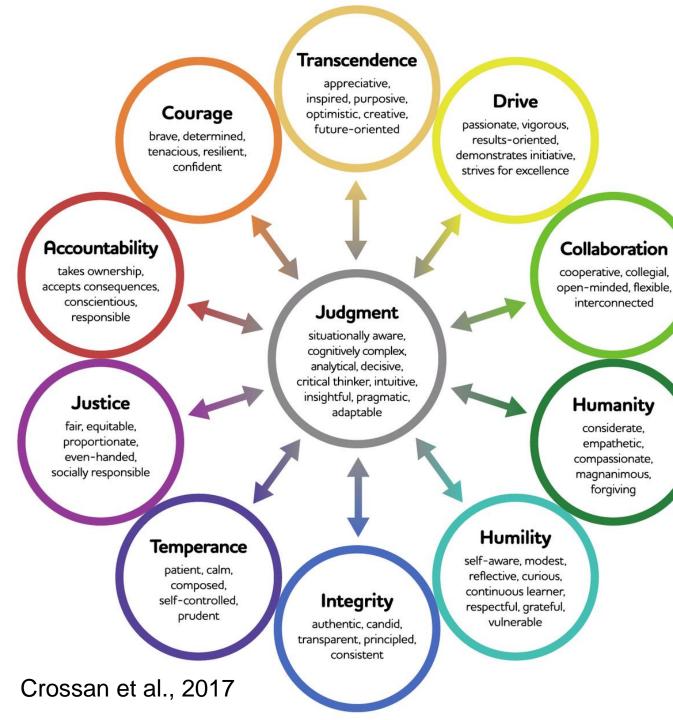












## Leader Character Framework

- 1. Interconnected
- 2. Any virtue can be a vice (- or +)
- 3. Judgment plays a central role
- 4. All are equally important
- 5. Never want to weaken strengths
- 6. Universal across context, culture, time



#### Mandela's First Day







WESTERN UNIVERSITY . CANADA

What do you think is your strongest dimension?

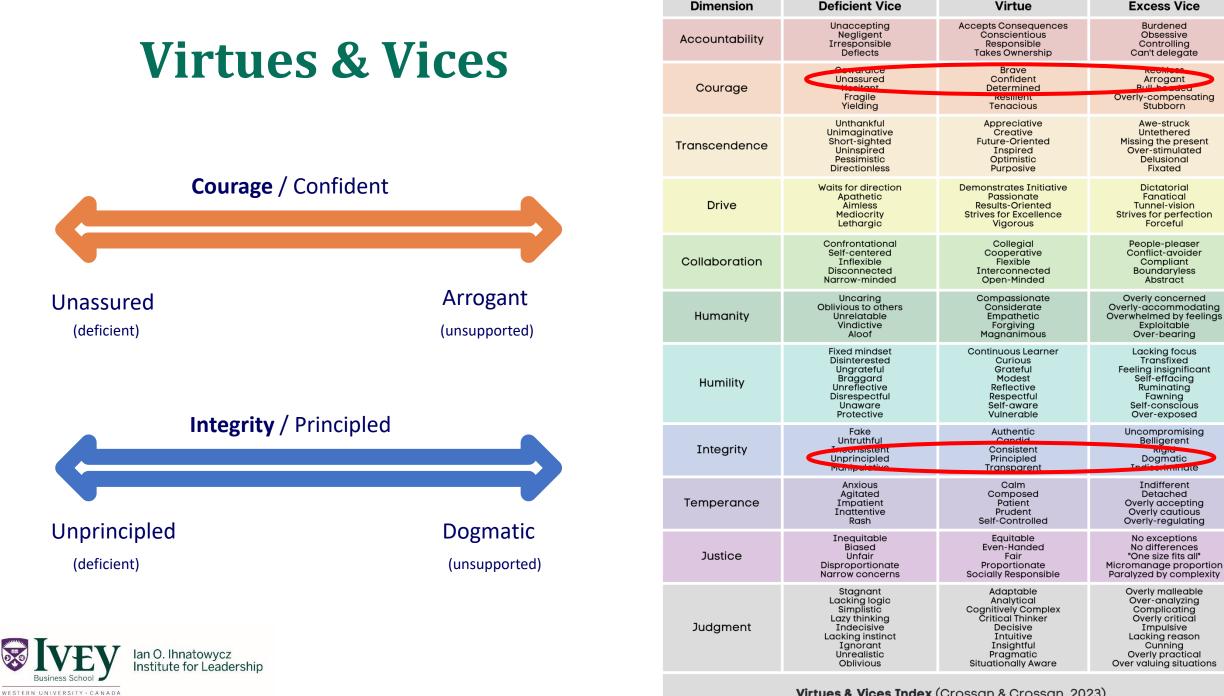
What do you think is your weakest dimension?



#### **Virtues and Vices**



considerate, empathetic, compassionate, magnanimous, forgiving Integrity authentic, candid, transparent, principled, consistent **Temperance** patient, calm, composed, self-controlled, prudent



Virtues & Vices Index (Crossan & Crossan, 2023)

### **Developing Character**

scovering Activating Cha	Activating Character			
tent Activating	Strengthening Character			
strengths character through reminding, priming,	Actively working to develop character	Connecting Character		
		Connecting character dimensions	Sustaining	
reinforcement			Character dimensions hold across contexts and under stress	



#### Character is a Habit...for better or worse

- "Who are you becoming while you are busy doing?" Are you becoming more courageous or less courageous? Someone with more humility or less humility? Etc.
- "Who have you become while you are busy doing?
- "Who do you want to become while you are busy doing?"

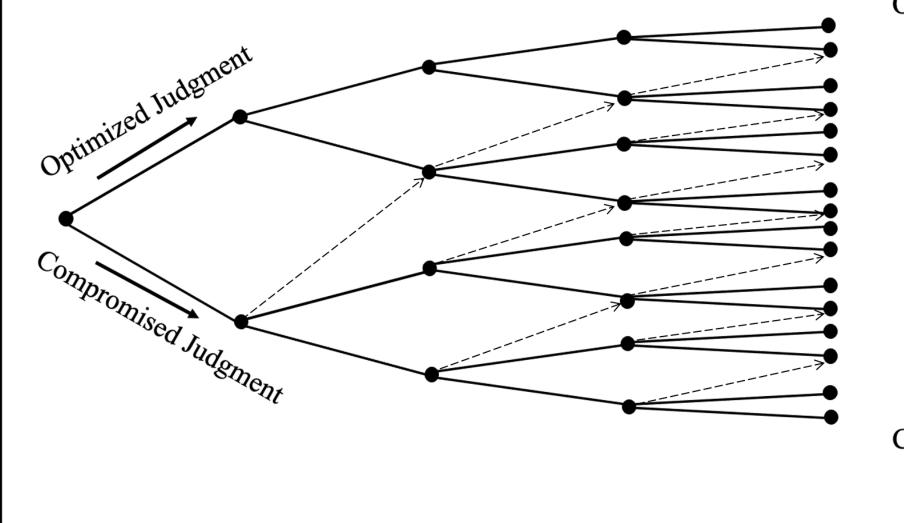
As with physical exercise, without the conscious attention to the exercise of character, it will atrophy.



# "Every action you take is a vote for the type of person you wish to become."

- James Clear

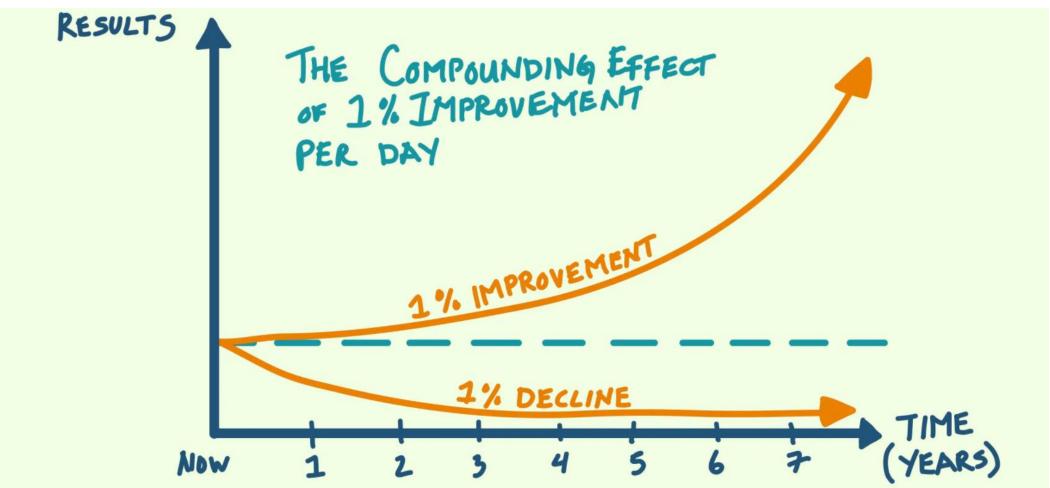




#### **Optimized Leadership**

Compromised Leadership

#### **Atomic Habits – 1% Improvement**



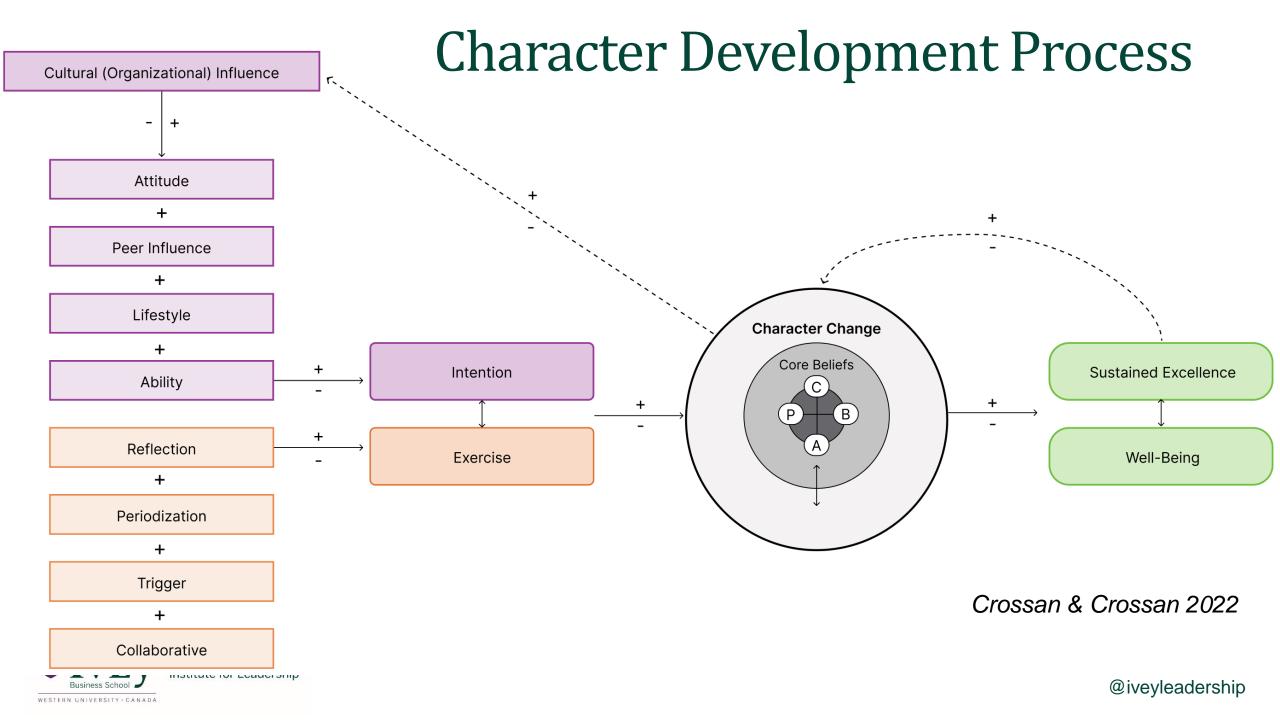
https://regpaq.com/atomic-habits-review-notes-lessons



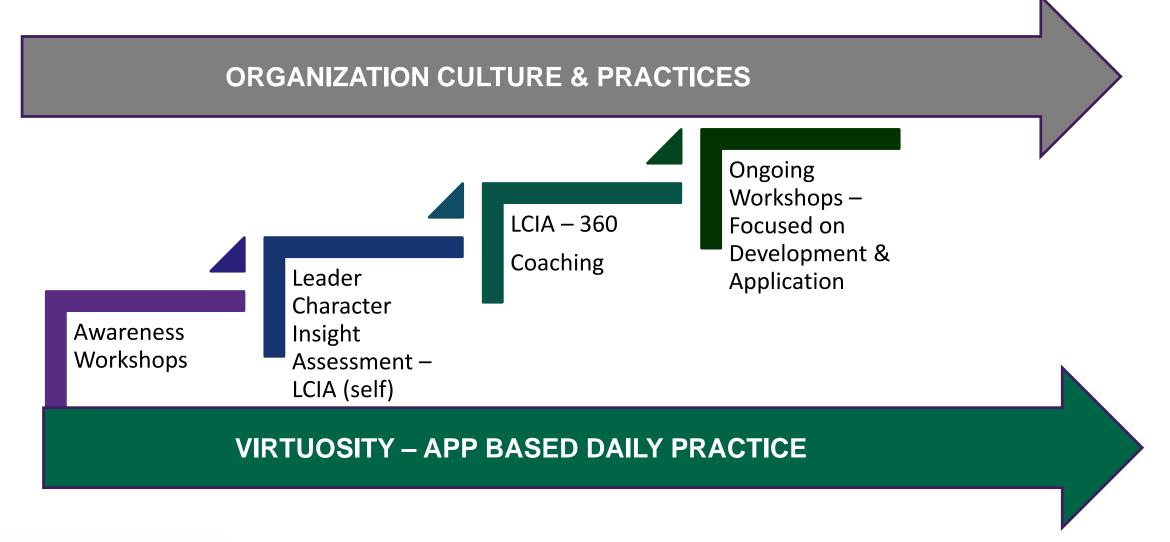
"Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom."

Viktor Frankl – Man's Search for Meaning





## **Developing Character – Program Progression**



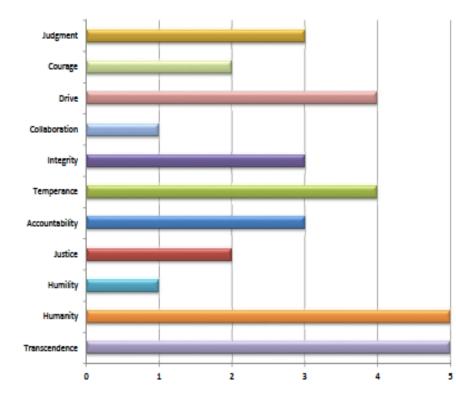


## Leader Character Insight Assessment – Self & 360

#### 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=Ukely, 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.

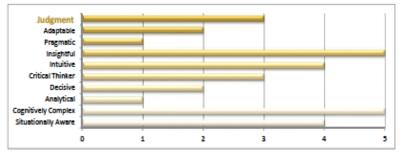
Intuitive: Understands things without an apparent need for conscious reasoning.

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.





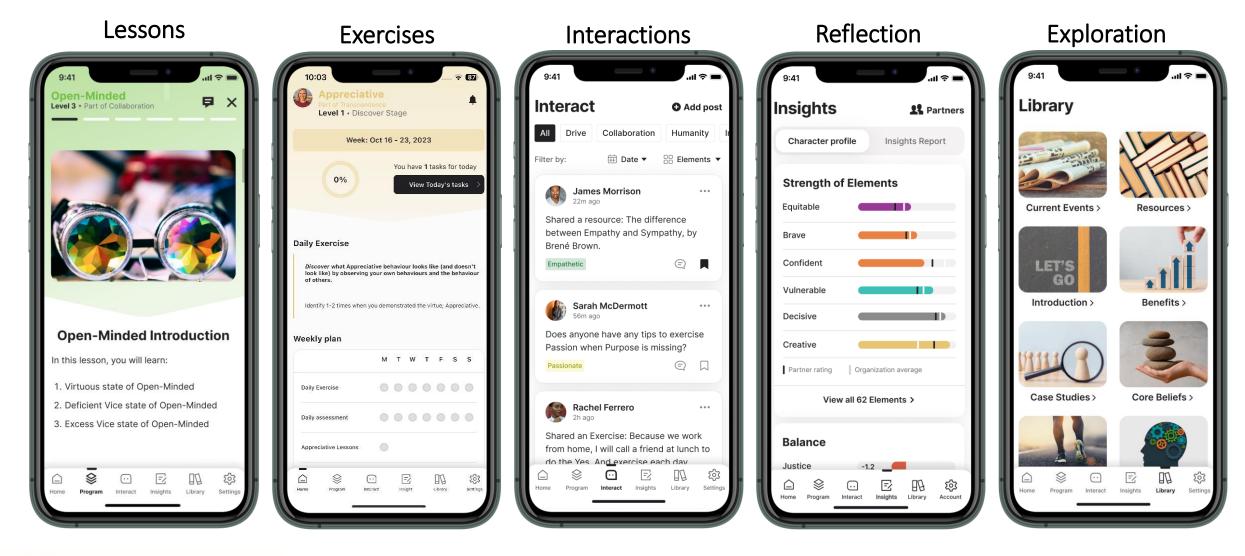
## 7 Strategies





Lamb, Brant, & Brooks (2021) www.ivey.ca/leadership/ @iveyleadership

## Virtuosity Systems





#### **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

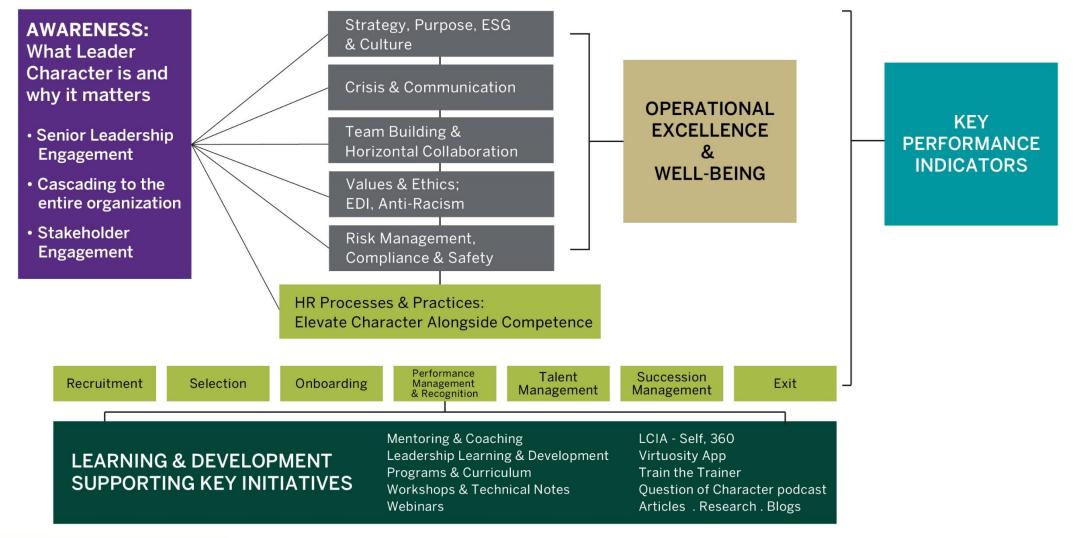


#### **Application – Embedding Character**





### Leader Character Strategic Roadmap





## Character Infused Culture

Dimension	Under-weighted	Strong character	Over-weighted	
Accountability	Failure to deliver results & take responsibility; blaming culture; low ownership of issues	Ownership of problems; commitment to decisions; act in organizational interest	Difficulty delegating; obsessive and controlling; little room for learning failures	
Courage	People don't speak up; fear prevails; giving up; little innovation	Determination and perseverance are prevalent; high resilience; "truth to power"	Reckless, stubborn, and arrogant risk-taking	
Transcendence	Narrow goals & objectives; failure to acknowledge and appreciate; not inspired	Commitment to excellence; clarity & focus; inspiration motivates innovation	Always thinking things will get better but no tangible sense of how to get there	
Drive	Lethargy & low productivity; lac of initiative; apathy	Sustained momentum around focused priorities; high productivity	Tunnel vision; perfectionists inhibiting productivity	
Collaboration	"Every man for themselves" mentality; lack of information sharing; silos	Effective teamwork enhancing productivity; diversity and inclusion driving success	Conflict avoiders; people pleasing; too many people clouding decision-making	
Humanity	Lack of empathy, compassion, and consideration	Deep understanding of what is important; people feel they are seen and heard	people feel overwhelmed and suffer compassion fatigue	
Humility	Arrogance and overconfidence; complacency; lack of learning and development	Willingness to identify & discuss mistakes; supportive of learning and development	Overwhelmed; ruminating about mistakes; pushover; lacking focused learning	
Integrity	People operate from a position of self-interests and mistrust; lack of transparency	Trust, transparency, and effective communication; aligned principles and values	Uncompromising, rigid, and dogmatic interactions; exclusionary practices	
Temperance	Impatience and agitation prevalent; stressed and anxious; emotional outbursts	Effective risk management; thoughtful consideration; calm even under duress	Risk averse inaction; lacking urgency; indifferent about outcomes	
Justice	Inequities; favouritism and nepotism	Fairness fostering trust; clear understanding and action around systemic inequalities	Rigid rule-based procedures that do not take into account individual differences	
Judgment	Indecision; lack of insight, rigour, and understanding; resistance to change	Insightful and adaptable; situationally aware and current; solid decision- making	Analysis paralysis; over- complicating decision- making; no clear sense of priorities	
Character Culture Check (Crossan & Crossan, 2023)				



Character Culture Check (Crossan & Crossan, 2023)

.ca/leadership/ iveyleadership

### What Can I Do Next?

#### 1. Begin with yourself

- Understand, assess and develop your character. Reflect on the leader character framework – particularly your strengths relative to weaknesses (resources - LCIA self and 360 assessment)
- Check out the "Question of Character" podcasts, <u>www.questionofcharacter.com</u>
  - Especially Episodes 1, 2, and 7
- The "Developing Leadership Character" and "The Character Compass" books provide comprehensive accounts of our work.
- Virtuositycharacter Instagram (free resource)
- Virtuosity<sup>TM</sup> leader character development app

#### 2. Exercise your leadership – share with others

- Share the slides and articles engage in conversations at work and at home
- Become a champion of character change



### What Can We Do Next?

#### 1. Embed character in your <u>organizational</u> practices

- The Strategic Roadmap provides guidance (also listen to QOC Episode 6 re: CRA)
- Collaboration between Strategic Leaders, Operations and HR
- Focus on key strategic & operational issues

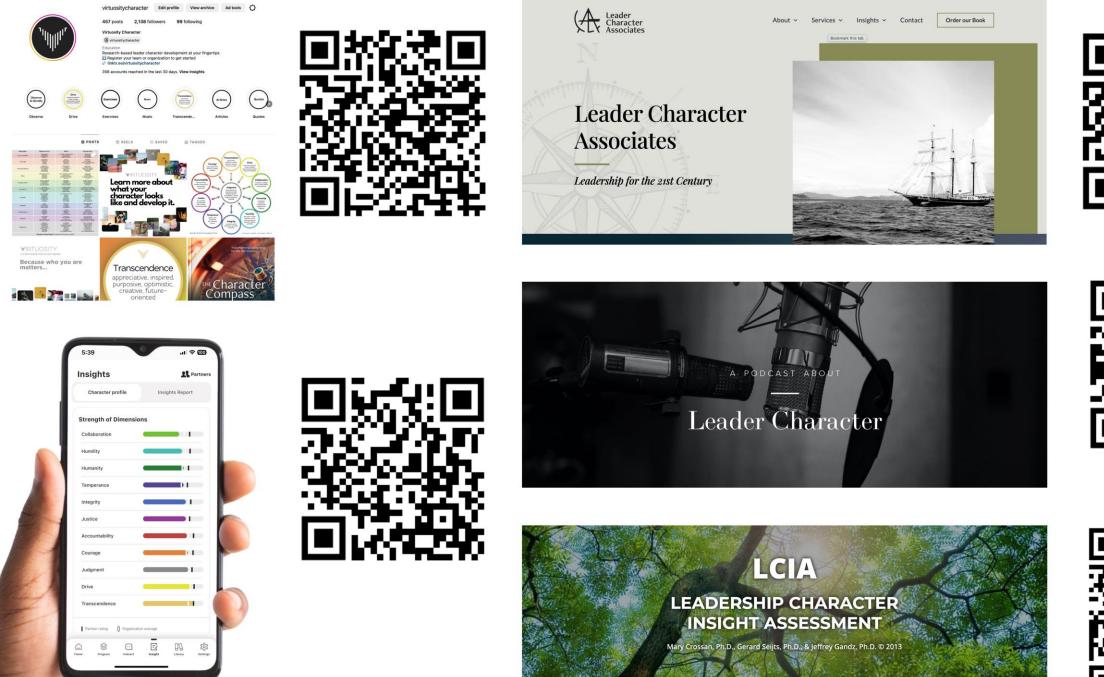
#### 2. Ongoing – you are not alone:

- Stay connected reach out.
- We need "all hands on deck" to "be the change we want to see in the world".



#### WHEREVER COMPETENCE RESIDES – CHARACTER BELONGS





18+

20 MINUTES

En 🖌 Fr 🗸

A





#### **Cherokee Teaching**

One evening a Cherokee Elder told his grandson about a battle that goes on inside people. He said,

'My son, the battle is between two 'wolves' inside us all. One is evil. It is anger, envy, jealousy, sorrow, regret, greed, arrogance, self-pity, guilt, resentment, inferiority, lies, false pride, superiority, and ego.

The other is good. It is joy, peace, love, hope, serenity, humility, kindness, benevolence, empathy, generosity, truth, compassion and faith.'

The grandson thought about it for a minute and then asked his grandfather: 'Which wolf wins?'

The Elder simply replied, 'The one you feed.'



#### Key References (hyperlinked)

- Crossan. M.; Cote, S.; Virgin, S. <u>Elevating Character Alongside Competence in Selection: A Case Study of Canada Revenue Agency</u>, Organizational Dynamics, 2021, forthcoming.
- Crossan, M.; Ellis, C.; Crossan, C. Towards a model of leader character development: Insights from anatomy and music therapy. Journal of Leadership and Organizational Studies, 2021, forthcoming.
- Nguyen, B.; Crossan, M. Character Infused Ethical Decision Making. Journal of Business Ethics, 2021, forthcoming,
- Crossan M., Furlong, B., Gandz, J. & Seijts, G. (2018). Addressing Culture and its Associated Risks in Financial Institutions: A Character-Infused Approach. Global Risk Institute.
- Seijts, G.H., Byrne, A., Crossan, M. & Gandz, J. (2018). Leader character in board governance. Journal of Management and Governance.
- Furlong, B.; Crossan, M.; Gandz, J.; Crossan, L. "Character's Essential Role in Addressing Misconduct in Financial Institutions", Business Law International, 18(3), 2017.
- Seijts, G.H., & Gandz, J. (2018). Transformational change and leader character. Business Horizons.
- Crossan, M., Byrne, A., Seijts, G., Reno, M., Monzani, L., & Gandz, J. (2017). Toward a framework of leader character in organizations. Journal of Management Studies.
- Seijts, G.H., Crossan, M., & Carleton, E. (2017). Embedding leader character into HR practices to achieve sustained excellence. Organizational Dynamics, January-March, 46 (1): 30-39.
- Sturm, R.E.; Vera, D.; Crossan, M. (2017). The entanglement of leader character and leader competence and its impact on performance. Leadership Quarterly.
- Crossan, M.; Seijts, G.; Gandz, J.; Developing Leadership Character, Routledge, 2016
- Seijts, G.H., Gandz, J., Crossan, M., & Reno, M. (2015). Character matters: Character dimensions' impact on leader performance and outcomes. Organizational Dynamics, 44(1), 65-74.
- Crossan, M., Mazutis, D., & Seijts, G.H. (2013). In search of virtue: The role of virtues, values and character strengths in ethical decision making. Journal of Business Ethics, 113, 567 - 581.
- Crossan, M., Mazutis, D., Seijts, G.H., & Gandz, J. (2013). <u>Developing leadership character in business programs</u>. Academy of Management Learning and Education, 2, 285 – 305.

