1-1-2013

Does the presence or absence of virtues define the character of a leader and impact performance?

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This research is a product of the Doctor of Ministry (DMin) program at George Fox University. **Find out more** about the program.

GEORGE FOX UNIVERSITY

DOES THE PRESENCE OR ABSENCE OF VIRTUES DEFINE THE CHARACTER
OF A LEADER AND IMPACT PERFORMANCE?

A DISSERTATION SUBMITTED TO

THE FACULTY OF GEORGE FOX EVANGELICAL SEMINARY

IN CANDIDACY FOR THE DEGREE OF DOCTOR OF MINISTRY IN

LEADERSHIP AND GLOBAL PERSPECTIVES

BY

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PORTLAND, OREGON

MARCH 2013

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CERTIFICATE OF APPROVAL

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DMin Dissertation

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the Dissertation Committee on March 14, 2013
for the degree of Doctor of Ministry in Leadership and Global Perspectives.

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ABSTRACT

In the light of high profile corporate collapses, public leadership failures, and the fallout of the Global Financial Crisis that began in 2008, it is important to challenge the traditional discourse on leadership and recognize that no matter how skilful, capable, or competent leaders might be performance may be negatively impacted if virtues are considered to be secondary or unimportant. Drawing on a comprehensive range of sources representing different fields of study and various cultural perspectives, this thesis defines what virtues are, how they originate, and why they are important for effective and sustainable leadership and organizational performance. It recognizes the importance of national culture, the institution of the family and kinship relationships, and organizational culture in the adoption and practice of those virtues. Acknowledging that "virtues" is not a commonly used term, this thesis also demonstrates why it is an important concept, and how it is different to the more commonly used term "values." While this thesis does not evaluate the efficacy of classical leadership paradigms that focus on traits, capabilities, skills, and styles, it does reveal how these become inadequate if virtues are absent. It concludes that the presence or absence of virtues not only defines the character of a leader but also is foundational to a leader's ability to effectively lead an organization. It is hoped that this discussion will be a catalyst for starting a new dialog on leadership that is often only given superficial treatment: the interplay between leadership performance and virtues.

INTRODUCTION

DOES THE PRESENCE OR ABSENCE OF VIRTUES DEFINE THE CHARACTER
OF A LEADER AND IMPACT PERFORMANCE?

In this thesis, I will be presenting a 30,000-foot view of leadership, and exploring

different facets of leadership, particularly as it relates to a leader's character and how this

impacts performance. This was motivated by the desire to help leaders and those aspiring

to lead understand that leadership traits, capabilities, and styles without virtue will

jeopardize effective and sustainable leadership. In light of some well-known corporate

collapses due to corrupt leadership and the Global Financial Crisis of 2008/09 (GFC),

leadership literature has begun to address the importance of ethical or moral leadership.

While I am not evaluating the efficacy of classical leadership paradigms that primarily

focus on traits, capabilities, skills, and styles, I am seeking to explore the interplay

between leadership, virtues, and performance—and more specifically, how the presence

or absence of virtues in a leader may define his or her character and the impact this has

on performance, both for the leader and the organization. While it will become more

obvious as to why I have chosen "virtues" over more commonly used terms such as

"values," "morals," and "ethics," it is also hoped that this discussion will be a catalyst for

starting a new dialog on leadership that is often only given superficial treatment: the

interplay between leadership performance and virtues (or as Alexandre Havard states,

"the content of a person's character").[1]

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[1] Alexandre Havard, *Virtuous Leadership: An Agenda for Personal Excellence* (New York: Scepter Publishers, 2007), xiv.

For years, I have been fascinated and inspired by *leadership*: what it is, what it is not, what people think it should be or should not be, and the variety of emotive responses that are evoked when we see it demonstrated in a range of different contexts: at home, in work environments, sporting clubs, community organizations, churches, in government and schools, and across every culture.

As a young child, I remember watching a fireman being interviewed after running into a house to rescue a young infant from the fire that had almost entirely consumed the family home. That took courage, selflessness. It took leadership. When I was twelve years old, I remember being inspired by a courageous footballer and captain of the Hawthorn Football Club, Peter Crimmins, as he battled cancer and tried to ready himself to lead the team onto the field on Grand Final Day in 1975. Sadly, he was declared unfit and was left out of the team. But his courage and dedication, and the commitment of his team who wanted so badly to win the match for him, had a profound impact on me, and the psyche of the wider football public. His work ethic, and the spirit he showed in battling cancer and wanting to see his beloved team win, embodied leadership. Today, the Hawthorn Football club's Best & Fairest award is called "The Peter Crimmins Medal" in his honor. In February 1983, one hundred and eighty bushfires on one day ravaged the states of South Australia and Victoria that resulted in seventy-five deaths. Only days later, I found myself with one of the cleanup teams working in the backyard of a woman in her mid-fifties, trying to restore some sense of order to her world. Although her house was preserved, she lost many of her belongings and her property was devastated. Elaine Shepherd was exhausted and experienced feelings of loss, but she would not allow this setback to consume her. I remember being impressed by her determination and optimism.

Ironically, years later, I would find myself working alongside this remarkable woman in a family mediation center.

History is replete with examples of leaders who have both succeeded and failed in diverse fields of interest. They are researchers, social commentators, military strategists, politicians, and business executives from the private and public sectors. They also include leaders from the social sector or Non-Government Organizations (NGOs) and Faith-Based Organizations (FBOs) that serve a broad range of humanitarian objectives, some of them religiously motivated. Some well-known examples include: William Wilberforce (AD 1759-1833),[2] Mahatma Gandhi (AD 1869-1948),[3] Eleanor Roosevelt (AD 1884-1962),[4] St. Mother Teresa (AD 1910-1997),[5] Nelson Mandela (AD 1918-),[6] Dr. Rev. Martin Luther King Jr. (AD 1929-1968),[7] and President Mikhail Gorbachev (AD 1931-).[8] There have been inventors who have demonstrated great resolve and initiative, like

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[2] Stephen Tomkins, *William Wilberforce: A Biography* (Grand Rapids, MI: William B. Eerdmans, 2007).

[3] Stanley A. Wolpert, *Gandhi's Passion: The Life and Legacy of Mahatma Gandhi* (Oxford: Oxford University Press, 2001).

[4] National Coordinating Committee for UDHR50, Franklin and Eleanor Roosevelt Institute, http://www.udhr.org/history/biographies/bioer.htm (accessed December 13, 2010).

[5] NobelPrize.org, The official web site of the Nobel Peace Prize, http://nobelprize.org/nobel _prizes/peace/laureates/1979/teresa-bio.html (accessed December 13, 2010).

[6] Nelson Mandela, *Long Walk to Freedom: The Autobiography of Nelson Mandela* (Boston, MA: Little Brown, 1994).

[7] Stephen B. Oates, *Let the Trumpet Sound: A Life of Martin Luther King Jr. (*New York: Harper Perennial, 1994).

[8] NobelPrize.org, The official web site of the Nobel Peace Prize, http://nobelprize.org/nobel _prizes/peace/laureates/1990/gorbachev-bio.html (accessed December 13, 2010).

Thomas Edison (AD 1847-1931)[9] and Alexander Graham Bell (AD 1847-1922),[10] and

business leaders like Warren Buffet (AD 1930-)[11] and Microsoft's Bill Gates (AD

1955)[12] who have established corporate empires only to give billions of dollars away to

humanitarian efforts. There have been military leaders such as Alexander the Great (356-

323 BC),[13] Julius Caesar (100-44 BC),[14] Genghis Khan (AD 1162-1227),[15] George

Washington (AD 1732-1799)[16] and Napoleon Bonaparte (AD 1769-1821).[17]

Leadership is often very personal. It is powerful. It is felt by everyone: by those

who demonstrate it in a large way or seemingly insignificant ways and by those who are

affected negatively or positively by leaders connected to them, or detrimentally by its

sheer absence when it is needed. Leadership is also local, regional, national, and global.

As Michael and Deborah Jinkins note, "Leadership is always grounded in a particular

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[9] Paul Israel, *A Life of Invention* (New York: John Wiley & Sons, 1998).

[10] The New York Times Company, http://inventors.about.com/library/inventors/bltelephone2.htm (accessed December 13, 2010).

[11] A Time Warner Company, http://money.cnn.com/2006/06/25/magazines/fortune/charity1 .fortune/ (accessed December 13, 2010).

[12] CBS News, http://www.cbsnews.com/8301-504803_162-20018310-10391709.html (accessed December 13, 2010).

[13] A Project of History of Macedonia.org. http://www.historyofmacedonia.org/AncientMacedonia /AlexandertheGreat.html (accessed December 13, 2010).

[14] An article by Jona Lendering in a Twelve Part Series on Gaius Julius Caesar, http://www.livius.org/caa-can/caesar/caesar01.html (accessed December 13, 2010).

[15] Genghis Khan and the Great Mongol Empire, Macro History and World Report. http://www.fsmitha.com/h3/h11mon.htm (accessed December 13, 2010).

[16] David McCullough, *1776* (New York: Simon & Schuster Paperbacks, 2006).

[17] Alan Schom, *Napoleon Bonaparte: A Life* (New York: Harper Perennial, 1997).

time and place—in a particular culture. And the effective leader inevitably maintains a connection with *this* specific time and place, *this* culture, leading *these* people in *this* moment."[18] Every person in every culture could mention a list of names of leaders who are more specific to their personal experience, the places or countries they live, why they consider them to be leaders, and through the wealth of information available today have an understanding as to whether or not that leader has a role on the world stage. However, interpretations of leadership may be quite different from one country to the next.

Leadership Models and Definitions of Leadership

Leadership is defined both narrowly and broadly in different contexts and many terms are used such as *competencies*, *capabilities*, *traits*, *behaviors*, and *styles*. These terms are often used interchangeably, sometimes leading to confusion and misapplication. In view of this, it is important to establish what they are.

In contrasting organizational capabilities with individual competencies, Ulrich and Smallwood[19] describe the former as the collective skills, abilities, and expertise of an organization and how these represent the ways that people and resources are brought together to accomplish work. On the other hand, a leader's individual abilities are focused more on having the skills needed to perform a particular function, such as marketing or setting strategy or managing finances. Performance is often a measure of both: how leaders exercise their skills in a particular area, while at the same time ensuring that their own skills are complemented and utilized fully in the context of a team and the

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[18] Michael Jinkins and Deborah Bradshaw Jinkins, *The Character of Leadership: Political Realism and Public Virtue in Nonprofit Organizations* (San Francisco, CA: Jossey-Bass, 1998), 62.

[19] Dave Ulrich and Norm Smallwood, "Capitalizing on Capabilities," *Harvard Business Review* (June 2004): 119-127.

impact on the wider organization. From this we can see that Dave Ulrich and Norm

Smallwood see leadership capabilities, skills, and competencies being centered on

individual activity and results and their impact on others and the organizations they lead.

James MacGregor Burns moved away from the biographical and historical

approaches of analyzing the leadership characteristics and traits of men and women and

transactional management. He moved away from talking about leaders, to talking *about*

leadership, developing a philosophy around the concept of leadership—what it is. In his

seminal examination of how leaders transform followers into leaders and help to shape

the course of history, he states,

> If we know all too much about our leaders, we know far too little about
> *leadership*. We fail to grasp the essence of leadership that is relevant to the
> modern age and hence we cannot agree even on the standards by which to
> measure, recruit, and reject it. Is leadership simply innovation—cultural or
> political? Is it essentially inspiration? Mobilization of followers? Goal setting?
> Goal fulfillment? Is a leader the definer of values? Satisfier of needs? If leaders
> require followers, who leads whom from where to where, and why? How do
> leaders lead followers without being wholly led *by* followers? Leadership is one
> of the most observed and least understood phenomena on earth.[20]

He identified major themes of power and purpose, leadership as a relationship of

power for a specific purpose, the notions of motives and values on purpose and behavior,

and leadership versus power-wielders. In reviewing various themes and theories of

leadership, Matthew Fairholm states that "words such as vision, culture, values,

development, teamwork, and service make sense in the world of *transforming*

leadership" form the basis of Burns' work in distinguishing *transformational* leadership

from *transactional* leadership, where "transactional leadership focuses mainly on rewards

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[20] James MacGregor Burns, *Leadership* (New York: Open Road Integrated Media, 2012), 1.
Kindle Electronic Edition.

or punishments in exchange for performance."[21] According to Burns, transforming

leaders focus on something that is more than simply wielding power in a manner that

punishes or rewards followers in order to secure the outcomes leaders desire. The

"transforming leader looks for potential motives in followers, seeks to satisfy higher

needs, and engages the full person of the follower."[22] In the light of this, transformational

leadership (along with other leadership paradigms that include servant-leadership and

virtuous leadership) is consistent with, and founded upon a values-based leadership

theory that believes leadership should not belong only to the few at the top of an

organizational chart. It implores leaders to value the people that work for them beyond

the mere production process, their defined responsibilities, and the desired business

outcomes. As stated by Gilbert Fairholm, "values-based leadership theory is clear and

uncomplicated. It is leader action to create a culture supportive of values that leads to

mutual growth and enhanced self-determination."[23] Burns suggests that this approach to

leadership not only converts followers into leaders, but "may convert leaders into moral

agents."[24] A common criticism of transformational leadership is that it represents a "feel-

good" type of leadership—in theory it looks good, but in reality, it makes no difference to

organizational outcomes or performance. However, Bernard Bass and Ronald Riggio

present empirical evidence to suggest otherwise. They concluded that while performance

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[21] Matthew R. Fairholm, "The Themes and Theory of Leadership," A working paper prepared for the Center for Excellence in Municipal Management, in Washington DC: George Washington University, 2001), 2.

[22] Burns, 4.

[23] Gilbert W. Fairholm, *Perspectives on Leadership: From the Science of Management to Its Spiritual Heart* (Westport, CT: Praeger Publications, 2000), 61.

[24] Burns, 4.

exceeded expectations in relation to transactional leadership, "what is often overlooked is how transformational leaders help develop followers to be better contributors to the group effort—more creative, more resistant to stress, more flexible and open to change, and more likely to one day become transformational leaders themselves."[25] We will continue to explore the importance of values as we transition to a clearer understanding of the interplay between leadership and virtues. However, in contrast with values-based leadership theory where the primary goal is focused on the *mutual* growth of the organization and its members, our discussion around the centrality of virtues to the life of a leader focuses first and foremost on the core of a leader's identity and character. And while it is expected that benefits would flow from this to others, at its heart it is not motivated by any need for reciprocity.

One of the most substantial works completed on leadership in relation to culture comes from the GLOBE study of 62 societies. One hundred and seventy researchers from 62 cultures worked on this project with data coming from 17,300 leaders and managers in 951 organizations. The team of researchers realized that it was critical that a definition of leadership be established so that effective measurement and research could be consistently applied against the same construct. The GLOBE definition of leadership is, "the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members."[26] Once again, this definition tends to focus on a behavioral approach to leadership. The emphasis

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[25] Bernard M. Bass and Ronald E. Riggio, *Transformational Leadership*, 2nd ed. (New York: Psychology Press, 2006), 56.

[26] Robert J. House and Mansour Javidan, "Overview of GLOBE," in *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 15.

is on the *doing*, not the *being*. This is different from cognitive perspectives on leadership

where a person is identified as a leader, or labeled as one, because there is certain

characteristics that will help that person become an effective leader. In this context,

leaders are defined, in part by the members of the organizations they belong to.[27]

However, GLOBE did identify twenty-one primary leader behaviors that they found were

universally viewed as contributors to leadership effectiveness and eight that are

universally viewed as impediments. Six *global* leader behaviors were identified (in

Chapter 4 we look at which of Geert Hofstede's five cultural dimensions these are related

to).[28] These are briefly defined as:

> *Charismatic/Value-Based Leadership* focuses on the leader's ability to inspire and motivate others that result in high performing teams. GLOBE identified six leadership subscales to this that included: (a) visionary, (b) inspirational, (c) self-sacrifice, (d) integrity, (e) decisive, and (f) performance oriented.
>
> *Team-Oriented Leadership* emphasizes team effectiveness around a common purpose and goal. There are five subscales attached to this. These include: (a) collaborative team orientation, (b) team integrator, (c) diplomatic, (d) malevolent (reverse scored), and (e) administratively competent.
>
> *Participative Leadership* reflects the degree to which leaders involve others in their decision-making and implementation. GLOBE attached two reverse-scored sub scales of (a) non-participative and (b) autocratic.
>
> *Humane-Oriented Leadership* focuses more on the leader's ability to be considerate and compassionate. There are two subscales of (a) modesty and (b) humane orientation.
>
> *Autonomous Leadership* is applied to more independent and individualistic leaders.
>
> *Self-Protective Leadership* focuses on the survival, safety, and security of the leader as an individual and the group. There are five subscales attached to this and

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[27] Ibid., 460.

[28] Ibid., 14

include: (a) self-centered, (b) status conscious, (c) conflict inducer, (d) face saver, and (e) procedural.

In 2005, Wibbeke introduced the *Geoleadership* Model.[29] This is based on seven critical factors considered necessary for leadership competence. These included: Care, Communication, Consciousness, Contrasts, Context, Change, and Capability. Wibbeke recognizes that with increasing globalization comes greater complexity and that these new competencies are needed for organizations to successfully navigate these challenges.

Another leadership model, called *Level 5 Leadership*, comes from the work of Jim Collins, author of *Good to Great: Why Some Companies Make the Leap . . . and Others Don't*.[30] He followed this up with *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great*. Collins produced a model that incorporates a blend of competencies or capabilities that Burns describes as "internal requirements" or values.[31] Level 1 is "The Productive Contributor," a highly capable individual who offers talents and skills to the organization; Level 2 is "The Contributing Team Member" who works effectively and contributes to achieving team goals; Level 3 is "The Competent Manager" who is efficient and effective in the pursuit of goals through planning and organizing; Level 4 is "The Effective Executive" who has a clear and compelling vision and encourages high performance; and "The Level 5 Leader" who exhibits "personal humility and professional resolve" that allows the development of a great organization.

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[29] E. S. Wibbeke, *Global Business Leadership* (Amsterdam: Butterworth-Heinemann, 2009), 19.

[30] Jim Collins, *Good to Great: Why Some Companies Make the Leap . . . and Some Don't* (New York: Harper Collins, 2001).

[31] Matthew R. Fairholm, 3.

Not so much as a weakness but more of an observation with Collins' model is that it is questionable whether the Level 5 traits of "humility, will, ferocious resolve—can be developed or taught."[32] In Chapter 3 this question will be addressed in the context of the broader question of whether or not virtues are foundational to leadership behaviors and performance. Where do these virtues come from, and can they be taught?

In October 2009, The *McKinsey Quarterly* published the results of its McKinsey Global Survey, which sought to identify and subsequently map leadership capabilities.[33] From this analysis emerged a model defined as *Centered Leadership*. This highlighted the presence of five key capabilities: (1) "meaning," which applies to putting your strengths to work in the service of a purpose that inspires you; (2) "positive framing," which encourages leaders to see challenges as opportunities; (3) "connecting," which addresses the importance of building a stronger sense of community and belonging; (4) "engaging," which pursues opportunities disguised as risk; and (5) "energizing," that focuses on key survival skills for leaders to help them maintain the energy and focus they need to go the distance.

Though there are hundreds more leadership models, one final leadership model to be included for the purpose of this essay is called *Servant Leadership*. Originating in an essay in 1970 and developed in subsequent essays by Robert K. Greenleaf, the servant-leader *is* servant first.

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[32] "Jim Collins and Level 5 Leadership," The Leadership at Work Blog, entry posted May 23, 2007, http://leadership.atwork-network.com/2007/05/23/jim-collins-and-level-5-leadership (accessed January 7, 2013).

[33] "The Value of Centered Leadership: McKinsey Global Survey Results," *McKinsey Quarterly* (October 2010): 1-8.

It begins with the natural feeling that one wants to serve, to serve *first*. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is *leader* first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. . . . The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.[34]

Ultimately, Servant Leadership is focused on a commitment to a vision that can only be achieved by giving priority to those who are being served by the vision, and serving the needs of colleagues who are stewards of the resources being used to fulfill that vision. Kent Keith, CEO of the Greenleaf Center, and author of *Servant Leadership in the Boardroom: Fulfilling the Public Trust*, identifies seven key practices of servant leaders:

Self-awareness, listening, changing the pyramid, developing your colleagues, coaching not controlling, unleashing the energy and intelligence of others, and foresight. . . . Unlike leadership approaches with a top-down hierarchical style, servant leadership instead emphasizes collaboration, trust, empathy, and the ethical use of power.[35]

Leadership and Culture

As we have seen, there are many definitions of leadership and numerous models have been developed around them, of which we have only reviewed a small number. As we have seen from the GLOBE study, however, culture influences leadership and how it is viewed differently across cultures. Leadership is also deeply influenced by organizational cultures.

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[34] Robert K. Greenleaf and Larry C. Spears, *The Power of Servant-Leadership: Essays* (San Francisco, CA: Berrett-Koehler Publishers, 1998).

[35] Kent M. Keith, *Servant Leadership in the Boardroom: Fulfilling the Public Trust* (Westfield, IN: The Greenleaf Center for Servant Leadership, 2008), Kindle Electronic Edition: Location 1668.

Edgar H. Schein in his seminal work, *Organizational Culture And Leadership*, argues that there are three major types of culture that play a critical role in influencing how leaders achieve organizational outcomes and what happens inside organizations: macrocultures, subcultures, and microcultures.[36] Macrocultures look at the macro impact of an organization's national, ethnic, regional, and religious context. In contrast to this, subcultures represent the primary occupational groups within an organization. These are usually formed around an organization's functional units and the common experiences of different levels within its hierarchy. Nonetheless, external categories also influence these subcultures. For example, members of an organization may also represent larger occupational groups that also exist in other organizations. These may include teachers, nurses, and financial planners. They may also work in a particular industry sector such as private, public, nonprofit, and government where assumptions, expectations, attitudes, and values are dissimilar. These become even more culture specific when individual organizations within the same sector are contrasted against each other. Such comparisons can be found in Kim Cameron and Robert Quinn's excellent work in *Diagnosing and Changing Organizational Culture* after surveying more than 100,000 managers representing nearly 100,000 organizations.[37]

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[36] Edgar H. Schein, *Organizational Culture and Leadership*, 4th ed. (San Francisco, CA: Jossey-Bass, 2010), 55. Kindle Electronic Edition.

[37] Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (San Francisco, CA: Jossey-Bass, 2011), 86-94.

Microcultures relate more to small groups that evolve through shared common tasks and histories. Shared assumptions develop as these groups often require "mutual cooperation" due to high levels of interdependency between them.[38]

For many organizations, macroculture has become much more complex and important in recent years as they seek to respond to a rapidly changing global economic environment that has become highly competitive. Fundamental to responding effectively is for organizations to know how to engage and integrate with different cultures and the forces underneath them. Robert House and Mansour Javidan in the GLOBE study defines culture as consisting of "commonly experienced language, ideological belief systems (including religion and political belief systems), ethnic heritage, and history."[39] While Edgar acknowledges the importance of shared artifacts, beliefs, values, ethnic heritage, and assumptions, his definition of culture also captures the importance for organizations to engage, integrate and adapt to the culture. Based on empirical research, he argues that

> The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.[40]

Certainly not exclusively but there is no doubt that the online world has pushed many organizations into markets and countries they never intended to be in but now find themselves under pressure to respond. Donald DePalma calls this, "The Eighth

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[38] Schein, 67.

[39] House and Javidan, 15.

[40] Schein, 17.

Continent."[41] These aspects of culture and some of the challenges they present are addressed in greater detail when we look at the interplay between national culture, leadership, and virtues in Chapter 4, the interplay between the institution of the family, kinship, and virtues in Chapter 5, and the interplay between organizational culture, leadership performance, and virtues in Chapter 6. This is the context that I wish to focus on as we explore how virtues might be different from leadership behaviors or traits, how they might be similar or different across cultures, and if they are transferable across cultures.

There are many challenges facing organizations and leaders seeking to expand and survive in a rapidly changing and competitive global environment, particularly in the light of the global economic crisis that suddenly emerged in 2009. On a macro level, we see severe fluctuations in the financial markets, the bankruptcy of major corporations, significant flux in the demand for imports and exports, and increasing unemployment. Consequently, to survive, business leaders and leaders of NFP organizations have needed to sharpen their focus, invest in improved brand awareness, mission distinctiveness, revenue growth and market expansion, and product consolidation, all while reducing expenditure and improving the bottom line. Many leaders have been caught unprepared and untrained for such severe business scenarios. In the NFP sector, these challenges are escalated further with reductions in discretionary funds that correlate with a drop in discretionary giving to charities and ministries. In many cases, NFP leaders are confronted with the new realities associated with an economic crisis, global competitiveness, and new business scenarios they have not been equipped to deal with.

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[41] Donald A. DePalma, *Business Without Borders: A Strategic Guide to Global Marketing* (Sturbridge, MA: Globa Vista Press, 2004), xi.

Many businesses are also constantly seeking to grow. Their focus is on new markets, new products, or a consolidation of products and services that will allow resources to be redirected to pursuing greater market share, more sustainable revenue streams and better expense management. Not-for-profit entities have similar goals and challenges, although their focus centers more on relevancy and mission legitimacy in the eyes of supporters, where today there is greater donor sophistication and scrutiny. This results in leaders of NFP organizations committing to stronger governance, better planning, a greater emphasis on measureable outcomes and the formation of effective strategic alliances—locally, regionally and globally. With these challenges, it is even more important for leaders operating outside of their immediate cultural context to be

> capable of operating effectively in a global environment while being respectful of cultural diversity. This is an individual who can manage accelerating change and differences. The global leader is open and flexible in approaching others, can cope with situations and people disparate from his or her background, and is willing to reexamine and alter personal attitudes and perceptions.[42]

Wibbeke reinforces the importance of this intercultural perspective when looking at the dynamic role of leadership. "Learning about how other cultures both define and exert leadership is crucial in gaining and maintaining market share. Such intangible concepts can only be grasped through stepping back and examining the cultural underpinnings of another's background and development."[43] Rather than emphasize individual leadership traits, which is often easier to do, cross-cultural studies contrasts definitions of leadership among Eastern (collective, holistic, spirituality-based) and

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[42] Robert T. Moran, Philip R. Harris and Sarah V. Moran. *Managing Cultural Differences: Global Leadership Strategies for the 21st Century*, 7th ed. (Amsterdam: Butterworth-Heinemann, 2007), 29.

[43] Wibbeke, xviii.

Western cultures (hierarchical, authority-based, and individualistic).[44] Understanding this

is particularly important when one considers how leadership is practiced in some

cultures. For example,

> In French, leadership, "conduite," means to guide ones own behavior, to guide
> others, or command action. In France, although the French are famous for
> protesting, authority holds deference and respect.
>
> In German, leadership, "Fuhrung," means guidance, and in organizations, it is
> construed to consist of uncertainty reduction. The leader guides action. Further,
> leaders guide by the rules in such as way as to motivate.
>
> In Chinese, "leadership" embraces the leader and the led. The leader is one who
> "walks in front" and guides the group through teaching "the way." Here, the
> implication is that leadership can only be relational activity.
>
> In Arabic, there is a word "Sheikh" that has different meanings according to the
> regional culture within the Middle East. Literally, "Sheikh" means a man over
> forty years. However, in the Gulf and Saudi Arabia "Sheikh" means a person
> from the Royal Family. In Egypt, "Sheikh" means a scholar of religion. In
> Lebanon, "Sheikh" means a religious leader even among Christians.[45]

All of this to confirm that *leadership* is not the same in every culture. This has

wide reaching implications for how leaders pursue relationships beyond their immediate

borders.

From my own working experience I have seen this played out almost on a daily

basis. For seven years I worked as a senior executive with an organization in the United

States that had associate offices established in 18 countries. In addition to this, strategic

alliances were formed on many different levels with partners in more than 150 countries.

Assumptions were made about what type of leader was needed to oversee country and

regional operations, and questions were asked about their ability to interact with and

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[44] Ibid., 41.

[45] Ibid., 18.

build strong relationships with the U.S. office and each other. These decisions were often based on the value we each attributed to certain leadership behaviors from our own personal experiences. These included decisiveness, strategic thinking, results-oriented, strong interpersonal skills, ability to manage conflict, a commitment to building high performing teams, initiative, and being a visionary leader. There were, however, other invaluable qualities, some more tacit and intangible than others, but nonetheless extremely important. These are more related to the character of the leader and for this reason are often described as virtues or character attributes (later we learn how the two are quite different). While they find their expression in what a leader *does*, they are more strongly oriented to who a leader *is,* or their sense of *being.* They include: humility, integrity, trust, being open to learning, discernment, spiritual sensitivity, respect, not motivated or driven by money or status, and the ability to listen. The largest hurdle towards achieving global effectiveness was the degree to which the U.S. organization was willing to relinquish control and trust other country leaders to make strategic decisions, operating outside of their strong hierarchical heritage. It constantly battled a strong ethnocentric and paternalistic undercurrent despite countermoves to address this and the sincere efforts of many leaders and staff.

While it might be argued that the inability to overcome this issue was due to a lack of confidence in the leadership behaviors of the associate office leaders, it actually had more to do with the leadership intangibles—the influence of culture and the absence of certain virtues. At the risk of offending some of my American friends, this phenomenon was evident in every level of the organization from the ground up, although through their own cultural lens it would be difficult for them to accept this truth.

However, in support of this, for thirty-five years there has been no international delegate on the U.S. Board, and there has been a strong aversion to establishing a truly international Board where the United States would be willing to give up a controlling majority. Sustaining an effective global partnership, expanding global influence, and increasing program effectiveness will hinge on their ability to overcome these barriers. This is no way undermines the extraordinary results experienced through a large range of initiatives in the United States and overseas; it merely reinforces the challenges that stem from leadership behaviors strongly under the influence of culture.

The challenge facing this U.S. organization is by no means isolated, and it applies to organizations all around the world that are attempting to work effectively outside of their respective cultures and across international borders. In Kishore Mahbubani's challenging book on the shift of global power from the West to the East, he underscores the importance of transitioning the West's commitment to democracy to a wider social order where others have an equal voice. He states, "The principle that is the foundation of government in Western society is the principle of democracy. And the fundamental premise on which democracy is based is that each human being in that society is an equal stakeholder in the domestic order."[46] Unfortunately, this form of equality does not exist in many countries due to conflicting interests and values.

Obviously, the logical question to ask is, how is this principle applied to an emerging new global order? Global government is not the answer. What is needed is a commitment to fair global governance.[47] This is quite a complex issue, and although it

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[46] Kishore Mahbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (New York: Public Affairs, 2008), 241.

[47] Ibid., 242.

will take significant leadership across the cultural spectrum, one wonders whether or not

it is possible to achieve this purely based on leadership capabilities, competencies and

behaviors alone. It seems obvious that the unbiased application of leadership skills to a

complex problem like this cannot possibly be achieved without understanding the

collision of cultures in a broader geopolitical context and what specific virtues would

provide a common foundation from which to build. As stated by Andrew Hurrell,

> for all the difficulties of definition, it is evident that NGOs, social movements, and transnational coalitions play a number of important roles in the changing constitution of international society: first, in the formal process of norm creation, standard-setting, and norm development . . . second, in the broader social process by which new norms emerge and find their way on to the international agenda; third, in the detailed functioning of many international institutions and in the processes of implementation and compliance; and finally, in direct participation in many governance activities (disbursing an increasing proportion of official aid, engaging in large-scale humanitarian relief, leading efforts at promoting democracy or post-conflict social and political reconstruction)."[48]

Where do these virtues come from, however, and what virtues, if any, are

transferable from one culture to the next? Are they foundational to the leadership

behaviors we need to see? If so, then greater efforts should be made to identify what

these virtues are and look for ways to instill them into our children and incorporate them

into our leadership development programs so that leaders can develop the capacity to

succeed in a culturally diverse context and changing world.

The Interplay of Leadership and Virtues

There are thousands of books, articles, and journals focused around classical

definitions of leadership and a vast number of leadership models or paradigms that

organizational leaders have proposed, adopted, modified, and outgrown. Largely, they

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[48] Andrew Hurrell, *On Global Order: Power, Values, and the Constitution of International Society* (Oxford: Oxford University Press, 2007), 100-101.

have focused on the concept of leadership, the context of leadership (in relation to the type of leadership the situation needs), the competencies and skills required to lead, and the character of leadership.

Earlier, we looked at what people might describe as the intangible or tacit qualities of leadership, or the underlying values or virtues that influence behavioral outcomes and decisions. This does not mean that virtues can never be seen or defined. They are like small threads in a large tapestry. These threads complete the picture, and when they are not there or the thread has been pulled or a flaw exists, the entire tapestry is no longer the masterpiece it was created to be by the artist. Similarly, for leaders of organizations there are many behaviors or traits that are influenced by the context or situation at hand and the specific needs of the organization. Sometimes, these behaviors are appropriate and sometimes not. We have seen many successful leaders undone by flaws of character and the absence of other significant intangibles that sit just below the surface of a leader's behavior, but nonetheless have a profound effect on what behavior emerges.

In order to avoid any confusion with behaviors, traits, capabilities, or skills associated with leadership, it is important to define what is meant by *virtue* (Latin *virtus*; Greek ἀρετή, *arete*). This is addressed more fully in Chapter 3 when we look at the origin and nature of virtues. While the standard dictionary doesn't adequately address how profoundly value-laden this word is, it does define it as

1. Behavior or attitudes that show high moral standards;
2. A particular good quality or habit;

3.   An attractive or useful quality[49]

Alasdair MacIntyre describes virtue as "an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving such goods."[50] What will become central and more obvious to our discussion on the interplay between leadership, virtues, and performance in subsequent chapters is the foundational relationship of virtues to behavior and the decisions leaders make. Furthermore, how the consistent practice of virtues are formed through habit rather than arbitrarily applied.

For now, we will simply define virtues and the importance of their relationship to leadership as: *principles of moral character shaped by a person's culture or worldview— core beliefs, upbringing, and experience—that influence consciously and unconsciously, leadership behaviors.*

As stated earlier, it will become more obvious as to why "virtues" has been chosen over more commonly used terms. In Chapter 2 we look at how it is different from "values," with the nature and origin of virtues addressed more comprehensively in Chapter 3. While it can be argued that the classical virtues have their origins in Greek philosophy only later to become strongly associated with various faith traditions, I believe there can be a diminishing effect in arguing that "virtues" can be reduced to a set of moral standards or that ethical frameworks that are prescriptive in nature can contain it. These standards and frameworks may indeed flow from "virtues" but they do not

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[49] Joanna Turnbull, managing ed., Oxford Advanced Learner's Dictionary of Current English (Oxford: Oxford University Press, 2010).

[50] Alasdair MacIntyre, *After Virtue* (Notre Dame, IN: University of Notre Dame, 2008), 191.

represent it in totality. As we shall discover, there is much more about "virtues" than *doing* something right and honorable; it has more to do with *who* we are or our *being*.

Alexandre Havard is one author who has explored the relationship of *virtues* to *leadership* at a deeper level and developed a model called *Virtuous Leadership*. His work is based on the classical Greek philosophers, especially Aristotle, and then developed further by Christian philosophers and theologians such as Saint Augustine and Saint Thomas Aquinas.[51] Key to Havard's work is the belief that leaders do not exercise the power inherent in their office, but rather the authority that stems from their character. Character and integrity are often used interchangeably today, because they both seem to be more than just *what* a leader practices and has a lot to do with what a leader *is*. John Maxwell argues that integrity is the most important ingredient of leadership. He says, "Integrity is not what we do so much as who we are. And who we are, in turn, determines what we do. Our system of values is so much part of us we cannot separate it from ourselves. It becomes the navigating system that guides us. It establishes priorities in our lives and judges what we will accept or reject."[52] Jack Hayford echoes this same belief. He states that the "development of leadership character takes more than the practice of external disciplines, for it involves the heart, not just habits."[53] The establishment of many Faith-Based Organizations (FBOs) in the social sector has been motivated by leaders with a strong commitment to a select set of values and a worldview to which their religion or faith is central. Once again, their leadership behavior or practice is predicated

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[51] Havard, 111.

[52] John C. Maxwell, *Developing the Leader within You* (Nashville, TN: Thomas Nelson, 1993), 36.

[53] Jack W. Hayford, *Leaders on Leadership: Wisdom, Advice and Encouragement on the Art of Leading God's People,* ed. George Barna (Ventura, CA: Regal Books, 1997), 79.

upon the presence of certain virtues, where the *being* precedes the *doing*. The Book of

Proverbs alludes to this, and therefore speaks about the importance of protecting the

"heart," knowing that its state will have a profound impact on how a leader thinks and

acts, "Above all else, guard your heart, for everything you do flows from it" (Proverbs

4:23 TNIV). This is illustrated again in the Gospel of Matthew, where Jesus is rebuking

the Pharisees (the religious leaders of the day) for their hypocritical behavior and is

quoted as saying, "For out of the overflow of the heart the mouth speaks. Good people

bring good things out of the good stored up in them, and evil people bring evil things out

of the evil stored up in them" (Matthew 12:34-35 TNIV). Jesus addressed this issue many

times over with his disciples and the crowds that came to listen to him. The religious

leaders hated him for this because he exposed their hypocrisy. In addressing the

importance of character for Christian leaders Hayford, a highly respected leader, says,

> I began to come to terms with the determinants of true character. The shaping power of such character is the truth of God's Word. The forming hand is His Spirit's "dealings" with the leader. The essential terrain on which this work is accomplished is the human heart, which must be kept fully open to instruction, correction and refinement. . . . A leader's character will never rise beyond the flow level of his obedience to the Holy Spirit's dealings with the heart.[54]

As we can see, there is a strong interplay between leadership and virtues across all

domains of life and business that is strongly influenced by the values inherent in a

person's culture and worldview.

The primary focus of this chapter was two-fold: (1) to explore if there is any

relationship between virtues and effective leadership and understand if virtues are

foundational to leadership behaviors and results; and (2) to look at the interplay of

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[54] Hayford, 70.

culture, leadership, and virtues and understand how culture influences leadership

formation and the adoption of certain virtues over others.

We have established a number of important facts. Firstly, there are many

legitimate definitions of leadership from which we cannot divorce the shaping influences

of culture and a core set of beliefs held by leaders. Secondly, within these definitions

exist two key themes: (a) the philosophy of leadership and (b) the practice of leadership.

The former focuses on *what* leadership is as a concept and some of the underlying

characteristics from which leadership behaviors emerge. The latter concentrates on the

presence or absence of skills, capabilities, characteristics and traits—the actual behaviors

and their results. We believe there are grounds from which it can be argued that a leader's

behavior is influenced by the presence or absence of virtues. Havard describes these as

representing the content of a person's character. Some of these virtues tend to be more

tacit in nature and represented by what could be described as the intangibles of

leadership. While their presence may not always be easy to observe when they are

practiced, when they are absent they become more obvious through the consequences that

are experienced. We discuss this more fully in Chapter 2 when we explore how "virtues"

are different from "values" and contrast two character-based leadership paradigms in

"servant-leadership" and "virtuous leadership" with leadership paradigms that focus

predominantly on the competencies, skills, and styles of leaders.

It can sometimes be confusing for leaders to understand why a discussion on

"virtues" is important and to appreciate that this is a topic many leaders and philosophers

have wrestled with over the centuries. We address this more fully in Chapter 3 when we

look at the origin and nature of virtues.

We established the importance for leaders and organizations to understand how leadership is defined and practiced across cultures as they seek to respond to the changing needs and competitive nature of global markets. Either by expanding into new markets, maintaining a competitive edge in an existing market, or sharing resources with strategic partners in other countries and regions of the world, this has implications for how leaders from different cultures relate to each other and does business together. The GLOBE project concluded that some leadership behaviors are helpful, while others are not. In subsequent chapters, we explore further the relationship of virtues to these behaviors and whether or not there are key virtues that could be successfully transferred across cultures to help facilitate stronger relationships and healthier organizations with better outcomes.

The role of culture in leadership formation is profound at many different levels. In Chapter 4 we look at the interplay of national culture, leadership, and virtues, while in Chapter 5 we look at the role of family and kinship in transmitting virtues. Critical to our discussion on the role of virtues in leadership in influencing organizational outcomes and leadership performance, we look at the interplay between organizational culture, virtues, and performance in Chapter 6. Every organization has its own unique work environment and culture, where leaders in all fields—business, politics, religion, sport, and the social sector, and others—will each operate within vastly different cultures where assumptions, expectations, attitudes, beliefs, and values can be dissimilar.

The ability to identify virtues in leaders of organizations can be helpful on many fronts. Firstly, at a very basic level, it helps organizational leaders, board members, and recruiters know what to look for in a leader. At a deeper level, however, it helps them understand what are some of the virtues, attitudes, and motivations that sit beneath the

leadership behaviors that an organization wants to see. Put another way, if leadership behaviors are predicated upon the virtues that are present, then it may be important to understand what virtues you want to know exist in a leader before they find expression in the leader's behavior. Secondly, if it can be established that there is a set of virtues essential to leadership effectiveness, then this has implications for the way leaders are identified and developed internally and recruited externally. This approach to understanding another layer of leadership could also be applied to senior leadership appointments as they relate to executive succession and critical founder transitions.

And finally, if virtues are foundational to effective leadership behaviors, can these virtues be taught or modeled with greater intentionality? How we respond to this critical question needs further research as we seek to develop successful leaders who are able to navigate the challenges working across cultures in "a flat world."[55] We continue this journey in Chapter 2 when we seek to understand virtues and how they might be different from intrinsic values we consider to be important, not solely in a leadership context but for every aspect of our lives.

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[55] The concept of "a flat world" is explored in Thomas L. Friedman, *The World is Flat: A Brief History of the Twenty-First Century* (New York: Picador), 2007.

PART 1

DEFINING "VIRTUES" AND THEIR IMPORTANCE FOR LEADERS

CHAPTER 1

ARE VIRTUES DIFFERENT FROM VALUES?

In this chapter, I will be exploring at a deeper level some of the discoveries made

about leadership in the previous chapter. So far we have established that there is a

significant difference between the virtues of a leader and certain leadership behaviors,

traits, capabilities, and competencies. While there are hundreds of leadership models and

paradigms, not all of them focus on the importance of values and what are typically

described as character-based traits or charismatic/value-based leadership.[1] All leaders

have a set of beliefs, attitudes, assumptions, and values shaped by their primary cultural

experiences from which a worldview emerges. Sometimes, these have been consciously

adopted and other times tacitly assumed, but both sit at the heart of decisions made and

actions carried out. We are learning how the presence or absence of virtues and the

degree to which they are held in tension with the circumstances faced on a day-to-day

basis represents a challenge for leaders no matter what industry sector they work in and

are at the root of many successes and failures. This is true for leaders who function in

commercial contexts, not-for-profit organizations (NFPs), and religious or faith-based

organizations (FBOs). In this chapter, we will be focusing on two leadership models,

servant-leadership and *virtuous leadership*, to help establish a clear working definition of

virtues in contrast to *values* and discern how they are different and why that might be

important from a leadership perspective. As a leader's worldview is critical as to how he

or she interprets what is happening around him or her, we will evaluate the impact of

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[1] Jinkins and Jinkins, 101-113; Robert J. House et al., *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (Thousand Oaks, CA: Sage Publications, 2004), 675.

national culture on a leader's development in a later chapter, along with the interplay of the institution of the family, kinship, and virtues.

Servant-Leadership

There is no argument against the belief that the theory and practice of leadership is value-laden. The function of leadership is influenced by how leaders believe their role should be carried out in an organization, managing the unavoidable and diverse expectations held by those being led and fulfilling the perfunctory responsibilities assigned to the position. Leadership therefore revolves around three primary factors: the leader, the organization, *and* the follower, with each of them needing to be held in careful tension due to the various conflicts that can emerge from a convergence of values being held by each of the three entities. This description may seem simplistic because it ignores the importance of shareholders, investors, partners, and its customers in a commercial setting, and donors, constituents, foundations and strategic alliances for the NFP sector. But for the purpose of this essay, it is merely presented this way to demonstrate that, ultimately, leaders must contend with themselves almost as much as they do with the needs of the organization they are responsible for leading and the followers who are part of the organization.

The *Servant-Leadership* model is distinct from other models that focus more on the leader's traditional, hierarchical, top-down style of management where power and control are considered to be inseparable to the practice of leadership. At the heart of servant-leadership is a desire to lead others by serving the needs, aspirations, and interests of their followers, rather than serving their own needs and agenda through the people they lead. As Sen Sendjaya and Brian Cooper write in relation to their research on

servant-leadership, it "starts with the internal orientation of the leader, which implies that,

contrary to the natural inclination of leaders to get ahead, servant leaders exhibit a

readiness to renounce the superior status attached to leadership and embrace greatness by

way of servanthood."[2] This does not mean that they neglect or abdicate their

responsibilities as leaders but rather recognize the fundamental importance of people

being fulfilled by the use of their gifts and experience and empowered in their respective

roles that directly and indirectly generate a corporate commitment to meeting the

objectives of the organization. It creates a type of self-perpetuating empowerment vortex

where organizational growth and efficiency become a long-term byproduct of the

followers' growth. Although transforming in its nature as it impacts the followers, and by

consequence the organization, it is different from the *transformational leadership*

paradigm that primarily focuses on empowering, exciting, and inspiring followers to

perform beyond expectations to achieve organizational goals.[3] The focus is on

empowering followers to meet organizational objectives instead of the followers'

development. It is therefore easy to understand how some leaders consider the concept of

servant-leadership to be an oxymoron in that its service-orientation and follower-centric

approach is in stark contrast to the more traditional, rules-based, hierarchical style of

leadership. Robert Greenleaf, long regarded as the founder of the servant-leadership

paradigm, states this is largely due to the problem "that *serve* and *lead* are overused

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[2] Sen Sendaya and Brian Cooper, "Servant Leadership Behaviour Scale: A Hierarchical Model and Test of Construct Validity," *European Journal of Work and Organizational Psychology* (October 2010): 2.

[3] Ibid.

words with negative connotations."[4] In practice, it is dangerous to divorce the two words

or try and weight them as two distinct constructs. As Fons Trompennars and Ed Voerman

state, "The secret of the servant-leader lies in the hyphen between 'servant' and 'leader.'

The hyphen represents the essence."[5] While Greenleaf argues that the leader needs more

than inspiration to be an effective leader, I would suggest that the *follower* also needs

more than merely the leader to be inspired. The leader may initiate direction, bring ideas

and allocate resources, but it is the leader's capacity and ability to utilize the ideas and

resources of the followers and then share in the risk of failure or the chance of success

instead of blaming the followers when failure results, or taking the credit when success is

achieved. Of course, in order to utilize the ideas and resources of others, the leader must

first be able to listen and respect, because "true listening builds strength in other people."[6]

Essentially this becomes a necessary process for identifying a commonly accepted frame

of reference from which the leader and followers are operating, and from which

similarities become the focal point rather than the issues that have the potential to divide.

Again, this cannot occur unless the leader chooses to use authority to initiate this process,

and in doing so subordinate the ego and power inherent within the position he or she

holds.

Whereas both Trompennars and Voerman and Sendjaya and Cooper focus more

on the behavioral elements or the application of the servant-leadership model, Dr.

Stephen Covey, who wrote the foreword to *Servant Leadership* by Robert Greenleaf,

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[4] Robert K. Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power & Greatness* (New York: Paulist Press, 2002), 20.

[5] Fons Trompennars and Ed Voerman, *Servant Leadership Across Cultures: Harnessing the Strength of the World's Most Powerful Management Philosophy* (Oxford: Infinite Ideas Limited, 2010), xii.

[6] Greenleaf, 31.

provides great insights into what lies at its core or philosophical underpinnings. He

identifies four dimensions of moral authority.[7] The first is what he describes as *the*

essence of moral authority or conscience is sacrifice. This is the ability of the leader to

subordinate the ego rather than seek its survival and pleasure at the expense of others.

Negative feedback or the offering of better ideas does not threaten moral authority. There

is openness to dialogue and debate and it does not seek retribution when criticism or a

difference of opinion is provided. The second dimension is *conscience inspires us to*

become part of a cause worthy of our commitment. The cause a leader becomes

committed to is larger than himself or herself and not rooted in the ego or indelibly linked

to personal ambition. The cause becomes something to honorably pursue even in the face

of criticism and when obstacles appear and when affirmation is lacking. It strives for

great things but is not self-serving. This embraces the two non-cardinal virtues of

"magnanimity" and "humility" identified by Havard and is more than just "thinking

big."[8] Embracing the virtue of humility proved to be a significant challenge for many

ancient Greeks, as they held an expectation that they would be honored for their

achievements, irrespective of whether it was linked to the welfare of the community at

large. Honor was considered a virtue, whereas humility very rarely. As stated by John

Dickson, their personal honor "was universally regarded as the ultimate asset for human

beings and shame the ultimate deficit."[9] Humility had negative connotations, and was

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[7] Stephen R. Covey, foreword to *Servant Leadership: A Journey into the Nature of Legitimate Power & Greatness* by Robert K. Greenleaf (New York: Paulist Press, 2002), 6.

[8] Havard, xvii.

[9] John Dickson, *Humilitas: A Lost Key to Life, Love, and Leadership* (Grand Rapids, MI: Zondervan, 2011), 86.

considered to be "an undignified inability or refusal to establish your merit."[10] The third

dimension of moral authority is *conscience teaches us that ends and means are*

inseparable and that the ends actually preexist in the means and are just as important as

the ends themselves. This is in contrast to a Machiavellian leadership orientation where a

typical leader-follower relationship believes the ends justify the means. It doesn't matter

how one achieves the goal as long as it is achieved. We see this demonstrated in different

ways: compromising or ignoring a core value that would delay the achievement of a goal,

or worse, prevent it altogether; lying or misrepresenting the truth to cover up

inappropriate or unethical behavior; making decisions when there is no authority to do so;

or mistreating subordinates by pushing them beyond their capacity to get the job done.

Covey cautions leaders not to pursue admirable ends even if they can be falsely attained,

as it ultimately erodes the values from which the ends originated. To better describe this,

he highlights seven things that Gandhi taught could destroy us and be accomplished

through unprincipled or unworthy means:

> Wealth without work
> Pleasure without conscience
> Knowledge without character
> Commerce without morality
> Science without humanity
> Worship without sacrifice
> Politics without principle[11]

The fourth and final dimension of moral authority is *conscience introduces us into*

the world of relationships. For servant-leaders this is the recognition that they cannot

allow their role or function to become independent from their followers. They must move

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[10] Ibid., 89.

[11] Stephen R. Covey, in foreword to Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power & Greatness*, 8.

to what Covey describes as an "interdependent state."[12] This is where a leader's vision *and* values must be shared before they can become reality. Followers not only need to have an understanding of where they are going, but also what disciplines are required by the organization that they, as followers, have to adhere to, and how they can make the best use of their gifts, competencies, and experience. From personal experience in various leadership positions, this is often where a great divide is present between the leader and his or her followers. It is not uncommon to find a leader who can inspire and even attract followers to the cause. After all, this is typically the focal point of the leader's efforts. The greater test, however, is being able to deliver exceptional results sustained over a period of time while simultaneously attracting, empowering, growing, and *retaining* the services of committed followers in seasons when there is an abundance of employment opportunities available elsewhere that could potentially provide greater personal and professional growth. This happens under servant-leaders. As Covey says,

> When people with the formal authority or positional power refuse to use that authority and power except as a last resort, their moral authority increases because it is obvious that they have subordinated their ego and positional power and use reasoning, persuasion, kindness, empathy, and, in short, *trustworthiness* instead.[13]

Simon Walker, in, *The Undefended Leader*, supports this when he argues leadership is about trust and power. It is the basis of the leader's relationship to his or her followers and paramount to followers being directed to pursue a goal established by the leader. Walker states,

> The followers appropriate the life the leader is living, and in this way the leader becomes a vehicle for the followers to move into the unknown. This is an

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[12] Ibid., 9.

[13] Ibid., 12.

appropriate exercise of *power*. If trust breaks down, the connection is broken. Then, either the followers no longer follow or the leader finds other means to ensure that they do—through coercion, manipulation, or the like—and so begins to exercise power inappropriately.[14]

While leadership involves inspiring followers to pursue a particular goal or contribute to it being achieved, Dickson also believes that there is also a vertical dimension to the world of relationships described by Covey and being part of something that is larger than you. While he declares the importance of his Christian faith in understanding his relationship to God and the universe and his belief that the atheistic views of Richard Dawkins promotes a low view of humanity, he states that "whichever way you look at it, whether *horizontally* in relation to the human family or *vertically* in relation to the majestic wonder of the universe, there is a certain logic to keeping pride in check and conducting ourselves, regardless of our various competencies, with humility toward others."[15]

Just as Covey argues that servant-leadership is rooted in the four dimensions of moral authority deeply imbedded in a person's conscience, Sendjaya and Cooper believe that its authenticity "stems out of a spiritual and moral source of motivation tempered with an altruistic desire to serve others."[16] Leaders are not driven or motivated out of the desire to be authentic or moral per se, but out of a sense of submitting to a higher calling to make a difference in the lives of others. This higher calling is evident in Greenleaf's conceptualization of servant-leadership, and in the philosophical basis of servant-

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[14] Simon P. Walker, *The Undefended Leader* (Carlisle, UK: Piquant Editions, 2010), 10.

[15] Dickson, 66.

[16] Sendaya and Cooper, 3.

leadership explored further by Sendjaya and James Sarros when they examined its origins

in the model provided by the example of Jesus Christ in biblical accounts. One particular

account they analyze is the one where Jesus engaged in the humble act of washing the

feet of the disciples. To an observer from Western culture, the significance of this is often

overlooked. Foot-washing in first century Palestine was not primarily a ceremonial

custom. Although it was an important practical consideration given that people walked in

sandals through dusty, dirty, manure-filled streets. For guests attending a meal, the host

would often provide a servant to wash their feet, seen as one of the most demeaning tasks

a person could perform. In India I witnessed firsthand how the Hindu caste system

continues to reinforce a culture of discrimination and exploitation, where the most

demeaning of tasks would fall to Dalits and India's "untouchables," who have less

dignity, value, and worth than some animals. In effect, the people of this caste have no

rights.[17] It could safely be argued that the washing of a guest's feet would not have been

expected of a Hindu Braham from the higher caste or a Jewish Rabbi—and certainly not

from someone claiming to have position and power as the Son of God.

> Contrary to the popular opinion of the day, Jesus taught that a leader's greatness
> is measured by a total commitment to serve fellow human beings…. The unusual
> twist of Jesus' leadership through the feet washing example has redefined the
> meaning and function of leadership power from "power over" to "power to," that
> is, power as an enabling factor to choose to serve others."[18]

While there is a growing body of anecdotal evidence suggesting that servant-

leadership is needed more than ever in our world of recent financial collapses fueled by

unrestrained greed and questionable ethics, Sendjaya and Cooper took the initiative to

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[17] Nandan Nilekani, *Imagining India: Ideas for the New Century* (London: Penguin Books, 2009), 282-285.

[18] Sen Sendjaya and James C. Sarros, "Servant Leadership: Its Origin, Development, and Application in Organizations," *Journal of Leadership and Organization Studies* 9, no. 2 (2002): 59.

test the validity of the underlying characteristics of servant-leadership using the Servant

Leadership Behaviour Scale (SLBS), a 35-item measure comprising six hypothesized

factors of servant leadership. The test was conducted alongside the Character Assessment

Rating Scale (CARS) that measured the character-related behavior of the leaders who

participated and the Machiavellianism Scale (Mach IV). The test of validity was

conducted in the commercial and NFP sectors. They included:

> *Voluntary subordination*. Servant leaders consider the needs and interests of others' above their own and use power in service to others rather than for their own ambition.
>
> *Authentic self*. Servant leaders do not get defensive when confronted or criticized. Instead, they focus on the message, not the messenger.
>
> *Covenantal relationship*. Rather than treating people as subordinates, or *followers* to be used for the cause, servant leaders treat people as equal partners and respect their input.
>
> *Responsible morality*. Although there may exist opportunities to take advantage of a situation to gain a competitive edge or acquire greater market share, servant leaders do not compromise their moral principles to achieve that end.
>
> *Transcendental spirituality*. Rather than focus on personal ambition and professional growth, servant leaders help others to find clarity of purpose and direction by promoting values that transcend self-interest and material success.
>
> *Transforming influence*. Servant leaders lead by personal example and inspire others to lead by serving.[19]

Not only were the six SLBS factors highly correlated with each other, a strong

positive latent correlation, *r = .84, p < .05,* existed between servant-leadership and the

character-related behavior of the leader, demonstrating that "servant leadership reflects in

large part the character strength of the leader."[20] At a deeper level, a leader's moral

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[19] Sendaya and Cooper, 4.

[20] Ibid., 13.

authority and character-related behavior is rooted in the desire to achieve a selfless life, one that transcends their own personal ambitions, altruistically serving the needs of others. It is where leaders operate in such a way that they see themselves at the bottom of an inverted pyramid, rather than make dictatorial decisions from the top of the pyramid where they are determined to maintain their status at the top. Hans Finzel calls this the "number-one leadership hang-up" in his list of the top ten mistakes leaders make.[21] Although similar to what Collins defines as Level-5 leadership, it is different. Level-5 leadership represents a blend of personal humility and professional will that is focused on the "long-term greatness of the institution and the achievement of its mission," whereas the servant-leadership model sees this as a byproduct of serving others.[22] While no one is proposing either of these models is wrong or ineffective, as research would suggest otherwise, each represents different leadership approaches.

Virtuous Leadership

Another leadership paradigm deeply rooted in character-related traits and moral principles is *virtuous leadership*.

Servant-leadership focuses on the role of leaders in empowering and contributing to the growth of their followers. Other models frequently focus on the importance of certain skills, competencies, and talents, and in some cases the possession of knowledge. In contrast to this *virtuous leadership* primarily addresses the character of leadership. Alexandré Havard is the director of the Havard Virtuous Leadership Institute, where the

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[21] Hans Finzel, *The Top Ten Mistakes Leaders Make* (Wheaton, IL: Victor Books, 1994), 22.

[22] Jim Collins, *Good to Great*, 11.

focus of their work us to help leaders see that the classical virtues form the basis of

personal excellence and professional performance. Specifically, Havard argues that the

classical virtues should form the content of a leader's character, which is not forged by

rules or ethical conduct, but instead the assimilation of virtues passed down through

classical antiquity and the Judeo-Christian traditions.[23]

Underpinning the philosophy of virtuous leadership is the belief that leaders are

not born, but that they emerge as they allow their character to be developed and shaped

by practicing the classical virtues. Havard states that

> Leadership can only be character. Character is not forced on us by nature,
> however. We are not stuck with it. It is something we can shape and mold and
> strengthen…. We strengthen our character through the habitual practice of sound
> moral habits, called ethical or human virtues. In so doing, character leaves an
> indelible imprint on our temperament, which then ceases to dominate our
> personality.[24]

One weakness of Havard's understanding of leadership is that when we follow his

reasoning through to a logical conclusion, he argues that it is not possible for a person to

be a leader without character, or ethical and human virtues. While this might be a

legitimate argument, and from an aspirational point of view we may want all leaders to be

of good character, it assumes that it is not possible to be successful in certain areas of

leadership while performing poorly in others. To accept the notion that leadership *is*

character allows no tolerance for the position that there exist today leaders without

character. While this may represent an idealistic view of leadership, it has a tendency to

come across a little naïve and unrealistic. However, this weakness does not remove the

credence of what Havard presents as the essential content of a leader's character. It is

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[23] Havard, xiv.

[24] Ibid., xv.

important to understand what this content might look like so that we can see how the

presence or absence of this content (what Havard calls "*virtues*") sits at the core of a

leader's behavior and performance.

The word *character* is a value-laden word and one that is widely used in

leadership books to embrace important ethical concepts such as integrity, honesty, and

respect. While no one denies these to be important, the content of character is much

more, and certainly does not look favorably upon the leader when these ethics are

practiced in some situations and conveniently ignored in others. The English word

"character" comes from the Greek word χαρακτήρ. It refers to the way a person's self is

carved, marked, impressed, or branded. According to Stone, in classical literature it is

"inextricably grounded in *ethos*, the matrix of relationships and actions that habitually

shape a person, that cut their patterns into a person, that generate a person's 'ethics.'"[25] In

addressing the relationship between character and virtue, Gilbert Meileander states that

the four cardinal virtues identified in Plato's *Republic* "form the hinge or axis (*cardo*) on

which the moral life turns."[26] While Josef Pieper doesn't define "character" in his classic

work, *The Four Cardinal Virtues,* he does describe the four cardinal virtues as providing

a structure from which other dimensions of life are built upon: "that Being precedes

Truth, and that Truth precedes the Good."[27] From these perspectives we can conclude

that character not only shapes a leader's behavior and influences what he or she *does*, but

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[25] I. F. Stone, *The Trial of Socrates* (London: Jonathan Cape, 1988), 63.

[26] Gilbert C. Meilaender, *The Theory and Practice of Virtue* (Notre Dame, IN: University of Notre Dame Press, 2006), 6.

[27] Josef Pieper, *The Four Cardinal Virtues* (Notre Dame, IN: University of Notre Dame Press, 2010), 4.

that it must also represent the core of that person's identity and who he or she *is*. We address this in greater depth later when we take a look at how the discussion on virtues originated in classical Greek literature in response to "what makes a man good?" or "what is the good of a person?"[28]

In Havard's study of aretology, the anthropological science of virtues, he identifies six virtues. There are four main human virtues or cardinal virtues defined by Plato as prudence, justice, courage, and self-control. They are described as cardinal because the root of the word cardinal is *cardo*, which means "hinge." All virtuous behavior hinges on these four, as do two other non-cardinal virtues highlighted by Harvard: magnanimity and humility. Magnanimity depends on the cardinal virtue of courage, and humility on the cardinal virtue of self-control.[29] Similar to perceptions leaders may have about the servant-leadership paradigm, one can be forgiven for believing that virtuous leadership also appears to be incongruous with the "cut and thrust" of the business world. However, this is far from the truth, as indicated by the Latin root, *virtus* in the word "virtue," which means strength or power. When leaders habitually practice virtue, they increase their capacity to act with character, which becomes so deeply rooted in their person that to do otherwise literally goes against the grain. Considerable inner turmoil and conflict would result from such a contradictory action or decision.

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[28] MacIntyre, 133.

[29] Havard, xvi.

A brief analysis of the classic virtues follows, supported by the seminal works of Havard, Pieper, and Christopher Peterson and Martin Seligman.[30]

Prudence

Of the four cardinal virtues, the first one is *prudence*. This relates to the leader's ability to make the right decision, irrespective of the situation's complexity or simplicity. This is not the same as making the *best* decision. Often what is best for one party is not necessarily the best outcome for another. Furthermore, if subjectivity or good intentions or the affirmation we seek from others becomes the primary lens from which a decision is made over the importance of determining what is *right*, then the virtue of prudence is not present. According to Havard, there are three steps involved in making a prudent decision: (1) *deliberation*, which involves gathering all of the relevant information to analyze it critically. This includes sourcing information in such a way to avoid making a decision with prejudice; (2) *judgment*, which entails carefully considering and evaluating the information gathered; and (3) *deciding*—making a decision.[31] Pieper believes that prudence is the "mother" of all the other cardinal virtues and their *cause*, as it informs them. For example,

> There may be a kind of instinctive governance of instinctual cravings; but only prudence transforms this instinctive governance into the "virtue" of temperance. Virtue is a "perfected ability" of man as a spiritual person; and justice, fortitude, and temperance, as "abilities" of the whole man, achieve their "perfection" only when they are founded upon prudence, that is to say upon the perfected ability to make right decisions.[32]

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[30] Havard, *Virtuous Leadership*; Josef Pieper, *The Four Cardinal Virtues*; Christopher Peterson and Martin E. P. Seligman, *Character Strengths and Virtues: A Handbook and Classification* (Oxford: Oxford University Press, 2004).

[31] Havard, 57.

[32] Pieper, 6.

In their groundbreaking handbook and classification of character strengths and virtues, Peterson and Seligman substitute prudence with "wisdom and knowledge" from which five character strengths or traits originate. Character strengths are considered to be the psychological processes that define virtues.[33] In relation to "wisdom and knowledge" these include: creativity, curiosity, open-mindedness, love of learning, and perspective. According to Peterson and Seligman, these positive traits relate "to the acquisition and use of information in the service of the good life."[34]

One final note concerning the virtue of prudence is that its essence is rooted not only in what is right, but it cannot be devoid of action or indecision; good intentions or meaning well is simply not enough. Rather than knowledge existing for knowledge sake, the virtue of prudence transforms it into prudent decision making. If we support Pieper's notion that prudence is interchangeable with the word "conscience," then it is also possible for us to conclude that failure to make a decision and act on it reflects a lack of conscience and of virtue.[35] Unfortunately, we do not have time to delve into the implications of such a position, but it is worth noting for future reference.

Courage

The second cardinal virtue is *courage*, for which Havard offers a simple definition when he says, "courage helps leaders avoid rationalizations, overcome their fear of

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[33] Peterson and Seligman, 94.

[34] Ibid., 95.

[35] Pieper, 10, 14.

mistakes, enact decisions with dispatch, and persevere when the going gets tough."[36]

When prudent decisions are made, there are times when in the face of discouragement,

vilification, rejection, failures, and obstacles, courage is needed to boldly persevere rather

than seek an easier path. Related to our earlier discussion on conscience and indecision,

Havard highlights the need for courage in helping leaders endure and maintain the

integrity of their conscience.[37] This perspective contrasts with what we see from more

populist and charismatic leaders who are constantly seeking the approval of others,

sometimes leading them to compromise what they know is the right thing to do.

Peiper uses "fortitude" in place of "courage" and suggests that there is no

possibility of fortitude without vulnerability, as it is only possible for a person to be brave

or courageous if he or she is first vulnerable.[38] Being brave is also not the same as having

no fear, as this would make a person susceptible to real danger. Nonetheless, what this

does mean is when leaders "stay the course" and exercise courage in the face of

opposition, rejection, and the possibility of failure, there is a risk or vulnerability that if

realized can come at a significant cost to the leader. Peterson and Seligman highlight four

character strengths associated with the virtue of courage: bravery, persistence, integrity,

and vitality.[39] Bravery and persistence are two traits we find easier to identify with

courage. However, integrity and vitality require a little more explanation. According to

Peterson and Seligman, "integrity" in this context, defined as authenticity and honesty, is

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[36] Havard, 72.

[37] Ibid., 74.

[38] Pieper, 117.

[39] Peterson and Seligman, 198.

about truthfulness and taking responsibility for how one feels and what one does. It

"highlights the need to look for integrity in situations and circumstances in which the

easy thing to do is not the right thing to do."[40] Vitality was added to their classification

because it was associated with both an Eastern and Western perspective on life, in that it

related to having a zest for life that is volitional and fulfilling. According to Arménio

Rego, Miguel Pina e Cunha, and Stewart Clegg, it is "approaching life with excitement

and energy; living life as an adventure; feeling alive and activated."[41] It is particularly

noteworthy "when displayed in circumstances that are difficult and potentially

draining."[42]

Self-Control

Self-control is the third virtue. While courage can sometimes be brash, when it is

tempered with self-control it guarantees what Havard describes as the "mastery of heart

and mind."[43] This is why Pieper uses terms such as temperance, moderation, and selfless

self-preservation.[44] The context for self-control here conveys consistency and humility

rather than an arrogant confidence. There is no doubt that the reputation of leaders is

brought into disrepute or questioned when there are behavioral inconsistencies, especially

when there is a discrepancy between how they conduct themselves professionally and in

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[40] Ibid., 206.

[41] Arménio Rego, Miguel Pina e Cunha, and Stewart Clegg, *The Virtues of Leadership: Contemporary Challenges for Global Managers* (Oxford: Oxford University Press, 2012), 8.

[42] Peterson and Seligman, 209.

[43] Havard, 72.

[44] Pieper, 145-147.

their personal lives. It is not easy for people to easily distinguish between the competency

demonstrated by leaders and their personal behavior. Indeed, many people recoil from

what they perceive as a form of hypocrisy or double standard. Peter Drucker, recognized

by many as the father of management, frequently stated the importance of this in his

leadership and management literature. He believed that the ability to manage oneself well

was a prerequisite to leading others well.[45] Collins also frequently raises the importance

of discipline and humility to guard against excesses and the undisciplined pursuit of

more.[46] But this does not mean passions must be repressed, only that they be

subordinated to the mind and brought under control. This is not only for the sake of

others, but also for one's own self-preservation. Pieper states that the same power or will

needed to preserve oneself and seek self-fulfillment "are at the same time the first to

work the opposite: the self-destruction of the moral person" and unrest.[47] This is why

Havard believes that the virtue of self-control also essentially "contains the virtue of

detachment—from money, power, one's good name, and all manner of worldly things.

These things may be objectively good, but they are not fitting goals or ends in

themselves. I will become the slave of whichever one I choose and will live in fear of

losing it or seeing its value diminished."[48] The ability of a leader, therefore, to exercise

self-control not only steers him or her away from the entrapments that come frequently

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[45] Peter F. Drucker, "Managing Yourself," *Harvard Business Review* (January 2005): 1-12.

[46] Jim Collins, *How the Mighty Fall and Why Some Companies Never Give In* (New York: HarperCollins, 2009), 55.

[47] Pieper, 149.

[48] Havard, 87-88.

with leadership but enable him or her to discover what Aquinas describes as the second meaning of temperance—"serenity of the spirit."[49]

It is important to note that Peterson and Seligman highlight four character strengths associated with this virtue. Similar to Pieper, they substitute "self-control" with "temperance." They also convert Havard's cardinal virtue of prudence and the non-cardinal virtue of humility as positive traits or character strengths that protect us from excess.[50] The four character strengths include: forgiveness and mercy, humility and modesty, prudence, and self-regulation. One of these character strengths—defined as forgiveness and mercy—is not commonly associated with self-control. However, I believe Peterson and Seligman placed it here because it is foundational to self-preservation and discovering a serenity of spirit that is not consumed or dominated by the need for revenge or recompense that may or may not ever be achieved.

Justice

The fourth and final cardinal virtue is *justice*. This has to do with more than the fair treatment of others. It is what Havard says governs a person's efforts to order his interior self and his relations with the community.[51] For a leader, both of these are vitally important. It is a type of construct a leader uses to carefully weigh up and measure the impact of his decisions and actions on the rights of others irrespective of their social

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[49] Pieper, 147.

[50] Peterson and Seligman, 431.

[51] Havard, 93.

setting, while recognizing that he is in a position of influence where he can use his moral authority to stand up and be an advocate for those where justice has not been honored.

Another concept introduced with the virtue of justice is that of "citizenship." Peterson and Seligman believe this is one of the character strengths of justice (along with fairness and leadership) and embraces a sense of social responsibility or obligation, loyalty, and teamwork between members of each group a person belongs to, including family, colleagues, neighbors, parishioners, or others who might share the same ethnic heritage.[52] It also relates to people engaging in their world for the common good rather than pursuing self-interest. As pointed out by Havard, this doesn't mean each person must pursue a political vocation, "but as citizens and people of influence they cannot be indifferent to the political trends of the times, especially when they are fraught with moral consequences."[53] Leaders are to pursue truthfulness and to respect the need others have to be told the truth. This can create some obvious challenges for us, particularly when dealing with colleagues and friends who we do not want to offend or lose. However, our focus as leaders is to give people their due—what is right, fair, and honorable. As Havard states, "leaders respect the dignity of others, including their right be told the truth, trusted, treated fairly, and rewarded and thanked for a job well done."[54] In this sense, leaders are not as concerned about their own rights, as using their entrusted authority and influence to uphold the rights of others. Pieper goes as far as saying when

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[52] Peterson and Seligman, 357.

[53] Havard, 100.

[54] Ibid., 105.

this is withheld or vigorously denied, it becomes a source of evil.[55] We see obvious examples of this in countries where dictatorships and totalitarian states exist. To a lesser extent, although not always, we see examples of this when we abuse the rights of others who are under our leadership.

Pieper also suggests that giving a person his or her due is merely an obligation or right to be fulfilled and that applying the virtue of justice goes beyond what it is expected. It relates to applying justice liberally. At a practical level, this means giving somebody not always what is deserved, but what is due. For Pieper, this is grounded in a view of God that is just *and* merciful.

Magnanimity and Humility

The final two virtues identified by Havard are magnanimity and humility, both of which are described as non-cardinal virtues. That is, they depend on the cardinal virtues of self-control and courage respectively. Havard believes that these two non-cardinal virtues define the leader and should go together. Magnanimity aspires to do great things, and by doing so inspires others. It "is the quest of the spirit for great things … rooted in a firm confidence in the highest possibilities of human nature."[56] Peterson and Seligman appear to substitute "magnanimity" with "transcendence" and define it as strengths that forge connections to the larger universe that provide a greater sense of meaning to their lives.[57] Similar to a servant-leader where there is a commitment to a cause or something

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[55] Pieper, 65.

[56] Havard, 1.

[57] Peterson and Seligman, 519.

greater than himself and not rooted in ego, but distinct in that it can be focused around a

mission and yet not necessarily the needs, interests, and development of its followers.

Both are centered on fulfilling the mission, merely accomplished differently. The virtue

of magnanimity for a leader is not merely the pursuit of a single-focused mission or

higher calling at the exclusion of all else. For example, according to Havard, a leader's

sense of mission mirrors his conception of marriage and family life.[58] If they merely exist

as a means to selfish ends, then the virtue of magnanimity becomes replaced by vice as

the four cardinal virtues of prudence, courage, self-control, and justice have been

disregarded.

Peterson and Seligman have identified five character strengths belonging to the

virtue of transcendence. These include: appreciation of beauty, gratitude, hope, humor,

and spirituality. From their classification we can see that appreciation of beauty connects

someone directly to excellence, gratitude to goodness, hope to the dreamed-of future,

humor to troubles and contradictions in a way that produces not terror or anger but

pleasure and "a lighter side of life," and spirituality that looks beyond people to the

transcendent.[59] However, a magnanimous vision also needs to be grounded, and this is

where the virtue of *humility* must go hand in glove. Perhaps this is why Peterson and

Seligman view humility not as a virtue, but as a character strength or attribute of

temperance where magnanimous pursuits are always measured and subordinate to the

ego. The leader may indeed have a magnanimous vision or pursue a worthy cause, but

these are both directed to the service of others. The vision serves the needs and interests

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[58] Havard, 21.

[59] Ibid.

of others but not at the expense of anyone or where the other cardinal virtues of prudence, courage, and self-control are violated. It is perhaps for this reason that Havard believes that humility is a *religious* virtue and not something that leaders are truly capable of consistently practicing without acknowledging their status before God. Humility is "an attitude that pertains to man's relationship to God; it is the *habit of living in the truth*—the truth about one's metaphysical situation and about one's virtues and defects."[60]

Classification of Character and Virtues

One of the benefits of Peterson and Seligman's classification of character strengths and virtues is that it provides a framework that can be used by leaders and organizations to measure the degree to which those strengths and virtues may be present. Furthermore, it might be possible to see whether there is any correlation between a flourishing and performing organization and the presence of specific virtues or group of virtues that may enable that result. This form of classification also removes some of the ambiguity and subjectivity that occasionally results in leaders agreeing that character is important, while dismissing any attempt to define it and measure it.

In understanding the classification proposed by Peterson and Seligman, it is important to distinguish virtues from character strengths. Just as Havard identified the six classical virtues, Peterson and Seligman have done the same, although with a little variance. Table 1, contrasts the two classifications:

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[60] Ibid., 30.

Table 1. Contrasting Two Sets of Virtues

Classical Virtues Adopted by Alexandré Havard	Classification of Virtues Adopted by Christopher Peterson and Martin E. P. Seligman
• Prudence	• Wisdom and Knowledge
• Courage	• Courage
• Self-control	• Humanity
• Justice	• Justice
• Magnanimity	• Temperance
• Humility	• Transcendence

Source: Built from Alexandré Havard, *Virtuous Leadership: An Agenda for Personal Excellence* (New York: Scepter Publishers, 2007), xiv; Christopher Peterson and Martin E. P. Seligman, *Character Strengths and Virtues: A Handbook and Classification* (Oxford: Oxford University Press, 2004), 94-622.

While there is some variance between the two sets of virtues, what contrasts the work of Peterson and Seligman in relation to Havard's are the detailed descriptions associated with each virtue. From their empirical research, Peterson and Seligman identify a total of twenty-four character strengths that define the essence of each virtue. These are presented in Table 2, indicating which character strengths are associated with each of the respective virtues identified by Peterson and Seligman.

Table 2. Virtues and Character Strengths

Virtues	Character Strengths
Wisdom and knowledge: cognitive strengths that entail the acquisition and use of knowledge	• Creativity: thinking of novel and productive/adaptive ways to conceptualize and do things. • Curiosity: taking an interest in all of ongoing experience for its own sake; exploring and discovering. • Open-mindedness: thinking things through and examining them from all sides; not jumping to conclusions; being able to change one's mind in light of evidence. • Love of learning: mastering new skills, topics, and bodies of knowledge; tendency to add *systematically* to what one knows. • Perspective/wisdom: being able to provide wise counsel to others; looking at the world in a way that makes sense to oneself and to other people.
Courage: emotional strengths that involve the exercise of will to accomplish goals in the face of opposition, external or internal	• Bravery: not shrinking from threat, challenge, difficulty, or pain; speaking up for what is right even when facing opposition; acting on convictions even if unpopular. • Persistence: finishing what one starts; persisting in a course of action in spite of obstacles; taking pleasure

		in completing tasks.
	•	Integrity: speaking the truth; presenting oneself in a genuine/authentic way; acting in a sincere way; taking responsibility for one's feelings and actions.
	•	Vitality: approaching life with excitement and energy; living life as an adventure; feeling alive and activated.
Justice: civic strengths that underlie healthy community life	•	Citizenship: working well as member of a group or team; being loyal to the group.
	•	Fairness: treating all people the same according to notions of fairness and justice; not letting personal feelings bias decisions about others.
	•	Leadership: organizing group activities and seeing that they happen, while promoting good relationships within the group.
Humanity: interpersonal strengths that involve "tending and befriending" others	•	Love: valuing close relations with others; being close to people.
	•	Kindness: doing favors and good deeds for others; helping people and taking care of them.
	•	Social intelligence: being aware of the motives and feelings of self and others; knowing what to do to fit into different social situations.
Temperance: strengths that protect against excess	•	Forgiveness and mercy: forgiving those who have done wrong; giving people a second chance; not being vengeful.
	•	Humility/modesty: letting one's accomplishments speak for themselves; not seeking the spotlight.
	•	Prudence: being careful about one's choices; not saying or doing things that might later be regretted.
	•	Self-regulation: regulating what one feels and does; being disciplined; controlling one's appetite and emotions.
Transcendence: strengths that forge connections to the larger universe and provide meaning	•	Appreciation of beauty and excellence: noticing and appreciating beauty, excellence, or skilled performance in all domains of life.
	•	Gratitude: being aware of and thankful for the good things that happen.
	•	Hope: expecting the best and working to achieve it.
	•	Humor: liking to laugh and tease; bringing smiles to other people; seeing the light side.
	•	Spirituality: having coherent beliefs about the higher purpose and meaning of life; having beliefs about the meaning of life that shape conduct and provide comfort.

Source: Arménio Rego, Miguel Pina e Cunha, and Stewart Clegg, *The Virtues of Leadership: Contemporary Challenges for Global Managers* (Oxford, Oxford University Press, 2012), 8-9. Built from Christopher Peterson and Martin E. P. Seligman, *Character Strengths and Virtues: A Handbook and Classification* (Oxford: Oxford University Press, 2004).

Finally, as we continue to explore the nature of virtuous leadership, what defines it, and how it is developed, we are able to embrace Havard's firm belief that virtuous leadership represents the content of a leader's character. It is not how a leader is born but

what he or she has learned in relation to these virtues and been able to habitually put into

practice so that his or her identity has been deeply marked and branded by them. There is,

however, an important caveat for leaders as they develop their character based on the

classical virtues. As stated by Meilaender, we have a tendency to "compartmentalize

human character, we settle for isolated virtues, and we may lose the sense that to seek

virtue is to set out on an endless quest requiring not just certain character traits but a

transformation of self."[61]

In subsequent chapters we look at the impact of culture on a leader's development

and explore how cultural factors make it easier or more difficult to adopt certain virtues

over others. We will also look at the interplay between the institution of the family,

kinship, and virtues. However, in this next section we seek to understand if "virtues" are

different from "values."

Are Virtues Different From Values?

Are "virtues" different from "values" and does it matter? The significance of this

question becomes more important if a distinct difference can be argued and if the

implications of that difference could ultimately lead to the recruitment, development, and

retention of successful leaders in different industry sectors, markets, and cultures.

In an earlier chapter, leadership virtues were described as "the intangible or tacit

qualities of leadership" and principles of "moral character shaped by a person's culture or

worldview—core beliefs, upbringing, and experience, that influence, consciously and

unconsciously, leadership behaviors." The term "moral excellence" was also used.

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[61] Meilaender, 22.

However, from further analysis of the literature on leadership, character, and virtues, and an in-depth review of *servant-leadership* and *virtuous leadership*, I believe these earlier definitions of virtuous leadership don't capture the strength and power and moral authority inherent within a "virtue" that is habitually practiced by a leader in contrast to an intrinsic value or set of values that often lack consistent expression by a leader. Harvard has captured the uniqueness and distinctiveness of a "virtue" in contrast to a "value" by suggesting that a virtue is more evolved, mature, and grounded into the character and identity of a leader. It is this essence of being grounded and rooted, ingrained and branded that was highlighted earlier in Stone's description when he says that the *virtue* has "cut its pattern into the person."[62] The presence of virtues acts as a powerful and dynamic force in the life of a leader, so much more than merely identifying with or agreeing with intrinsic values that can be easily ignored or put aside when one perceives there is an unwanted cost.

This is not a game of semantics or an attempt to force a distinction between two words that are sometimes used interchangeably. They are different. Let me illustrate this further. Many leaders would accept "honesty" as a core value or key attribute of character. However, leaders also know that to be honest in all their dealings with money and people can come at great cost, and sometimes for this reason a different outcome is understandably desired. At times, leaders are faced with a dilemma, although for a *virtuous* leader there is no dilemma. He chooses the right path even if there is a cost he would prefer not to bear. This is what gives him the moral authority to lead. On the other hand, a leader who acknowledges the importance of being honest and chooses to

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[62] Stone, 102.

conveniently ignore this "value" in a particular situation because it doesn't provide the result he wants has not allowed this value to take root in his life. It has not matured to the degree where it consistently sits at the core of his decisions and behavior.

The Latin word *virtus* means excellence, and it is where "we find the roots of the ideas of valor, bravery, and worth, as well as potency," retained in the word *virility*.[63] A virtuous leader is a strong leader, not in the traditional sense of sitting at the top of a powerful hierarchy, but where character and the virtues embodied within it are never compromised or violated. They are not temporal or convenient. They are not driven by ego, but by the motivation to serve, no matter the cost. This is a crucial distinction to make when contrasting the importance of virtues in the life of a leader with the abilities and competencies a leader requires to achieve organizational objectives and deliver results. Virtuous leaders strive for results, but they are not driven only by results, and they certainly will not seek to achieve those results at any cost. While they desire organizational effectiveness, and may even seek the well-being and development of their followers (as servant-leaders do), these are both by-products of the virtues evident in the leader.

Finally, while there may be intangible or tacit qualities inherent in virtues, there can be no doubt that the virtues identified by Havard—prudence, courage, self-control, justice, magnanimity and humility—cannot forever remain hidden in the life of a leader. As they penetrate deeper into the heart and soul of a leader, they must be both the root *and* fruit of a leader's behavior. I believe this is what Havard means when he talks about the content of character. There is a depth and breadth and richness of virtuous leaders

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[63] Jinkins and Jinkins, 105.

where their followers are assured that their character will not falter because it is trustworthy and their vision will not be impaired by their egos. Their character will be consistent no matter what sphere of life they engage. Gene Klann states that consistency implies "that a leader's behaviors and character are not compartmentalized between work and personal life. You are who you are, and that doesn't change when you arrive at the office or at your own front door. Your character is such that you find consistent standards for behavior in any context."[64]

The primary purpose of this chapter was to build on the discoveries made in the previous chapter and to explore in greater depth some of the issues and concepts that have emerged from the research on virtues in regards to leadership. We established the importance of character in leadership and how the presence or absence of character is foundational to a leader's decisions and behavior. More specifically, we looked at the concept of "virtue" in the context of character and what Havard calls the "content of character." Another key objective was to analyze two leadership paradigms that are often described as character-based—"servant-leadership" and "virtuous leadership". The purpose of this was to try and find a more robust and apt definition of virtues, from which we could ascertain how they might be distinct from an intrinsic *value* per se, or a set of core values that organizational leaders identify as key operating principles. Having arrived at the position that they are different because they are deeply and firmly rooted in a person's moral conscience, and that they are foundational to leadership decisions and behaviors, we are confronted with a new set of questions and issues that require further attention in subsequent chapters. For example, if the underpinning philosophy of virtuous

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[64] Gene Klann, *Building Character: Strengthening the Heart of Good Leadership* (San Francisco: Jossey-Bass Publishers, 2007), 8.

leadership is the belief that leaders are not born, but that they emerge as they allow the content of their character to be developed and shaped by the four cardinal virtues (prudence, courage, self-control, and justice) and two non-cardinal virtues (magnanimity and humility), then we cannot avoid the importance of addressing the issue of how these virtues are obtained, where they originate from, what facilitates and helps their development, or alternatively what might hinder it. Furthermore, what is the impact and role of culture in the shaping of these virtues, and are they transferable across cultures?

Being able to answer these questions by better understanding the role of culture and how leaders are able to assimilate virtues into their character or not can potentially provide some key benefits in the early identification of leaders, mapping their development and increasing their likelihood of success. As we operate increasingly in a wider, global context, we also recognize the importance of contrasting Eastern and Western definitions of leadership, knowing that there is a need to transcend traditional ethnocentric frameworks.

I conclude this essay with a quote that Stephen M. R. Covey uses as it speaks to the benefit of being a virtuous leader. "Nothing is as fast as the speed of trust."[65] Virtuous leaders are trustworthy. Their character is consistent, the content of their character is deeply and firmly rooted in their being, and they lead to serve. Although Covey's words describe the efficacy of character in the context of leading others in an organizational context, they also underscore the reality that virtuous leaders are able to overcome significant obstacles in leading people and achieving success that those who lack virtue would continually find difficult. While speed is not always of the essence, when trust is

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[65] Stephen M. R., Covey, *The Speed of Trust: The One Thing That Changes Everything* (New York: Free Press, 2006), 3.

present, there is a momentum in leadership in every sphere of life that cannot be stalled

by a self-serving ego.

CHAPTER 2

THE ORIGIN AND NATURE OF VIRTUE

In the previous chapter, I showed that there exists a significant difference between the virtues of a leader and a leader's capabilities or areas of competencies. This position was supported by two character-based leadership paradigms we explored more deeply, called *Servant-Leadership* and *Virtuous Leadership*.[1]

We also sought to find a more robust and apt definition of *virtue* and its traits and how they may be different to some of the intrinsic *values* so frequently acknowledged and adopted as core values in an organizational context. However, what is not clear, which we will research further in this chapter, is where virtues originate from and whether or not they can they be taught and developed. Understanding this will be essential to learning how leaders come to adopt certain virtues and why other virtues might be absent and how this may place us in a stronger position to influence, shape, and restore the character of leaders and, by consequence, influence the culture of their respective organizations. It may also help to provide some key insights into the early identification of leaders and how their development can be mapped (and corrected if needed) with the goal of seeing them succeed in their leadership roles.

Influence of Greek Thought on Moral Philosophy and Virtue

Volumes of research have been published and debated for centuries on virtue or the "the ethic of virtue," as it is often called. For this reason, it is impossible for me to do justice to all that has been written. Instead, I have attempted to draw on some of the

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[1] Robert K. Greenleaf, *Servant Leadership: A Journey into the Nature of Legitimate Power & Greatness* (New York: Paulist Press, 2002); Havard, *Virtuous Leadership.*

pivotal points and summarize what I believe to be their significance for our discussion surrounding the influence of their absence or presence in leaders today.

Two seminal works by Alasdair MacIntyre and Gilbert C. Meilaender address the origins of virtue from ancient Greek philosophy and the arguments that shaped their development.[2] Essentially, the origin of virtues evolved from the question of "what makes a man good?" or "what is the good of a person?" This led to the examination of character and, in particular, virtues by philosophers such as Socrates, Plato, Aristotle, Augustine, Aquinas, and others, where debate occurred around what is meant by "good" and if it is a definable property. Moral philosophy was further developed by the growing influence of Christianity that ultimately saw moral excellence as faithful obedience to the laws given by God.

However, this raised a conundrum: should an ethic of virtue be predicated on *what* a person does or on *who* a person is? As Meilaender argues, this transitions the concept of moral excellence or a person's character from solely being focused on behavioral outcomes and an adherence to a moral framework that "focuses primarily on duties, obligations, troubling moral dilemmas and borderline cases" to what lies at the core of our being. For "*Being* not *doing* takes center stage; for what we ought to do may depend on the sort of person we are. What duties we perceive may depend upon what virtues shape our vision of the world."[3] While there are some attractive elements to this perspective, namely, how the presence of virtues can shape our vision of the world, it does seem that its feasibility is contingent on how any one person views and defines the

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[2] MacIntyre, *After Virtue*; Meilaender, *The Theory and Practice of Virtue*.

[3] Meilaender, 5.

world around them and what they may perceive as *virtue* or *vice* in relation to human nature, especially through their own experience. This would naturally have some appeal to a postmodern mindset where definitions of truth and what is good are much more ambiguous and fluid and largely relative to an individual's experience rather than grounded in an understanding that is universally accepted. A major problem with this position is that you can have no system of thought that is a product of reason because it ultimately does not stem from an infallible repository of truth. As Nancy Pearcey states, "it is simply a human capacity, the ability to reason from premises. The important question, then, is what a person accepts as ultimate premises, for they shape everything that follows. If you press any set of ideas back far enough, eventually you reach some starting point."[4] This will be explored further in a subsequent chapter looking at how a leader's worldview and the role of culture can shape the virtue of a leader.

Socrates (469-399 BC) is often looked upon as the father of philosophical ethics, where much of his work stemmed from the political crisis surrounding the failure of Athenian democracy to govern effectively for the people. Socrates believed that the people "had been deceived by the subtlety of the Sophists, political and religious leaders who had only self-interest in mind."[5] His firm belief that virtue was rooted in knowledge and truth and discovered through a dialectical method of discussion was in contrast to what he witnessed in leaders whose rhetoric and language had become manipulative devices for their own personal gain. He argued that there was a strong connection between knowledge and morality, where "true morality and real goodness can only be

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[4] Nancy Pearcey, *Total Truth: Liberating Christianity from its Cultural Captivity* (Wheaton, IL: Crossway Books, 2004), 41.

[5] Patrick Nullens and Ronald T. Michener, *The Matrix of Christian Ethics: Integrating Philosophy and Moral Theology in a Postmodern Context* (Colorado Springs, CO: Paternoster Publishing, 2010), 24.

gained by rational insight, not through vague ideas passed down from generation to generation.[6] Conversely, if immorality existed, it was due to ignorance or a lack of insight and ability to acknowledge an objective and universal truth. His quest for truth was strongly motivated by the desire to secure a reference point or orientation that grounded social life at a time when political exploitation was prevalent. For Socrates, this discovery was made "in the rational soul" and was continued by his student Plato in the development of social ethics.[7]

Grieving the unjust death of his teacher Socrates on charges of "impiety and spoiling the minds of youths," Plato (427-347 BC) abandoned democracy and "pleaded for insightful, wise, educated leaders (philosopher-kings), who would not be swayed by the simple worldly lusts of the crowd."[8] He believed that only the virtue of knowledge could bring harmony to the soul. His dualistic view of the world and of virtue sees knowledge or reason wanting to "advance upward to the realm of ideas, but desire (human appetites) is pulled to the world."[9] The idea or form of what is good comes from beyond the visible world, from "the higher and changeless world of universals" where "virtue is about acquiring insight into these absolute notions of beauty, goodness, and justice."[10] From this, a virtuous person will know what is good and what should be done, although for Plato it seems pursuing the good is often just out of reach. Later, it is this

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[6] Ibid., 24.

[7] Ibid., 25.

[8] Ibid.

[9] Ibid., 118.

[10] Ibid., 117.

unattainable goal that Aristotle challenges by suggesting that the ethic of virtue should be attainable and provide wisdom for daily living. While Plato believed that the virtue of knowledge could never be naturally acquired or taught or learned by practice, he does support the notion that the "inculcation of character traits in the young" could occur through the telling of stories that would give them a love for what is good.[11] Socrates also expressed doubt that virtue and moral excellence could simply be taught.

However, if we can neither be born virtuous nor be taught virtues, then we are left with Socrates conclusion that only those who have right opinions about moral matters and what is virtuous must have acquired them through some kind of "divine dispensation."[12] If Plato and Socrates are correct, then as Meilaender concludes, "if we cannot insert vision into the blind and if our environment shapes our perceptions and judgments of goodness, one whose vision of the good is not properly shaped in childhood may never come to see—except perhaps by 'divine dispensation.'"[13] In other words, our perceptions and judgments of goodness are not complete and therefore require some form of divine intervention beyond human experience and judgment.

Aristotle's (384-322 BC) view is significantly different. He disconnected it from Plato's dualism and "ideological speculation" by insisting that the idea of good is more attainable and that virtues are a part of morality that is based on obedience to laws enacted by the city-state.[14] He believed that virtues needed to find their place in the life of

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[11] Meilaender, 57.

[12] Ibid., 46.

[13] Ibid., 54.

[14] Nullens and Michener, 118.

the individual *and* in the context of a person's community, knowing that there is always a wider impact and greater purpose to the practice of virtue.[15] Many times we are asked to make decisions knowing their effect is felt by others, and from all of the available alternative actions or choices, Aristotle's belief would be that a person would choose the one that would do the most good. He considered the application of this principle to be primarily associated with civil duty, political leadership, and war.[16] Only later did virtue become detached from a person's social role and the obligations or duty he or she was expected to fulfill as part of that society, although judgment of a person's actions and whether they were characterized as good would always continue to revolve around the context of his or her relationship to others and the impact on his or her community (city-state or *polis*).[17] It would therefore not be difficult to comprehend in today's modern world Aristotle's insistence that virtues find their place in the individual *and* in the life of the city and that leaders especially would pursue their application both personally and corporately in relation to their respective functions.

Unlike Plato and Socrates, Aristotle believed there were two types of virtues—intellectual virtues that could be acquired through teaching and virtues of character that were shaped by repetition or practice—and that these could not be separated.[18] Before we look at the nature of virtue in more depth along with the work of Havard in *Virtuous*

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[15] MacIntyre, 150.

[16] Nullens and Michener, 120.

[17] MacIntyre, 133.

[18] Ibid., 154.

Leadership that was introduced in my previous chapter, I want to briefly touch on the work of two other people—Thomas Aquinas and Martin Luther.

With moral philosophy originating from Greek thought through key figures such as Socrates, Plato, Aristotle, and others, there was a convergence of ideas that ultimately raised questions concerning the relationship between the ethic of virtue, knowledge, and the soul. Although not comprehensive, I have identified six contrasting perspectives a person must hold in careful tension as he or she defines and contemplates the nature of this relationship: (1) the notion of individual responsibility and responsibility to the community, (2) a person's experience of truth and the existence of an objective, universal morality, (3) the intrinsic and extrinsic rewards, (4) pursuing an ethic of virtue that is attainable and yet not fully realized, (5) *being* virtuous and *doing* or demonstrating virtuous traits*,* and (6) what can be taught or learned and what must come, as Socrates says, from "divine dispensation" because we are not capable of achieving the ideal of virtue from a position that is quickly corrupted by self-interest. While we could argue the position that we innately know what is good and *virtuous*, what is also true is that there is much within the human condition that has the propensity for vice.

The Ethic of Virtue, Knowledge, and the Soul

It is within this contextual background that we introduce Thomas Aquinas (AD 1225-1274) who, like Socrates, Plato, and Aristotle, would agree that with our unique intellectual faculties and will we have the ability to choose virtue or vice. However, unlike Aristotle, Aquinas believed that it was not possible for individuals to attain their

goals without the gift of grace.[19] Aquinas was heavily influenced by the Stoics and their

practical ethics, which supported the proposition that human life must follow the natural

order for a life to bring happiness. Although there was no universal canon of virtues or

consensus on virtuous traits, like Plato and Aristotle, Aquinas accepted the four cardinal

virtues of justice, prudence, courage, and temperance as forming "the basis of a dignified

human existence" belonging to the essence and power of the soul. These were what he

defined as natural virtues, as distinct from the supernatural virtues of "faith, hope and

love" mentioned by St. Paul the apostle (1 Cor. 13:13 TNIV). The former were to teach

us how to live; the latter, "given by God in order to help the Christian surpass human

nature and participate in the divine nature."[20] This synergy presented by Aquinas between

a Christian ethic of virtue and anthropology reveals his belief that our "mind is guided

naturally by wisdom and supernaturally by faith."[21]

In the same way that Aquinas believed it was not possible to attain what is good

without the intervention of God's grace, Martin Luther, arguably one of the greatest and

yet reluctant reformers of the Christian faith, agreed that grace is the prerequisite for

virtue. His position was rooted in the belief that the human condition is first and foremost

corrupt or sinful, and therefore any attempt to remedy this on our own would fall short

because self-mastery and self-realization removes the need for grace and the soul to first

be healed. Herein lies the tension that Plato acknowledges but doesn't resolve in the way

Luther does: to love the Good, a person must first be virtuous. How does one bridge this

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[19] Nullens and Michener, 124.

[20] Jean Porter, *The Cambridge Companion to Christian Ethics*, ed. Robin Gill (New York: Cambridge University Press, 2001), 102-3.

[21] Nullens and Michener, 125.

gap, "unless—as Luther thought had happened—the initiative should come from the side of the Good itself."[22] With this thought, Luther reveals an incredibly profound and difficult truth for us to accept, and that is simply to merely exercise worthy traits of character does not make a person virtuous until he or she can see that life is not the gradual development of a virtuous self, but "is a constant return to the promise of grace."[23] Pearcey picks up on this theme of human restoration to fullness and potentiality when she states, "Redemption is not just about being saved *from* sin, it is also about being saved *to* something—to resume the task for which we were originally created."[24] This provides some hopeful reassurance that while the natural human condition may be sinful, the gift of God's grace and mercy can set it on a transformational path where sin may continue to exist and wage war with virtue, but it can no longer rule.

MacIntyre, Meilaender, Nullens and Michenener have raised a number of problems with the different positions taken by the Greek philosophers that we cannot address fully here. What I have sought to provide here is an elementary understanding as to how virtues originated with our early Greek philosophers and developed further by Christian thought, and that there existed a range of perspectives surrounding the *being* and *doing* of virtue. There were also disagreements as to whether or not individuals could acquire virtue and the method by which this would take place, leading some to question if a universal objective morality could ever be agreed to.

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[22] Meilaender, 114.

[23] Ibid., 107.

[24] Pearcey, 47.

Virtues, Vice, and Leadership's Shadow

As MacIntyre states, "it is by way of their intentions that individuals express bodies of moral belief in their actions."[25] It can be argued that because a person's moral beliefs give rise to actions, they also define the substance of a person's character (or lack thereof) and reveal the underlying motivations for why certain decisions are made: and that they each reflect a means to an end. Although not everyone may agree on what defines good, every "moral philosophy offers explicitly or implicitly at least a partial conceptual analysis of the relationship of an agent to his or her reasons, motives, intentions, and actions."[26] If we agree that virtues engage the will, we must assume that when a choice is made to not act virtuously then vice also has the ability to engage the will and therefore, if we subscribe to Aristotle's theory, there is the risk that vice can also be learned.

In a previous chapter, we reviewed Havard's work on *Virtuous Leadership* and proposed that what distinguished a virtue from an intrinsic value per se was when an individual who exercises a value consistently and habitually demonstrates it that it has become an ingrained part of that person's character: this is what makes it a virtue. Similarly for vice. People make mistakes, but to make the same one over and over again could indicate that a poor choice has in fact become a vice. For example, St. Paul the apostle, in talking to his younger protégé Timothy, refers to hypocritical people who compulsively lie as having their "consciences seared as with a hot iron" (1 Tim. 4:2 TNIV). It is another way of saying that their willful intent is born of vice, not simply a

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[25] MacIntyre, 28.

[26] Ibid., 23.

mistake or an error of judgment, and certainly not of virtue. This was a major concern for

Dietrich Bonhoeffer. A German pastor, Bonhoeffer joined a small number of dissidents

and saboteurs in World War II who worked to dismantle the Third Reich from the

inside.[27] Although he was executed in 1945 in a concentration camp for his role in the

failed assassination attempt on Adolf Hitler, before this occurred he was concerned that

he would be of no use when Germany's crisis was past.

> We have been the silent witnesses of evil deeds. Many storms have gone over our heads. We have learnt the art of deception and of equivocal speech. Experience has made us suspicious of others and prevented us from being open and frank. Bitter conflicts have made us weary and even cynical. Are we still serviceable? It is not the genius that we shall need, not the cynic, not the misanthropist, not the adroit tactician, but honest, straightforward men. Will our spiritual resources prove adequate and our candour with ourselves remorseless enough to enable us to find our way back again to simplicity and straightforwardness?[28]

Although it could be argued that Bonhoeffer's motivation was virtuous, he simply

became concerned that his non-virtuous actions (no matter how good their intent) had

engaged the will and therefore put him at risk of being unable to find a way back to

virtuousness.

If I can digress momentarily, this raises an interesting question: what makes it

possible for a person to find a way out of vice back to virtue? Is it even possible? If we

reflect on these questions in the context of leadership, and more specifically in the

context of the behaviors witnessed in 2008 and 2009 that gave rise to what is commonly

called the "Global Financial Crisis" or "GFC," we have to ask whether or not it is

possible to climb back from a set of destructive behaviors without first confirming and

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[27] Eric Metaxas, *Bonhoeffer: Pastor, Martyr, Prophet, Spy* (Nashville, TN: Thomas Nelson, 2010).

[28] Dietrich Bonhoeffer, *Prisoner for God: Letters and Papers from Prison* (New York: Macmillan, 1958), 27.

dismantling those vices and replacing them with virtue. Herein lies a deeper issue of

motivation and of purpose. If vice is replaced by virtue for the primary purpose of

restoring "fame and fortune" rather than its possibly becoming a byproduct, then we have

lost the importance of what Meilaender calls *being* over *doing* and that the *doing* should

flow out of *being*.[29]

While Meilaender talks positively about a return to virtues and their importance,

he does raise the concern that a newfound concentration upon self, the development of

self's character, and upon *being* rather than *doing* has the potential to fuel this

generation's narcissistic preoccupation.[30] That is, we consciously act virtuously so that

we might conceive of ourselves as being virtuous and therefore the beneficiaries of

human praise.[31] It is a form of self-indulgence and self-aggrandizement. It is what Andre

Delbecq alludes to when he examines "the failure of success, the corruption of triumph,

and the danger of celebrity."[32] He believes all leaders have their own set of temptations

that bring out the "shadow side" of gifted individuals and has identified arrogance and

dominance as two dimensions of hubris.[33] He argues that without the offset of humility,

these two dimensions cause leaders to slip into what he describes as situational

narcissism that becomes "ritualized at the organizational level by self-flattering press, ego

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[29] Meilaender, 5.

[30] Ibid., 13.

[31] Nullens and Michener, 124.

[32] Andre L. Delbecq, "The Spiritual Challenges of Power, Humility, and Love as Offsets to Leadership Hubris," in *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*, ed. Charles C. Manz, et al. (Singapore: World Scientific Publishing, 2008), 97.

[33] Ibid., 99.

boasting rituals, and favorable corporate histories."[34] This is supported by what Jim

Collins discovered to be true in his research on corporate leadership when he identified

hubris born of success as one of the five major stages of organizational decline. He states

that one of the primary characteristics that contribute to this decline is a leader's success

entitlement and what he describes as "arrogant neglect."[35] Manfred Kets De Vries delves

even deeper than Delbecq into what he calls "the darker, shadow side of leadership"[36]

which he contends comes from "the script of a person's inner theater,"[37] and the strong

feeling "to make up for the wrongs done to them at earlier periods in their lives."[38] From

this, he claims collateral damage to the people being led and the organization is

inevitable.

Charles Taylor, however, in his outstanding work, *The Ethics of Authenticity,*

offers a word of caution to those who are quick to dismiss self-fulfillment solely as the

work of narcissism. He argues that that the pursuit of self-fulfillment and self-

determining freedom should sometimes be seen as an authentic attempt to resist the

impersonal mechanisms of society and the external influences that insist on molding us to

fit the culture.[39] He also points out that this pursuit should not come at the expense of

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[34] Ibid., 102.

[35] Collins, *How the Mighty Fall*, 46.

[36] Manfred Kets De Vries, *The Leadership Mystique: Leading Behavior in the Human Enterprise* (Harlow, England: Prentice Hall, 2006), 6.

[37] Ibid., 43.

[38] Ibid., 87.

[39] Charles Taylor, *The Ethics of Authenticity* (London, England: Harvard University Press, 1991), 10.

removing ourselves completely from our significant relationships, associations, and community responsibilities, devaluing them while valuing us more.[40] Therefore, to pursue self-fulfillment under some conditions is sometimes a legitimate approach for people wanting to be true to themselves: wanting to be authentic.

In considering the relationship between virtue, vice, and leadership's shadow, we must not as Meilaender implores, "miss the chief point, which gets lost in a thicket of analysis. Virtue, Socrates says in the *Republic*, 'would be a certain healthy, beauty and good condition of a soul, and a vice a sickness, ugliness and weakness.'"[41]

Virtues, Vision, and Human Flourishing

There is the risk of diminishing the significance of virtue by simply reducing it to the compartmentalization of character or to a set of desirable traits and miss the quest for moral excellence or perfection. In other words, living a virtuous life is not solely a means to an end to achieve a good life or live a good life that contributes positively to the wellbeing of others but enables a person to "attain the furthest potentialities of his nature,"[42] or as MacIntyre says, have "a complete human life lived at its best … not a mere preparatory exercise to secure such a life."[43] This places the need for virtue in our society as beyond simply being a responsibility or duty, although these should not be ignored.

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[40] Ibid., 58.

[41] Meilaender, 61.

[42] Ibid., 6.

[43] MacIntyre, 149.

Although there may be no universal agreement about which character traits may qualify as virtues, there is unity when it comes to understanding the value of virtue as greater than its parts and greater than the role of merely being a means to an end. Included in the six dimensions presented by Carolyn Youssef and Fred Luthans of what is meant by virtue and further to what has already been expressed, they argue that being virtuous brings a sense of fulfillment that "results in the terminal value of virtues beyond any other intrinsic or extrinsic reward," although it is not clear how to measure this or when one has fully attained this.[44] What is clear is that virtue promotes human flourishing and well-being both for the individual pursuing virtue, and for that person's social network and relationships that are the recipients, whether personal, family, or forged in the centers of commerce, politics, education, health, or faith.

Personally, I find the relationship that Meilaender underlines between virtue and vision very appealing.[45] It takes virtue into a realm not at all dissimilar to what Plato describes as the "realm of ideas" and "the changeless world of universals" but gives it more of a solid grounding in terms of its application and benefit to a person's current situation and future all at the same time. It brings a tangible reality that presents virtue as something that can be practiced and is attainable, acknowledging at the same time that it can never be fully achieved. It is also something we exercise no matter our situation, allowing it to mature our character and shape how we see and respond to the world we engage today and tomorrow. Meilaender captures this truth well when he states,

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[44] Carolyn M. Youssef and Fred Luthans, "Leveraging Psychological Capital in Virtuous Organizations: Why and How?" in *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*, ed. Charles C. Manz, et al. (Singapore: World Scientific Publishing, 2008), 142.

[45] Meilaender, 11.

Virtues do not just equip us for certain activities, or even for life in general; they influence how we describe the activities in which we engage, what we think we are doing and what we think important about what we are doing. Our virtues and vices affect our reaction to the events of life, but they also determine in part the significance of those events for us. To see this is to understand why *vision* is likely to be a central theme in any ethic of virtue. Our virtues do not simply fit us for life; they help shape life. They shape not only our character but the world we see and inhabit.[46]

This truth should not prevent us from striving for virtue as a worthy objective, but rather remind us that because we may never fully arrive at achieving virtue, it is a path that continually pulls us towards moral excellence and a life lived at its best. According to Kallenberg, it is this path to moral excellence that the modern moral self has dislocated itself from. In our desire to live freely, unencumbered by a restraining morality, our "autonomous self has no given continuities, possesses no ultimate governing principles, and is guided by no *telos*" (purpose or goal).[47] It is this waywardness and sense of "lostness" that I seek to address here by endeavoring to qualify the nature of virtue and its characteristics so that we might discover a richness of life, and, in the context of our own leadership, live in such a way that enables others to share in that richness.

Alexandré Havard's Virtues and Leadership

Although there are many different lists of virtues mentioned by MacIntyre, stemming from words used in fifth-century Greek such as friendship, courage, self-restraint, wisdom, and justice, I have adopted the four cardinal virtues identified by

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[46] Ibid., 11.

[47] Nancey Murphy, Brad J. Kallenber, and Mark Thiessen Nation, eds., *Virtues and Practices in the Christian Tradition: Christian Ethic after MacIntyre* (Notre Dame, IN: University of Notre Dame, 2003), 9.

Havard and defined by Plato: prudence, courage, self-control, and justice.[48] To these I have added the two non-cardinal virtues presented by Havard: magnanimity and humility.[49] These hinge on the four cardinal virtues. Havard argues that these classical virtues should form the content of a leader's character. As we have learned, the habitual and consistent practice of these virtues must first stem from the core of who we are or our *being*. If not, then they merely become traits that are exercised purely for their extrinsic rewards. This conflict is captured by MacIntyre when he describes virtue as "an acquired human quality the possession and exercise of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods."[50]

In a previous chapter we looked at these virtues in greater depth and their relationship to leadership. These will continue to form the basis of our research into how virtues may be assessed and evaluated within a leadership function and its organizational context.

With respect to modern leadership, the discussion and debate on the notion of virtue could not be more relevant. In this chapter we have deepened our understanding of virtue, its origin, and nature, while acknowledging differing opinions concerning the degree to which virtue may be learned or taught. If we prescribe to the views argued by Aquinas and Luther that virtue can be attained through grace, then we must naturally assume that human nature is not unchangeable—and fortunately for us! Inasmuch as

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[48] MacIntyre, 134.

[49] Havard, xvi.

[50] MacIntyre, 191.

virtue through practice and habitual application can become ingrained within a person's character, we also know the opposite is true: that in its absence, vice can gradually take its place. Once again, this contradicts the notion that human nature cannot change and that it is only through a change of will grounded in grace and not out of self-interest that we can see a person's character transformed. As Meilaender states, "To know why traits of character qualify as virtues we must *see* our world and human nature rightly. To *see* rightly, in turn, requires that we have the virtues. Virtue enhances *vision*; vice darkens and finally *blinds*."[51] As we discussed earlier in evaluating Luther's position, this can be a difficult truth to accept as it presents the construct of reason and the natural human condition as being incapable of being virtuous, even though certain virtues or character traits can be expressed.

We have demonstrated through the historical development of moral philosophy that virtue is quite distinct from leadership skills and yet critical to behavioral outcomes and ability to lead others. However, it is important to recognize that the presence of virtue in a leader does not negate the importance of a leader's skills, capabilities, or competencies, but without the presence of virtue and its traits, the content of a leader's character may lead to that person's being ineffective and result in the decline of the organization. Neither does the presence of virtue need to undermine the findings of the GLOBE study that identified six effective global leader behaviors, as it is possible for each of them to embrace the value of virtue and the importance of character in leadership. We will explore this further in a subsequent chapter.[52]

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[51] Meilaender, 17.

[52] House et al., 593.

In a later chapter we will also research the impact of a leader's worldview and the role of culture in shaping the virtue of a leader and the implications this has when working across cultural boundaries and geographical territories. We will need to look at some of the limitations of language in addressing the notion of virtue, particularly as it relates to the economic and business spheres of life where the current terms may be considered antiquated and obsolete and explore if it would be helpful to develop a new glossary of terms that may facilitate a more meaningful engagement by leaders in all spheres of life.

Finally, I conclude this chapter with a sense of having been overwhelmed by what I have discovered and the reality that we have much more to discover about the importance of virtue in our world and how it has the potential to transform us and the communities where we work and live. However, as Geoff Moore and Ron Beadle suggest, for this effort to flourish, it requires that our workplaces and institutions provide for its sustenance.[53]

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[53] Geoff Moore and Ron Beadle, "In Search of Organizational Virtue in Business: Agents, Goods, Practices, Institutions and Environments," *Organization Studies* 27 (March 2006): 371.

PART 2

CULTURE, VIRTUES, AND PERFORMANCE

CHAPTER 3

THE INTERPLAY BETWEEN NATIONAL CULTURE,
LEADERSHIP, AND VIRTUES

In this chapter we continue to explore the role of virtues in a leader's life. The degree to which those virtues are absent or present can define a leader's character and his or her ability to lead others.

Previously we have demonstrated the considerable difference between the virtues of a leader, or what Alexandré Havard refers to as the "content of a person's character," and a leader's capabilities and areas of competency.[1] While they do not need to be mutually exclusive, there is a large amount of anecdotal evidence that would suggest that sustainable success for some leaders has been hindered by the absence of virtue in their leadership function. We have documented previously some high profile examples where successful businesses have been derailed by unethical and high-risk decisions. In each of these scenarios, it is possible for leaders to demonstrate a high level of competency in relation to a certain skill or ability, but through a moral lapse in judgment or a willful, unethical decision that competency can be rendered ineffective. It is precisely this issue of what is moral or what is not that led to the examination of character—and in particular virtues—by earlier philosophers such as Socrates, Plato, Aristotle, Augustine, and Aquinas. It stemmed from the question, "What makes a man good?" and "What is the good of a person?" Also, is it predicated on *what* a person does or on *who* a person is? In an earlier chapter, a range of perspectives were presented on this. Suffice it to say that it is possible for leaders to demonstrate certain virtuous traits as a means to an end, rather

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[1] Havard, xiv.

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than from an ethic of character. Gilbert Meilaender argues that virtues are much more

than merely a set of intrinsic traits. He states,

> Virtues do not just equip us for certain activities, or even for life in general; they influence how we describe the activities in which we engage, what we think we are doing and what we think important about what we are doing. Our virtues and vices affect our reaction to the events of life, but they also determine in part the significance of those events for us. To see this is to understand why *vision* is likely to be a central theme in any ethic of virtue. Our virtues do not simply fit us for life; they help shape life. They shape not only our character but the world we see and inhabit.[2]

While there was significant debate among our early philosophers as to where

virtues originated and whether or not they could be taught or developed, in the previous

chapter we concluded that because human nature is able to change (albeit as Thomas

Aquinas and Martin Luther believe through the vehicle of God's grace), we simply

cannot evade the obvious question of what it is that shapes a leader's virtues.[3] Why do

leaders adopt certain virtues while others are disregarded? Where do virtues come from?

On the surface these may appear to be somewhat benign questions. However, by

understanding the key influences that cause people to adopt specific virtues we may have

a better opportunity to resolve some of the conflicts that emerge for leaders in their

organizational contexts. This lies at the heart of my research, which is to provide leaders

with the ability to measure the degree to which certain virtues are absent or present in

their leadership contexts and be able to identify and resolve perceived conflicts with what

is needed. It may also help to provide us with some key insights into the early

identification of leaders and how their development can be mapped (and corrected if

needed) with the goal of seeing them succeed in their leadership roles.

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[2] Meilaender, 11.

[3] Nullens and Michener, 124.

In light of this, and the question posed about where do virtues come from and how do leaders acquire them, this chapter will draw on two seminal works: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov in *Cultures and Organizations: Software of the Mind*; and Robert J. House et al. in *Culture, Leadership, and Organizations: The GLOBE Study of 62 societies.*[4] Specifically, I will analyze how national culture and organizational culture can be dominant, albeit tacit at times, in determining how leaders respond to certain challenges and the virtues they adopt. In subsequent chapters we will also look at the important influence a family and kin relationships can play in shaping the virtues of a leader and affect their transmission from one generation to the next. Culture and the values inherent in it contribute to the formation of a leader's worldview, which is foundational to so many facets of human behavior that we see. As David Brooks states, "We wander across an environment of people and possibilities. As we wander, the mind makes a near-infinite number of value judgments, which accumulate to form goals, ambitions, dreams, desires, and ways of doing things."[5]

Defining National Culture

The virtues of a leader shape his or her vision of the world and, as a consequence, the way leadership is perceived and practiced. The impact of a person's culture and cultural norms (or standards of behavior) are major determinants of behaviors, and with the increase in global and intercultural connectivity we cannot escape the reality that miscommunication and interpersonal conflicts will increase. Melody Manchi Chao, Zhi-

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[4] Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010); House and Javidan, "Overview of GLOBE."

[5] David Brooks, *The Social Animal: A Story of How Success Happens* (London, England: Short Books, 2011), 21.

Xue Zhang, and Chi-yue Chiu address this further in a trans-cultural context stating that it

can be difficult for people to adhere to their own cultural norms when they are in a

foreign work context that is unfamiliar, cognitively demanding, and where there exists

considerable pressure to identify and conform to the new working group.[6] For an

organization this can be costly, resulting in a loss of productivity, poor job performance,

increased staff turnover, and a loss of business contracts. In some cases, it can jeopardize

strategic alliances. These are reflective of the issues and questions that the GLOBE

(Global Leadership and Organizational Behavioral Behavior Effectiveness) study of 62

societies sought to address in their comprehensive research. The research was conceived

by Robert J. House in 1991 and tested 27 hypotheses linking culture to outcomes from

17,300 managers in 951 organizations. A sample of some of the questions they asked

include: what cultural attributes affect societies' susceptibility to leadership influence? To

what extent do cultural forces influence the expectations that individuals have for leaders

and their behavior? To what extent will leadership styles vary in accordance with

culturally specific values and expectations?[7]

There is an instinctive recognition for people who have traveled outside of their

countries that when they are visiting another country they are outsiders. They quickly

realize that often they are operating from a different set of assumptions, values, beliefs

and perceptions, and consequently they do not think or behave the same way as the

people who live there. As Edgar H. Schein states, "each macroculture may have opinions

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[6] Melody Manchi Chao, Zhi-Xue Zhang, and Chi-yue Chiu, "Adherence to Perceived Norms across Cultural Boundaries: The Role of Need for Cognitive Closure and Ingroup Identification," *Group Processes & Intergroup Relations* 13, no. 1 (2009): 84.

[7] House and Javidan, 9.

and biases about 'the others,' or may even have some level of misunderstanding of 'the others' but operate by the premise that their own culture is the one that is 'right.'"[8] There is nothing wrong with this, as these were shaped, reinforced and programmed in the context of their social environment and from experiences collected from the time they were born. As Hofstede, Hofstede, and Minkov state, "culture consists of the unwritten rules of the social game. It is the collective programming of the mind that distinguishes the members of one group or category of people from others."[9] In the GLOBE study, Robert J. House et al. argue that there are two primary manifestations of culture: (1) the commonality or agreement among members of collectives with respect to certain psychological attributes and (2) the commonality of observed and reported practices of entities and institutions critical to the functioning of society, "such as families, schools, work organizations, economic and legal systems and political institutions."[10] There are many facets to understanding cultural differences, and this is most commonly demonstrated in the different symbols, heroes and rituals that are unique to one culture over another and give rise to our behaviors or practices. However, as emphasized by Hofstede, Hofstede, and Minkov, the unwritten rules of culture have the broad tendency to deal with the following pairings:

- Evil versus good
- Dirty versus clean
- Dangerous verses safe
- Forbidden versus permitted
- Decent versus indecent
- Moral versus immoral

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[8] Schein, 387.

[9] Hofstede, Hofstede, and Minkov, 6.

[10] House and Javidan, 16.

- Ugly versus beautiful
- Unnatural versus natural
- Abnormal versus normal
- Paradoxical versus logical
- Irrational versus rational[11]

As we will learn later when we look more closely at the impact of familial culture on people's lives, the degree to which people adhere to one state over another in respect to these pairings is influenced not only by what is considered normative by their national culture but also how they are consciously and unconsciously affected by the positive and negative reinforcements of their unique individual experiences and personal cultural framework. To understand this is to better understand how to succeed as leaders in a world where the erosion of traditional geographic boundaries has created a new playing ground. Nelson Mandela emphasizes the importance of this as a key principle of communication when he states, "If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart."[12]

Dimensions of Culture

Realizing the important role of culture in shaping our values, thinking, and behavior, numerous scholars have sought to define different dimensions of culture to help address some of the problems common to all societies. In 1954, Inkeles and Levinson suggested that there existed three basic problems that held consequences for how societies functioned. These included how individuals and groups within those societies related to authority, how they viewed their concept of self and concept of masculinity and

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[11] Hofstede, Hofstede, and Minkov, 9.

[12] Wibbeke, 81.

femininity, and how they dealt with conflicts and expressed their feelings.[13] In the

1970's, Geert Hofstede, currently Professor Emeritus of Organizational Anthropology

and International Management at the University of Maastricht in the Netherlands,

developed a new paradigm to measure five different cultural dimensions using data

collected from employees who worked for IBM and their subsidiaries in more than fifty

countries. This was published in his book, *Culture's Consequences*, in 1980.[14] After

deciding that there was no universally accepted method for measuring such cultural

practices, for conceptual reasons the GLOBE study in 1992 expanded on the work of

Geert Hofstede and sought to validate nine cultural dimensions. These were: (1)

performance orientation, (2) assertiveness, (3) future orientation, (4) humane orientation,

(5) institutional collectivism, (6) in-group collectivism, (7) gender egalitarianism, (8)

power distance, and (9) uncertainty avoidance.[15] Given the experience of Hofstede

spanning more than three decades in the field of analyzing the relationship between

national culture and organizations and having his expanded work published in 2010, I

have chosen to limit some of my observations to the original five dimensions used by

Hofstede and contrast it with findings from the GLOBE study.[16] These are: *power-*

distance, which measures inequality in societies; *individualist versus collective* societies,

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[13] A. Inkeles and D. J. Levinson, "National character: The study of modal personality and sociocultural systems," in *The Handbook of Social Psychology*, 2nd eds. G. Lindzey and E. Aronson. (Reading, MA: Addison-Wesley), 4:447.

[14] Geert Hofstede, *Culture's Consequences: International Differences in Work-Related Values* (Beverley Hills, CA: Sage Publications, 1980).

[15] Vipin Gupta, Mary Sally De Luque, and Robert J. House, "Multisource Construct Validity of Globe Scales," *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 154.

[16] Hofstede, Hofstede, and Minkov.

which measures the power of the individual or group; *assertiveness versus modesty*, which measures gender or masculinity-femininity as a dimension of societal culture; *uncertainty avoidance*, which measures levels of tolerance in relation to ambiguity; and *long-term versus short-term orientation*.[17]

As each scholar has advocated, cultural dimensions are replete with values that program us to think, make judgments, perceive, and behave in particular ways. For this reason, it is important for us to briefly consider some of the different characteristics of the five "Hofstede" dimensions, which will also contribute to a greater understanding of how national culture can influence leadership and organizational culture. We should also see how each of these dimensions influences the tacit adoption of certain virtues, while at the same time causing misunderstanding, confusion and conflict in other cultures. In his excellent book, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*, Singapore's former Ambassador to the UN and President of the UN Security Council, Kishore Mahbubani, feels strongly about this issue—in particular, the blindness of the West, which he claims holds "the belief that Western interests and values are universal interests and values."[18] Dominique Moïsi, a French Political Scientist, Professor of International Relations at the College of Europe in Natolin (Warsaw) and visiting professor at Harvard University, brilliantly explores this notion further as he argues that there exist three primary emotions—fear, humiliation, and hope—that are dominating and

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[17] Hofstede's five cultural dimensions are quite different to the dimensions of culture addressed by Edgar H. Schein in *Organizational Culture and Leadership*, 4th ed (San Francisco, CA: Jossey-Bass, 2010), 67-74. Kindle Electronic Edition. Hofstede's cultural dimensions primarily focus on the artifacts, beliefs, values, and assumptions related to national culture or what Schein defines as macroculture. Schein's cultural dimensions focus on shared assumptions within organizations as they relate to mission, strategy, goals, means (including structure, systems, and processes), measurement, and correction.

[18] Mahbubani, 115.

shaping the geopolitical world. [19] Unfortunately, these emotions lead "to a situation of asymmetric multipolarity: The key actors on the world stage not only are unequal in terms of power and influence but also differ dramatically in their views of the world."[20] This is relevant to our discussion on the interplay of national culture, leadership, and virtues. As we see the gradual transfer of economic power from the West (predominantly the United States) to China and India, we begin to see considerable differences emerge in how leadership is exercised and guided by their underlying assumptions, beliefs, and values. As Wibbeke points out, the "leader does, as culture is."[21]

Power-Distance

The first cultural dimension we will consider is that of *power-distance*. Simply, it reflects how countries tend to deal with inequalities. To measure this, the Power Distance Index (PDI) was created. Three questions were used to compose the survey: the first seeking to understand if the employee was afraid of his or her supervisor, the next revealing the subordinate's perceptions of his or her decision-making style, and the final question asking for participants to express their preference for their supervisors decision-making style and how they would like their work environment to be.[22] In large power-distance countries, subordinates rely heavily on their supervisors (i.e., they expect or

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[19] Dominique Moïsi, *The Geopolitics of Emotion: How Cultures of Fear, Humiliation, and Hope Are Reshaping the World* (New York: Anchor Books, 2009), 5.

[20] Ibid., 10.

[21] Wibbeke, 23.

[22] Hofstede, Hofstede, and Minkov, 56.

prefer their supervisors to be autocratic or paternalistic), whereas for small power-distance countries there is a greater expectation for consultation or interdependence between the two. In the first instance, subordinates are less likely to contradict or approach their supervisors. Therefore, *power-distance* can be defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Institutions are the basic elements of society, such as the family, the school, and the community; organizations are the places where people work."[23]

In essence, this cultural dimension reflects the extent to which a society accepts and endorses power and how it is shared by the different functions within it. Much has been written on the concept of power, including the treatment of it in Maslow's hierarchy of needs. French and Raven's five-category classification in 1959 is also helpful in understanding how power is used, and how people respond to it.[24] The first category is *coercive power*. This is when people are afraid not to respond because they may be the recipients of harmful or unwanted consequences. This is common in cultures where leadership is more authoritarian and maintains a strong sense of hierarchy in terms of the distribution of power and influence. It is perhaps easy to understand in this scenario how it is more likely to perceive an absence of the virtues of justice and humility. The second category is *reward power*, which is based on the opposite motivation. There exist incentives and rewards for people to respond positively, and these are not only monetary in nature. In this scenario the focus is not merely centered on the virtue of justice or

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[23] Ibid., 61.

[24] Bertram H. Raven, "The Bases of Power: Origins and Recent Developments," *Journal of Social Issues* 49 no. 4 (1993): 227-251.

fairness as one of its character attributes, but also on enabling and encouraging individuals to give out of their capacity and competency knowing that this will not be abused. At the very least, it embraces the virtue of humility in that it invites and rewards the participation of others in working to achieve a common goal. *Legitimate power* is the third category and relates to power that is vested into a position, office, or function (e.g., the CEO of a company, a police officer, school principal, government leader, etc.). The fourth category is *expert power* and applies to people in positions where they hold a particular expertise, skills, or knowledge. For example, this could be a teacher, a medical doctor, an occupational therapist, a nuclear physicist, a marketing specialist with cross-cultural experience and post-graduate degree, or a CEO who has outstanding results in turning around companies and making them profitable. The list could go on. The final category highlighted by French and Raven is *referent power,* when a subordinate is inspired by his or her leader, shares the same values, and desires to emulate the leader. We have all witnessed the potential pitfalls of following "celebrity" leaders, but there are also some remarkable leaders whose actions simply inspire us for different reasons. There are too many examples to choose from, and we have mentioned some well-known names already, but a small list might include: William Wilberforce, Mohandas Karamchand Ghandi, St. Mother Teresa, Nelson Mandela, Bill Gates, and Steve Jobs. Then of course, there are those who we have come in touch with personally through our own work and relationships. Sometimes it is their character that inspires their actions or us and the way they go about their work. Other times it may be their magnanimous vision or their ability to achieve great results. Whatever it is, people want to follow them.

Hofstede, Hofstede, and Minkov, provide a comprehensive analysis of power-distance in relation to organizations and workplaces, social class, education level, occupation, family, and health care. However, as we are considering the degree to which national culture influences leadership and the virtues they adopt, Table 3 reveals key differences between small-distance and large-distance societies in relation to the workplace. According to Hofstede, Hofstede, and Minkov, "what is not so evident, but is essential for understanding, is that ways of handling power in a country tend to be rooted in the beliefs of large sectors of the population as to the proper ways for authorities to behave."[25]

In analyzing the PDI results for 76 countries, most Asian countries showed high power distance values with Malaysia and Slovakia the highest ranked countries with an index score of 104. Thailand, Chile and Portugal were ranked in the middle of the group with index scores of 64, 63, and 63 respectively. The lower ranked countries were Denmark, Israel, and Austria with index scores of 18, 13 and 11. The United States was ranked 59 with a score of 40, China was ranked 12 with a score of 80, and India was ranked 17 with a score of 77. Australia was ranked 64 with a score of 38.[26] I included the United States because they are currently the largest economy globally, while China and India are quickly emerging as two of the largest growing economies due in part to their high population. Australia was included due to the size of its economy and the role it plays in the Asia-Pacific region.

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[25] Hofstede, Hofstede, and Minkov, 76.

[26] Ibid., 57-59.

Table 3. Key Differences in the Workplace Between Small- and Large-Power-Distance Societies

Small Power Distance	Large Power Distance
Hierarchy in organizations means an inequality of roles, established for convenience	Hierarchy in organizations reflects existential inequality between higher and lower levels
Decentralization is popular	Centralization is popular
There are fewer supervisory personnel	There are more supervisory personnel
There is a narrow salary range between the top and the bottom of the organization	There is a wide salary range between the top and the bottom of the organization
Managers rely on their own experience and on subordinates	Managers rely on superiors and on formal rules
Subordinates expect to be consulted	Subordinates expect to be told what to do
The ideal boss is a resourceful democrat	The ideal boss is a benevolent autocrat or "good father"
Subordinate-superior relations are pragmatic	Subordinate-superior relations are emotional
Privileges and status symbols are frowned upon	Privileges and status symbols are normal and popular
Manual work has the same status as office work	White-collar jobs are valued more than blue-collar jobs

Source: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010), table 3.4.

As pointed out by Dale Carl, Vipin Gupta, and Mansour Javidan, differences in power-distance have been around for centuries and not confined to Western thought.[27] There are five hierarchical relationships in Confucian thought: ruler-subject, father-son, older brother-younger brother, husband-wife, and senior friend-junior friend. "In these relationships, the junior partner owed the senior respect and obedience; the senior partner, in turn, owed the junior protection, consideration, help, support, and assistance in personal and spiritual matters."[28] Similarly, India also has a hierarchy of relationships through its caste system that provides each class with different degrees of legitimate power, strongly linked to the values surrounding reincarnation and karma.[29] In Japan, this hierarchy of relationships also exists, but in a commercial context it exhibits itself

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[27] Carl, Gupta, and Javidan, 518.

[28] Ibid.

[29] Alain Daniélou, *Virtue, Success, Pleasure, Liberation: The Four Aims of Life in the Tradition of Ancient India* (Rochester, VT: Inner Traditions International, 1993), 32-70. Kindle Edition.

entirely differently to what we might expect in the West. Workers often feel indebted to their leaders for they receive more than they could hope to repay, driving them to fulfill the wishes of their leaders. Fons Trompenaars and Ed Voerman state that, "People with the most seniority will make the least fuss. They would rather radiate that they would like to learn something from you. This modesty works to actually increase their status. A Japanese leader is, in this way, the perfect example of the integration of master and servant, coming in from the serving perspective."[30] From this scenario we can see the demonstration and importance of the virtues of justice, self-control, and humility.

What we can postulate from the PDI results is that the practices and values of every society instinctively affect the practices and values of their organizations, and their leaders. According to the work conducted by Carl, Gupta, and Javidan in the GLOBE survey, the PDI values validated all six implicit theories of leadership that we briefly summarized in Chapter 1. These are: (1) *Charismatic/Value-Based leadership*, (2) *Team-Oriented leadership*, (3) *Participative leadership*, (4) *Humane-Oriented leadership*, (5) *Autonomous leadership*, and (6) *Self-Protective leadership*. Organizations that value large power-distance are usually associated with more autonomous and autocratic leadership where leadership authority is not very diffuse. In organizations like this, it becomes more important for leaders to ensure they have put in place the checks and balances for avoiding criticism and fallout from arbitrary decisions. The downfall of the Enron Corporation and the corruption convictions against its CEO, Jeffrey Skilling, illustrate this as one of the examples we mentioned in Chapter 1. Alternatively, leaders in organizations who don't value power-distance will have the challenge "not to appear

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[30] Trompenaars and Voerman, 51.

bossy or dictatorial, but instead to delegate and recognize egalitarian and collectivist interests and to focus on the big picture rather than micromanage."[31] In this scenario, charismatic/value-based leaders who encourage greater participation and engagement, particularly at the grassroots level have a better chance of success.

While the purpose of this chapter is to demonstrate the unique interplay between national culture, leadership, and virtues, it is helpful to understand how Hofstede's five cultural dimensions can influence the perception that certain virtues may indeed be present or absent, and how misunderstandings across cultures concerning this can occur. For example, a leader working in an organization from a small power-distance society who is accustomed to consulting with different levels within a hierarchy may perceive the virtue of humility or justice is lacking in leaders from large power-distance societies who may overlook or ignore the experience and insights from lower levels. This practice would also question whether or not the virtue of prudence is present. In contrast to this, leaders from large power-distance societies may perceive the virtue of courage is lacking in those who do not challenge or question a proposed solution from someone in authority. Nonetheless, in large power-distance societies like Malaysia, China, Russia, and Mexico it would be considered disrespectful to do so. However, there are other cultural dimensions that add layers of complexity we must contend with that also influence the degree to which we believe some virtues are present or absent, and how they could be misunderstood.

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[31] Carl, Gupta, and Javidan, 555.

Individualist versus Collective Societies

Individualist versus collective societies represent the second cultural dimension that measures the power of the individual or group within that culture. It also measures "the extent to which ties between individuals are loose or integrated."[32] This has nothing to do with the power of the state over the individual in a political sense but rather the power of a group to which we belong. An example used by Hofstede, Hofstede, and Minkov, to illustrate this is how Swedes and Saudis do business. Swedes do business with a company, whereas Saudis do business "with a person whom one has learned to know and trust."[33] In the first scenario, business is done with the interest of the group in mind, whereas in the second scenario the interests of the individual doing business is key. More specifically,

> Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty.[34]

This has enormous implications for leading and managing. For example, providing incentives and rewards for individual employee performance will work well in an individualist society, but it would not work as well in a collectivist society where group identity, operating with a group goal and a greater sense of connectedness, are vital. Understanding such dynamics has implications for how leaders perceive their employees, particularly those who work in organizations where there are a number of

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[32] Wibbeke, 27.

[33] Hofstede, Hofstede, and Minkov, 90.

[34] Ibid., 92.

cultures represented. As already identified by Chao, Zhang, and Chiu, misunderstandings and different perceptions about what is occurring in the workplace can lead to conflict and interpersonal problems, leading to a number of other significant issues emerging, including loss of productivity.[35] When we consider this in the context of virtues, clearly what some cultures may define as virtues or the absence thereof, actually relates to behavioral differences that stem from national culture. For example, while it would be a mistake to suggest that "collectivism" demands consensual decision-making, to make an autocratic decision that goes against the group can imply that a leader is not committed to the tenets, or what Edgar Schein refers to as the "basic underlying assumptions" of the group. He states that, the "degree of consensus results from repeated success in implementing certain beliefs and values . . . In fact, if a basic assumption comes to be strongly held in a group, members will find behavior based on any other premise inconceivable."[36] It is not difficult to understand why the virtues of humility, prudence, courage, and self-control are important in this context. If leaders are unable to grasp this notion of collectivism, particularly when working cross-culturally, then there is an increased likelihood that mistakes will be made. For example, an assumption that is commonly held by individuals of a group (relatives, clan, or organizations) in collectivist societies is that other members will look after them, "and in exchange for that owe absolute loyalty to it."[37] In an organizational context, there is the expectation that they would be the recipients if better opportunities for advancement, promotion, and

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[35] Chao, Zhang, and Chiu, 84.

[36] Schein, 27.

[37] Moran, Harris, and Moran, 18.

remuneration were available. For leaders accustomed to working in individualist

societies, it is easy to understand how they may perceive the virtue of justice, where

fairness and equity are important, is overlooked. However, a leader from a collectivist

society believes that this is a just and fair way to operate. One can also see how the

virtues of prudence and courage are needed to address this pressure, and stand up against

strongly held assumptions and expectations. In relation to individualist societies where

collaboration and teamwork is sometimes difficult to facilitate, Trompenaars and

Voerman discuss the important role of a servant-leader. "In individualistic cultures, it is

best for the servant-leader to take as starting point the importance of individual

independence and creativity, and then use these for the benefit of the group."[38] This taps

into the strengths and key motivators of individuals while ensuring pursuit of a common

goal that will benefit them and the group.

Some of the differences that Hofstede, Hofstede, and Minkov have identified in

relation to the workplace, school, and how communication technologies are used, are

captured in Table 4.

In analyzing the Individualism Index (IDV) results for 76 countries, Western

countries ranked highly in contrast to most Asian and South American countries.[39] The

highest ranked country was the United States with an index score of 91, immediately

followed by Australia on 90, and Great Britain on 89. The lowest ranked countries came

from the same region with Panama, Ecuador and Guatemala ranked 74, 75, and 76

respectively, with scores of 11, 8, and 6. China was equally ranked 58 with Singapore,

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[38] Trompenaars and Voerman, 76.

[39] Hofstede, Hofstede, and Minkov, 95-97.

Thailand, and Vietnam with a score of 20 on the IDV. India was ranked 33 with a score

of 48.

Table 4. Key Differences at School, in the Workplace and How Information and Communication Technologies (ICT) is Used Between Collectivist and Individualist Societies

Collectivist	Individualist
Students speak up in class only when sanctioned by the group	Students are expected to individually speak up in class
The purpose of education is learning how to do	The purpose of education is learning how to learn
Diplomas provide entry to higher-status groups	Diplomas increase economic worth and/or self-respect
Occupational mobility is lower	Occupational mobility is higher
Employees are members of in-groups who will pursue the in-group's interest	Employees are "economic persons" who will pursue the employer's interest if it coincides with their self interest
Hiring and promotion decisions take employee's in-group into account	Hiring and promotion decisions are supposed to be based on skills and rules only
The employer-employee relationship is basically moral, like a family link	The employer-employee relationship is a contract between parties in a labor
Management is management of groups	Management is management of individuals
Direct appraisal of subordinates spoils harmony	Management training techniques teaches the honest sharing of feelings
In-group customers get better treatment (*particularism*)	Every customer should get the same treatment (*universalism*)
Relationship prevails over task	Task prevails over relationship
The Internet and e-mail are less attractive and less frequently used	The Internet and e-mail hold strong appeal and are frequently used to link individuals

Source: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010), table 4.4.

The GLOBE project measured *collectivism* from two different perspectives:

organizational institutional collectivism that focused how the organization as an

institution rewarded collective action and allocated resources; and *organizational in-

group collectivism* that measured characteristics, such as how employees working for the

organization expressed pride, loyalty, and cohesiveness.[40] The results also showed that

there was a strong relationship to two other culture dimensions tested by House et al.,

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[40] Michele J. Gelfand et al., "Individualism and Collectivism," *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 463.

future or *long-term orientatio*n and *performance orientation*.[41] This relationship is behind

Jenkins's belief that there is a great opportunity for Asian countries to embrace a new

collective purpose (a sense of "why are we here, doing what we are doing?") looking to

the economic future that could positively challenge individualist societies. In light of the

economic upheaval that has been taking place globally since 2009 and the fact that a

number of Asian countries have come through relatively unscathed by it, Michael Jenkins

believes that Asian leaders

> should reappraise and reevaluate the applicability in an Asian context of so-called
> Western models of business, especially when it comes to morality and ethics in
> business, and to offer up, with greater confidence than ever before, radical
> alternatives and perspectives that even non-Asian organisations might embrace to
> their benefit. Common purpose is a good place to start this appraisal.[42]

He also believes that because many Asian countries are more naturally inclined to

be *collectivist* societies, embracing an opportunity to learn from the recent recession and

unite in a common purpose going forward would reap tremendous organizational

benefits. He states that, "we can expect to see higher levels of employee engagement, and

through this, a link to enhanced performance, that is, a happier, more engaged workforce

which is more productive and, therefore, with potential for improved results (financial

and non-financial)."[43]

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[41] Hofstede, Hofstede, and Minkov, *Cultures and Organizations,* 42. Performance orientation was not one of the five cultural dimensions measured by Hofstede. "Performance orientation" and "humane orientation" were added by the GLOBE project, inspired by Hofstede's masculinity-femininity distinction that is embraced by the "assertiveness versus modesty" cultural dimension.

[42] Michael Jenkins, "Collective Purpose," *Asian Leadership: What Works*, ed. Dave Ulrich and Robert Sutton (Singapore: McGraw Hill, 2011), 183.

[43] Ibid., 187.

Although we do not have the space to take a more comprehensive view of how the individualist and collectivist values correlate with every social and economic factor that was measured, we can see how it is possible for cultural factors to influence our perception that certain virtues are absent, or not valued as highly in some contexts. It is not the goal of this discussion to pit individualist societies against collective societies or to conclude that one is better than the other. What we set out to do was to analyze how culture influences the adoption of certain virtues over others, and how this is perceived by different cultures. We also learned that people from two different cultures could witness the same behavior and yet reach a different conclusion as to whether or not a certain virtue is present.

Assertiveness versus Modesty

The third cultural dimension is *assertiveness versus modesty*. This is used to measure gender or *masculinity-femininity* as a dimension of societal culture and the roles each culture assigns to them. The Masculinity Index (MAS) values were calculated based on eight questions related to work goals. Evaluating and defining what gender roles should be can often lead to emotionally charged discussions, with the inherent values of respective national cultures underpinning those beliefs. As Hofstede, Hofstede, and Minkov also point out, "it is not surprising that one of the dimensions of national value systems is related to gender role models offered by the parents."[44] The role of the family and kinship in the transmission of values is addressed in Chapter 5. Hofstede, Hofstede, and Minkov acknowledge these differences in mental programming and state that

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[44] Hofstede, Hofstede, and Minkov, 138.

> A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life.
>
> A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life.[45]

Wibbeke states that, "overall, masculine countries strive for a performance society, while feminine countries strive for a well-being society."[46] One interesting finding from the research is that unlike the Individualism Index, *masculinity* was not related to the country's economic development, although it did significantly impact the availability of opportunities for women in some societies. Hofstede, Hofstede, and Minkov analyze femininity and masculinity according to occupation, the family, gender roles and sex, education, shopping, and the workplace. Table 5 reveals the differences between feminine and masculine societies in the workplace.

Table 5. Key Differences Between Feminine and Masculine Societies in the Workplace

Feminine	Masculine
Management as ménage: intuition and consensus	Management as manége: decisive and aggressive
Resolution of conflicts by compromise and negotiation	Resolution of conflict by letting the strongest win
Rewards are based on equality	Rewards are based on equity
Preference for smaller organizations	Preference for larger organizations
People work in order to live	People live in order to work
More leisure time is preferred over more money	More money is preferred over more leisure time
Careers are optional for both genders	Careers are compulsory for men, optional for women
There is a higher share of working women in professional jobs	There is a lower share of working women in professional jobs
Humanization of work by contact and cooperation	Humanization of work by job content enrichment

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[45] Ibid., 140.

[46] Wibbeke, 27.

| Competitive agriculture and service industries | Competitive manufacturing and bulk chemistry |

Source: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010), table 5.5.

In analyzing the results for 76 countries, a number of European countries scored the lowest the MAS Index. Slovakia was ranked first with an index score of 110, closely followed by Japan and Hungary with scores of 95 and 88 respectively. Seven European countries represented the lower ranked countries, with Sweden ranked 76 with a score of 5. The United States and Australia was ranked 19 and 20 with scores of 62 and 61, while China and India were ranked 11 and 28 with scores of 66 and 56.[47]

The work of Hofstede, Hofstede, and Minkov primarily focused on the value differences of societies in relation to assertiveness, success, and competition that reflected "tough" or *masculine* societies and values such as nurturance and solidarity as representing "tender" or *feminine* societies. The GLOBE study looked at another aspect of masculinity and femininity as it relates to the different beliefs societies have in relation to behavior and "what is appropriate for males versus females."[48] In doing this, they adopted the same two-scale approach as they did for measuring *collectivism* by measuring gender egalitarianism at both the societal and organizational levels. Not surprisingly, they discovered there was a strong correlation between the two; the "more gender egalitarian a society's current practices, the more gender egalitarian a manager's values."[49] However, this doesn't explain the discrepancy between them. What we do

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[47] Ibid., 141-143.

[48] Cynthia G. Emrich, Florence L. Denmark, and Deanne N. Den Hartog, "Cross-Cultural Differences in Gender Egalitarianism," *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 344.

[49] Ibid., 364.

know in relation to the six implicit theories of leadership is that those societies that held

values that were more gender egalitarian, the more likely leaders in organizations

supported *Participative*, and *Charismatic/Value-Based* leadership attributes but strongly

resisted *Self-Protective* leader attributes. Furthermore, if leaders perceived that their

organization's *practices* were more gender egalitarian, they were more likely to endorse

Team-Oriented leadership.[50]

In relation to virtues and gender, it is possible to understand how cultural

differences influence the treatment of gender-related issues, not merely in regards to the

division of labor but more importantly to the relationship of work to the rest of life's

activities and the workplace environment, specifically in relation to how people are

treated, and performance is measured. For example, "organizations in masculine societies

stress results and try to reward achievement on the basis of equity—that is, to everyone

according to performance. Organizations in feminine societies are more likely to reward

people on the basis of equality (as opposed to equity)—that is, to everyone according to

need."[51] This shows us how the virtue of justice can be interpreted differently. In this

scenario, while equality and equity are both constructs of fairness, they are not seen to be

of equal importance by masculine and feminine societies. Another contrast that reveals

behavioral disparities between these two different societies relates to the manner in which

conflict is addressed. In masculine cultures such as Slovakia, Japan, and Austria, conflict

is not considered to be a time where parties holding differences of opinion come together

to negotiate an acceptable outcome. Contrary to this, for feminine cultures like Sweden,

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[50] Ibid., 383.

[51] Hofstede, Hofstede, and Minkov, 167.

Norway, Latvia, and Denmark, there is the propensity to resolve conflicts by compromise and negotiation.[52] In American and British cultures, conflicts were sometimes seen as opportunities for participants to assert themselves and demonstrate how competent they were. It could be argued that the virtues of humility, prudence, and courage are necessary with this approach, although a leader from a strong masculine culture may believe this approach undermines the virtues of prudence, courage, and self-control, because it disrespects the authority and experience of leadership, and has contributed to a longer and more costly decision making process.

These perspectives continue to raise the nuance between what some perceive as the absence of certain virtues and where some are more highly recognized than others. We can also see clearly how behaviors are often subservient to the underlying assumptions and beliefs held by leaders that have been influenced by their national culture. Trompenaars and Voerman address this nuance and argue that leaders need to be careful not to view opposing values as two extremes on opposite sides of a linear scale. Using the servant-leader model, they suggest that a better strategy is to bend "the two extremes toward each other, which results in the line becoming a circle, a circle that no longer has opposing values. Everything is connected in a cyclical logic, and flows from one part to another in an organic way."[53] This approach enables leaders and organizations to transition from a more one-dimensional way of thinking to one that is more holistic. Cultural dilemmas are inevitable, and it can sometimes be difficult for people holding contrasting views to let go of strongly held assumptions, beliefs, and practices and accept

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[52] Hofstede, Hofstede, and Minkov, 166.

[53] Trompenaars and Voerman, 24.

that their view has to represent "the best way." This is where the virtues of prudence, humility, self-control, and justice are needed.

Uncertainty Avoidance

The fourth cultural dimension analyzed by Hofstede, Hofstede, and Minkov is *uncertainty avoidance*. This measures levels of tolerance in relation to ambiguity. While each member of society in every culture will at one time or another confront uncertainty, they must discover ways to manage it. One of the ways they achieve this is to try to alleviate anxiety as much as they can. Societies do this in almost every domain by creating coping mechanisms in the form of technology, laws, government policies, operational processes, and religion to remove as much anxiety and ambiguity as possible. Countries that have strong uncertainty avoidance generally prefer more rules, regulations and structure to help them reduce anxiety from the unknown, while those weak in uncertainty avoidance prefer less. In the extreme, ambiguity can lead to intolerable anxiety. It can lead to stress, increased suicide rates, and a range of mental health issues. *Uncertainty avoidance* can be defined as, "the extent to which the members of a culture feel threatened by ambiguous or unknown situations."[54] It is not the same as risk avoidance, which means choosing to avoid something because you are afraid of the outcome. However, "safety or security is likely to prevail over other needs where uncertainty avoidance is strong."[55] Table 6 shows how this cultural dimension is evident in relation to work, organization, and motivation.

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[54] Hofstede, Hofstede, and Minkov, 191.

[55] Ibid., 216.

From the 76 countries surveyed with the Uncertainty Avoidance Index (UAI),

Greece was ranked first with an index score of 112, followed by Portugal with a score of

104. The lowest ranked country with a score of 8 was Singapore. The United States,

China, India, and Australia were ranked 64, 70, 66, and 57 respectively with scores of 46,

30, 40, and 51. Seven European countries represented the lower ranked countries, with

Sweden ranked 76 with a score of 5.[56]

Table 6. Key Differences Between Weak and Strong Uncertainty-Avoidance Societies in Relation to Work, Organization, and Motivation

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
More changes of employer, shorter service	Fewer changes of employer, longer service, more difficult work-life balance
There should be no more rules than strictly necessary	There is an emotional need for rules, even if they will not work
Work hard only when needed	There is an emotional need to be busy and an inner urge to work hard
Time is a framework for orientation	Time is money
Tolerance for ambiguity and chaos	Need for precision and formalization
Belief in generalists and common sense	Belief in experts and technical solutions
Top managers are concerned with strategy	Top managers are concerned with daily operations
More new trademarks	Fewer new trademarks
Focus on decision process	Focus on decision content
Entrepreneurs are relatively free from rules	Entrepreneurs are constrained by existing rules
There are fewer self-employed people	There are more self-employed people
Better at invention, worse at implementation	Worse at invention, better at implementation
Motivation by achievement and esteem or belonging	Motivation by security and esteem or belonging

Source: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010), table 6.4.

In the GLOBE study there is a strong correlation between strong *uncertainty*

avoidance practices and societies scoring high on *long-term orientation* and *institutional*

collectivism. "This tendency toward collective institution interests helps manage

technology and information, as well as skills and knowledge."[57] For this to successfully

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[56] Ibid., 192-194.

[57] Mary Sully De Luque and Mansour Javidan, "Uncertainty Avoidance," *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al., (Thousand Oaks, CA: Sage Publications, 2004), 607.

occur leaders need to commit to establishing a culture of trust through consistent feedback and frequent communication that clearly seeks to reassure members of the organization's objectives and status, dispelling uncertainties, rising insecurities, and ambiguities. An example of how this has not happened adequately relates to the austerity measures being applied to countries deeply affected by the European sovereign debt crisis (sometimes referred to as the Eurozone crisis). There have been severe protestations and reactions by those within government, opposition political parties, banks, businesses, and the public at large that are deeply concerned about the severity of the austerity measures being imposed. When one considers the position the following European countries are ranked on the UAI—Greece (ranked 1 with a score of 112), Portugal (ranked 2 with 104), France (ranked 17 with 86), and Italy (ranked 33 with 75)—we can see that that their strong aversion to ambiguity, change, and anxiety about the future is only heightened by the austerity measures that have imposed significant economic restrictions on them, leaving them uncertain about what the future holds. One challenge identified by Brown and Hewitt that has emerged from this scenario relates to the need to change the way people are compensated and rewarded by their organizations that enables them to move away from an extreme cost focus.[58] While this is not directly related to our discussion on the role of national culture in leadership formation and how it influences the development and adoption of certain virtues, it does underscore how current economic challenges are contributing to changing attitudes that need to be managed within a virtuous framework that people can trust and be reassured by.

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[58] Duncan Brown and Aon Hewitt, "European rewards in an Era of Austerity: Shifting the Balance from the Past to the Future," *Compensation & Benefits Review* 44, no. 3 (2012): 131.

According to Hofstede, Hofstede, and Minkov, it is also more likely that safety and security will prevail over other needs in cultures where uncertainty avoidance is strong.[59] In this scenario, contrasting views can exist about whether or not the virtues of courage and self-control are present. It is possible to argue that it takes great courage and self-control to focus on meeting a need perceived to be for "the greater good," even though there is pressure to address more popular needs and the interests of others. This position might even be described as magnanimous in the context of it having better outcomes over a longer-term orientation. However, the alternate view might claim that this stance is too conservative, and lacks the courage needed to make some tough decisions in meeting current needs.

In relation to the six implicit leadership theories, stronger *uncertainty avoidance* values were associated with *Team-Oriented leadership*, *Humane-Oriented leadership*, and not surprisingly, *Self-Protective leadership*.[60] Once again, our goal in looking at this particular cultural dimension (uncertainty avoidance) was not to assess the efficacy or value of any one particular virtue over another, rather to demonstrate how cultural differences can cause conflict and misunderstandings that do not necessarily relate to an absence of virtue. This is true for each cultural dimension, and is perhaps why Schein states that, "when we learn to see the world through cultural lenses, all kinds of things begin to make sense that initially were mysterious, frustrating, or seemingly stupid."[61]

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[59] Hofstede, Hofstede, and Minkov, 216.

[60] Sully De Luque and Javidan, 645.

[61] Schein, 12.

Long-Term versus Short-Term Orientation

The fifth and final cultural dimension is *long-term versus short-term orientation*;
the GLOBE study calls it "future orientation."[62] In building this construct, Hofstede,

Hofstede, and Minkov incorporated specific findings from the Chinese Value Survey

(CVS) that was administered to students from twenty-three countries. In total, it

measured forty Chinese values that went through factor analysis to be divided into four

value groupings.[63] In essence, it combined two sets of Confucian values. Four values

used for one side included (1) Persistence, (2) Thrift, (3) Ordering relationships by status

and observing this order, and (4) Having a sense of shame. On the opposite side were (5)

Reciprocation of greetings, favors, and gifts, (6) Respect for tradition, (7) Protecting

one's "face", and (8) Personal steadiness and stability. The values that were used

correlated with economic growth and also predicted future economic growth. In 1985 it

was possibly the only non-economic index that correlated with growth. Consequently, it

was included as the fifth dimension to Hofstede, Hofstede, and Minkov's model on

cultural differences.[64] It is important to acknowledge that the methodology used to

construct this dimension has come under scrutiny by some scholars, including Tony Fang

from Stockholm University School of Business. Among the concerns is that the values

being contrasted with each other are actually not opposites per se but closely

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[62] Neal Ashkanasy et al., "Future Orientation," *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 282.

[63] Tony Fang, "A Critique of Hofstede's Fifth National Culture Dimension," *International Journal of Cross Cultural Management* 3, no. 3, (2003): 353.

[64] Hofstede, Hofstede, and Minkov, 236-237.

interrelated.[65] Fang's concerns may be valid and also supported by other scholars.

Nonetheless, their concerns do not significantly detract from my objective to demonstrate

that culture plays a role in shaping leaders and the development of virtues and

determining what those virtues are and how they may be different between cultures.

Culture is clearly a challenging concept to define, and there have many attempts to

measure it as pointed out by a team of researchers who have attempted to measure

culture-level dimensions of social axioms and their correlates across forty-one cultures

with country-specific indices.[66] Using Hofstede, Hofstede, and Minkov's definition,

"long-term orientation stands for the fostering of virtues oriented toward future

rewards—in particular, perseverance and thrift . . . short-term orientation, stands for the

fostering of virtues related to the past and the present—in particular, respect for tradition,

preservation of "face," and fulfilling social obligations.[67]

     While numerous implications for this cultural dimension are addressed in

different domains, based on scores for the twenty countries, key differences specifically

related to business and ways of thinking are highlighted in Table 7.

Table 7. Key Differences Between Short- and Long-Term Orientation Societies Based on CVS Data in Relation to Business and Ways of Thinking

Short-Term Orientation	Long-Term Orientation
Main work values include freedom, rights, achievement, and thinking for oneself	Main work values include learning, honesty, adaptiveness, accountability, and self-discipline
Leisure time is important	Leisure time is not important
Focus is on the "bottom line"	Focus is on market position
Importance of this year's profits	Importance of profits ten years from now
Managers and workers are psychologically in two camps	Owner-managers and workers share the same aspirations
Meritocracy, reward by abilities	Wide social and economic differences are

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[65] Fang, 354.

[66] Michael Harris Bond et al., "Culture-Level Dimensions of Social Axioms and Their Correlates Across 41 Cultures," *Journal of Cross-Cultural Psychology* 35, 2004: 554.

[67] Hofstede, Hofstede, and Minkov, 239.

	undesirable
Personal loyalties vary with business needs	Investment in lifelong personal networks, *guanxi*
Concern with possessing the Truth	Concern with respecting the demands of Virtue
There are universal guidelines about what is good and evil	What is good and evil depends on the circumstances
Dissatisfaction with one's own contributions to daily human relations and to correcting injustice	Satisfaction with one's own contributions to daily human relations and to correcting injustice
Matter and spirit are separated	If A is true, then B can also be true
Priority is given to abstract rationality	Priority is given to common sense
There is a need for cognitive consistency	Disagreement does not hurt
Analytical thinking	Synthetic thinking

Source: Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill Books, 2010), table 7.3.

From the twenty-three countries participating in the Long-Term Orientation Index based on the Chinese Value Survey (LTO-CVS), China was ranked first with a score of 118, followed in succession by the East Asian countries of Hong Kong (96), Taiwan (87), Japan (80) and South Korea (75). These countries had the strongest long-term orientation. The lowest ranked countries with a stronger short-term orientation were Nigeria with a score of 16 and Pakistan (00). The United States was ranked 17 with a score of 29, while India was ranked 7 with a score of 61, and Australia was ranked 14 with a score of 31.[68]

While we have been looking at five cultural dimensions in relation to organizational leadership and workplace culture, there are two characteristics identified in relation to long-term orientation societies that have relevance to the topic of virtues; these are *self-control* and *humility*.[69] They are two of the six classical virtues mentioned by Alexandre Havard that we described in greater length in Chapter 2.[70] In discussing the implications of the LTO-CVS index for family life, Hofstede refers to some market

[68] Ibid., 240.

[69] Ibid., 241.

[70] Havard, xvii.

research conducted by a Japanese corporation that showed the importance of humility in the section on gender stereotypes. He finds that "in long-term-oriented countries, or those with a Confucian tradition, humility is seen as a masculine virtue. In cultures with other dominant traditions, humility is seen as more feminine."[71] With this observation it is important that we remember that *feminine* societies are not defined as such because they have no *masculine* characteristics, but because social gender roles have a greater tendency to overlap. Nonetheless, Havard makes it very clear that the virtue of *humility* is anything but weakness or resignation and is concerned that it has acquired a pejorative connation. He states, "The humble person often is seen as devoid of ambition and nobility and unworthy of honor. . . . The humble man sees himself as he really is. He acknowledges his weaknesses and shortcomings, but also his strengths and abilities."[72] In Chapter 3 on the origin and nature of virtues we established that virtues engage the will, and that what distinguishes a virtue from an intrinsic value per se is when an individual who exercises a value consistently and habitually demonstrates it, it becomes an ingrained part of that person's character and identity. With this perspective, it is reasonable to argue that those who come from societies that have *a long-term-orientation* have a greater affinity for demonstrating the virtue of *humility* in the context of family, and therefore more likely to carry this virtue into a leadership function and organizational context because virtues do not discriminate one domain from another.

  Self-control was the second characteristic identified with *longer-term-orientation societies* that represents one of the six virtues mentioned by Havard. This virtue is closely

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[71] Geert Hofstede, "Gender Stereotypes and Partner Preferences of Asian Women in Masculine and Feminine Cultures," *Journal of Cross-Cultural Psychology* 27, 1996: 540.

[72] Havard, 31-32.

related to *thrift*, one of the four values being contrasted by Michael Bond against an

opposing four values used in the Chinese Value Survey (CVS).[73] Havard opens the

chapter on self-control in his book, *Virtuous Leadership*, with a quote from Peter Drucker

that says, "I no longer teach the management of people at work . . . I am teaching, above

all, how to manage oneself."[74] In essence, this sits at the core of *thrift* and the cultural

dimension of *long-term orientation*. It is the ability to carefully manage the tendency we

have for immediate self-gratification, by subordinating that passion or desire so we don't

jeopardize the ultimate goal we are trying to achieve. We see this played out every day. A

small business owner would like to pay himself a higher salary, but knows it would

negatively impact cash flow and hinder the ability of the business to pay its debts on

time. A major corporation resists the temptation to launch a new product that is not quite

ready for the market, because it does not want to sacrifice its brand reputation that has

taken years to acquire. A government chooses to stay the course, rather than react to

declining popularity in the polls. These conflicts occur every day, and they demonstrate

how culture impacts the way we respond to them and why virtue is such an important and

reassuring quality of leadership. We see how these examples contrast with the concerns

over executive salaries with organizations paying them exorbitant salaries and bonuses

that are not commensurate with performance or equitable in relation to other management

levels. Some commentators are now calling for executive compensation to be linked to

corporate debt. The unsuccessful launch of Apple Maps by Apple, Inc. to compete with

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[73] Hofstede, Hofstede, and Minkov, 236.

[74]Havard, 82.

Google Maps also proved to be incomplete and sub-standard resulting in Apple issuing

an apology to thousands of frustrated users.[75]

    We can also see how the virtues of humility, prudence, self-control, and courage

are vital to maintaining a longer-term orientation, particularly in a common problem

experienced by U.S. supervisors in some Asian countries highlighted by Schein. "A

manager who comes from a U.S. pragmatic tradition assumes and takes it for granted that

solving a problem always has the highest priority. When that manager encounters a

subordinate who comes from a cultural tradition in which good relationships and

protecting the superior's 'face' are assumed to have top priority" different assumptions

are clearly at play.[76] As pointed out by Schein, these kinds of assumptions form the core

of macrocultures; or what Hofstede, Hofstede, and Minkov, describe as national culture.

    Responses to the GLOBE study by managers and leaders showed a strong

correlation between *long-term orientation* (or "*future orientation*") and the practices of

uncertainty avoidance, *institutional collectivism,* and *performance orientation*.

Ashkanasy and others state that these organizations had a greater tendency for

encouraging their members "to consider the collective interests in making decisions about

how to manage information, technology, and knowledge, and in reducing uncertainty."[77]

In relation to the six implicit leadership theories, *future orientation* cultural values were

significantly correlated with *Team-Oriented leadership*, *Participative leadership*,

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[75] "Why it Pays to Link Executive Compensation with Corporate Debt," Knowledge@Wharton, July 7, 2010. http://knowledge.wharton.upenn.edu/article.cfm?articleid=2533 (accessed December 20, 2012); "Apple Maps Apology: Tim Cook's Grand Slam," *Forbes*, September 28, 2012. http://www.forbes .com/sites/thestreet/2012/09/28/apple-maps-apology-tim-cooks-grand-slam/ (accessed December 20, 2012).

[76] Schein, 30.

[77] Ashkanasy et al., "Future Orientation," *Culture, Leadership, and Organizations*, 310.

Humane-Oriented leadership, and *Self-Protective leadership.* These encourage members to be "part of a shared leadership belief system" in a future oriented organization, although there was some discrepancy between organizations that valued this more than practiced it.[78]

The discussion and debate on the notion of virtue continues to be just as relevant today for modern leadership as it has been over the centuries. In this chapter and in previous chapters we have established the importance of leadership virtues and how their absence and misunderstanding surrounding them can cause considerable harm to their followers and the organizations they lead. In this chapter we have learned the profound impact that culture can have in shaping the beliefs, attitudes, and virtues of leaders and how cultural differences can also cause confusion, misunderstandings, and conflict in the way they those virtues are demonstrated. Sometimes, these differences lead us to conclude that a particular virtue is absent when it is not. As expressed earlier by Trompenaars and Voerman, we need to be careful not to apply a linear way of thinking that we are more comfortable with. Briefly drawing on the seminal works of Hofstede, Hofstede, and Minkov, and the GLOBE study, both which analyzed the relationship between culture, leadership, and organizations, we were able to see how the characteristics of five cultural dimensions impacts the way leadership is perceived and practiced. It is clear that culture plays a significant role in shaping the worldview of a leader and the virtues he or she adopts, even if he or she has not given any thought concerning where those virtues originated from, or how their application may impact organizations where numerous cultures may be represented.

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[78] Ibid., 331.

Due to the enormous scope involved in exploring how the different dimensions of culture shapes leaders and the role it plays in influencing what virtues are valued and practiced, space has not permitted us to look at other important issues closely linked to culture. While the primary objective was to demonstrate the interplay between national culture, leadership, and virtues, we did not have space to expand on all of the possible implications for leaders today in understanding the relevance of the five cultural dimensions to their organizations specific to each of the classic virtues. New areas of research are emerging as attempts are being made to measure *cultural intelligence*, or the capability of individuals to function in culturally diverse areas.[79] Another area we have not yet addressed beyond Western leadership theory is how religious traditions and ethics have influenced ethnocentric frameworks in different regions of the world; each bringing a unique definition to what leadership is. Finally, we have not explored the impact of micro shifts in cultural values that have occurred from one generation to another or the importance of value transmission through family.

All of these will form the basis of further research as we continue to explore how organizations can effectively measure the presence or absence of classical virtues, and if it is possible to locate a coefficient of virtues that transcends some of the common problems we see inherent when two or more cultures collide.

As we conclude our discussion on the interplay of national culture, leadership, and virtues, I want to briefly mention something from Dickson's excellent work on the virtue of humility. While he addresses the dangers of intolerance in relation to ethical, political, and religious matters, he raises concerns over the limits of tolerance. In essence,

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[79] Soon Ang and Linn Van Dyne, eds., *Handbook of Cultural Intelligence: Theory, Measurement, and Applications* (Armonk, NY: M. E. Sharpe, 2008).

he argues that in challenging people to be more tolerant of our differences, we are sometimes asking them to accept contradictory viewpoints as equally true and valid, which is very problematic and in some cases unreasonable and unlikely. However, as we contemplate the role of virtues in shaping the character of leadership and organizational performance and how perceptions of this differ across cultures, his words are poignant and extremely relevant to our discussion. "If humility is the noble choice to hold your power for the good of others before yourself, its relevance in the moral and religious sphere is revolutionary. Humility applied to convictions does not mean believing things any less; it *means treating those who hold contrary beliefs with respect and friendship.*"[80]

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[80] Dickson, 165.

CHAPTER 4

THE INDISPENSABLE INTERPLAY BETWEEN THE INSTITUTION
OF THE FAMILY, KINSHIP, AND VIRTUES

Very few people would argue that a discussion of virtues is a redundant notion. On the contrary, there is a growing need to rediscover what it means to be virtuous, especially in the context of leadership and its significance in every sphere of life—where we work, in government, in our universities and schools, the not-for-profit sector, our families, and ironically even in our religious institutions. What we have learned is that the need for such discovery is not limited to any particular worldview or geographical, cultural, or philosophical boundary.

Stemming back to early Greek philosophy and through its development in early Christendom, virtues played a prominent role in shaping the way people saw their world and their relationship to it. It gave them a sense of vision and purpose that not only influenced their decisions and how they related to each other and their communities but what they saw as their obligations or duty towards each other.

In the same way that we have affirmed the important role of national culture in determining key leadership characteristics and the adoption of certain virtues, I will now provide a brief analysis regarding the significant role of another institution in shaping the virtues of a leader, one that functions as a channel where values are transmitted from one generation to the next, one that transcends culture: the family.

It could be argued that the institution of the family not only transcends culture but acts as a mechanism or agent of culture that both transitions and modifies which values are passed down from one generation to the next through the parent-child relationship.

Ute Schönpflug captures the essence of this when he states that, "the transmission of value orientations may be seen as a core issue of culture maintenance and culture change."[1] As we shall discover, this makes the interplay between family and virtues indispensable due to the unique role that the institution of the family plays as a key mechanism in the transmission of virtues and other integral values deemed essential in maintaining and shaping culture as it transitions from one generation to another.

While we have demonstrated that there is an important difference between virtues and values, nearly all of the literature that addresses the institution of family and kinship as key mechanisms in the transmission process, do so in relation to "values." Therefore, to be consistent with the source material and reduce possible confusion, we will adopt the use of the word "values" rather than "virtues" in this section. This position also recognizes that the literature addresses the concept of values in a broad enough fashion to imply that virtues can equally be transmitted through the same mechanisms of family and kinship. In their research on kinship cultures and identity transmissions, Jean Kellerhals, Cristina Ferreira, and David Perrenoud have identified two approaches. One focuses on the content (values, norms, beliefs), while the other analyzes different forms of the transmission process (different social mechanisms, including the family).[2] These forms are similar to what Ute Schönpflug describes as transmission belts, although unlike

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[1] Ute Schönpflug, "Intergenerational Transmission of Values: The Role of Transmission Belts," *Journal of Cross-Cultural Psychology* 32, no. 2 (March 2001): 175.

[2] Jean Kellerhals, Cristina Ferreira, and David Perrenoud, "Kinship Cultures and Identity Transmissions," *Current Sociology* 50, no. 2 (March 2002): 213.

Kellerhals, Ferreira, and Perrenoud, he applies it to other in-group or in-family factors such as parenting styles and the quality and nature of the marital relationship.[3]

Family and Kin Relationships as Critical Mechanisms for the Transmission of Identity

In this chapter, we will be looking at the institution of the family and kinship as critical mechanisms in the process of value transmission and how their interplay is fundamental to the adoption of specific virtues that become foundational to an individual's identity, their sense of purpose, and what is important or insignificant. These factors among others are influential in how individual leaders evolve and what they perceive as being essential, based on the context of their experience and relationship to their respective families and kin relationships. Before we take a look at this, however, it is important to acknowledge that irrespective of the value we may attach to the institution of the family, there is little argument that it is in decline, at least in the West. This relates not only to what some increasingly perceive as its questionable value or importance, but also what is reflected in the socio-demographic changes that have occurred over the last four decades. The range of views and opinions concerning this undoubtedly have implications regarding the successful transfer of certain values from one culture to the next, one generation to the next, and from one family to the next, predominantly through the parent-child relationship. Unfortunately, for the sake of brevity this must wait for another time. However, I support the view presented by Kellerhals, Ferreira, and Perrenoud, "that the sociodemographic changes in families have modified and diversified these transmission mechanisms but have not negated the part played by the family in the

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[3] Schönpflug, 176.

formation of its members' social identity."[4] This allows us to acknowledge the impact of factors such as social mobility, social dislocation, migration, and changing attitudes.

In this chapter we will not be evaluating the different sociological, theological, and philosophical arguments supporting one particular family type or structure over another, as the primary focus is to establish the important role the institution of the family plays in value transmission. In order to overcome the problem of proposing one definition of family over another, Marilyn Strathern proposes "moving beyond a focus on family to an engagement with kinship, which explores 'relatives connected to one another without any supposition of what kind of social group or family they make up.'"[5] This position also enables us to adopt an approach that can work across different cultures where kinship is recognized in a much broader and more meaningful context than family.

To better understand kinship and what kin relationships are, Jennifer Mason has identified four dimensions of affinity or relatedness.[6] The first is *fixed affinity*, which relates to a biological connection. The second is a *negotiated, creative affinity*, where sometimes people are not free to create a connection they desire but it is decided for them, such as in arranged marriages. Third, there is an *ethereal affinity* that Mason describes as "mysterious, magical, psychic, metaphysical, spiritual and, above all, ethereal—matters that are considered beyond (rational) explanation."[7] This is the place where friendships, romance, and lifelong bonds are also made. The fourth dimension is

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[4] Kellerhals, Ferreira, and Perrenoud, 214.

[5] Marilyn Strathern, *Kinship, Law, and the Unexpected: Relatives Are Often a Surprise* (Cambridge: Cambridge University Press, 2005), 167.

[6] Jennifer Mason, "Tangible Affinities and the Real Life Fascination of Kinship," *Sociology* 42, no. 1 (2008): 32.

[7] Ibid., 37.

sensory affinity, where connections are forged between bodies through smell, touch, and sound. Sometimes these affinities intersect and overlap, making it extremely difficult to establish a set of definitive behavioral and value boundaries around one particular dimension without incurring the risk of omitting something merely because it is present in another. For example, where a formal kin connection between one individual and another has been decided for them (*negotiated, creative affinity*), there may exist an absence of love and a mystical, spiritual bond. However, because a strong sense of duty and obligation are core values of that culture, a foundation has been created where love and a spiritual bond may eventually grow, as they exist for a kin relationship where there is an *ethereal affinity*. Similarly, for kin relationships that are initiated due to the presence of a mystical, spiritual bond, a strong sense of duty and obligation to each other and the group in which they reside may also understandably emanate from such a bond. Therefore, the presence of love and a spiritual bond, duty and obligation, are not mutually exclusive to one particular dimension or affinity. What is clear is that kin relationships are value laden and subject to the inherent beliefs, practices, assumptions, and expectations belonging to a cultural group. Understanding this makes it easy to see why family and the broader notion of kinship can play such a crucial role in the transmission process. As Anne-Marie Kramer states,

> Embeddedness and "rootedness" remain extremely important and foundational to identity. Family history or genealogy allows people to produce, express and/or deny kinship, affinity, and connectedness between themselves as individuals and their close family and wider kin, both within and across the generations. Given its selectivity, the genealogical imaginary then functions as a tool through which the ties of kinship can be both acknowledged *and* disavowed; for although it works within a model of kinship where blood ties remain of primary importance, such ties can be, and are, rejected as meaningful as and when necessary. Family history thus clearly demonstrates the creative and negotiated dimension of kinship; it also suggests the often surprising degree of positive and negative emotional

investments such negotiations can afford. The pleasure and the joy here (as well as the antipathy and the hostility) is as much in the *process* of negotiating kinship as in the (dis)embeddedness and (un)rootedness such negotiations can afford. In other words, people take as much pleasure in *making* themselves connected and rooted, as in *being* rooted and connected.[8]

Modes of Transmission

As stated earlier, Kellerhals, Ferreira, and Perrenoud have identified two approaches in researching the modes of transmission in kinship cultures: the content of the transmission and the forms of the transmission process.[9] For the purposes of this chapter, it is assumed that the content of the transmission process will relate to the values that are passed on through family and relationships of kin that function as forms of the transmission process. According to Kellerhals, Ferreira, and Perrenoud, these forms, or mechanisms, are characterized by three main constituents that are helpful in understanding the nature and quality of the transmission process, notwithstanding the impact of some of the social factors we previously mentioned such as social mobility and social dislocation.

The first group of constituents are characterized by what Kellerhals, Ferreira, and Perrenoud define as normative reference marks, "such as membership of a social class, an important forebear or group values, by means of which the actor positions him- or herself in society."[10] From their research they identified five forms of normative reference marks: (1) the anchor points between an individual and outside groupings that have

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[8] Anne-Marie Kramer, "Kinship, Affinity, and Connectedness: Exploring the Role of Genealogy in Personal Lives," *Sociology* 45, no. 3 (2011): 392.

[9] Kellerhals, Ferreira, and Perrenoud, 213.

[10] Ibid., 214.

resulted from ties established by the kinship; (2) the key emblems or symbols of the family culture that identify an individual with the group, while contributing to the group's cohesion; (3) the value code or set of values by which family members recognize each other and by which others recognize them; (4) the script that is developed and maintained by the family that gives the individual a more enduring sense of biological connectedness and belonging to a group that is not limited to the life of the individual; and (5) the model or family member who the individual holds up as an ideal to be pursued in one or more areas.[11]

When we consider the nature of each of the five normative reference marks and their role in guiding the individual in their social environment, it becomes increasingly evident how values are passed on through the parent-offspring relationship and in the wider context of kin. It is also important to acknowledge that values are sometimes acquired through a process of implicit learning. While the old adage, "values are caught, not taught" has often been used to convey the importance of what is being modeled, the normative reference marks identified by Kellerhals, Ferreira, and Perrenoud provide a more comprehensive list of factors that influence the nature and quality of value transmission through the mechanism of family and kinship. It is also important to understand that these normative reference marks are multi-directional in terms of how they are perceived. For example, the anchor points not only highlight the nature of an individual's relationship to a group, but also to other groups, and then in turn how his/her relationship to that group and other groups is perceived by others that are not members of the individual's group. This is also true for the other normative reference points. Another

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[11] Ibid., 215.

example of the multi-directional nature of how these normative reference marks are perceived is evident in relation to the set of values or code adopted by the individual. By committing to this code, the individual identifies himself or herself with the group sharing the same code. Consequently, those sharing the same group membership, in addition to those belonging to other outside groups perceive the individual's relationship to a particular group based on sharing the same code or set of values. Therefore, values are often a key determinant of an individual's identity and the group with which he or she identifies. This understanding is important to a subsequent discussion we will be having on the role of organizational culture in leadership formation and its influence on the adoption of specific virtues. According to Gilbert Fairholm, "establishing shared values is the first and most crucial culture-setting leadership task."[12]

Before we take a look at the second group of constituents presented by Kellerhals, Ferreira, and Perrenoud, it may be helpful to elaborate on another normative reference mark they referred to as the script used by the family to give the individual a more enduring sense of biological connectedness and historical context. I believe this will give further insight central to our discussion on the role of the family and kinship in the transmission of virtues. In the field of psychology, a script is often described as the key messages shaping an individual's decisions and responses. It is also commonly used in the context of self-talk where individuals are encouraged to overcome negative thinking by thinking more positively and constructively about a situation and how a different response can lead to a better outcome. V. F. Guidano and G. Liotti state that "the changed attitude toward oneself will consequently provoke a modification of personal identity;

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[12] Gilbert W. Fairholm, 87.

this in turn, will produce a restructuring of the attitude toward reality through which the world can be seen and dealt with in a different matter."[13] This is not inconsistent with the findings of Manfred Kets De Vries, who believes an individual's internal script attaches meaning to all of life's interactions through a number of conflicting forces. He refers to this script as "The Core Conflictual Relationship Theme (CCRT) where he argues, "all of us are engaged in an almost perpetual inner dialog—sometimes pleasant, sometimes painful. That dialog is part of our humanness. We have to reconcile the inner forces that test us, that tempt us. The challenge we all have is to understand these forces."[14] It is like trying to find out how much of the iceberg is submerged and how much it will affect us.

Guidano and Liotti, and Kets De Vries have provided a psychological explanation that focuses on how attitudes and conflicting experiences contribute to an individual's script. From the field of sociology, Kellerhals, Ferreira, and Perrenoud argue that an individual's values are developed and reinforced through the countless interactions that occur each day that provide explicit and implicit learning opportunities, the telling of trans-generational stories that provide a sense of historical and genealogical connectedness, and the importance of how these values are modeled by the family and kin relationships. Each perspective supports the notion that an individual's script is indelibly linked to his or her family and kin relationships, and that the values learned implicitly and explicitly cannot be separated.

While we have looked at some of the psychological and sociological factors behind identity formation and the development and maintenance of values, it might be

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[13] V. F. Guidano and G. Liotti, *Cognitive Processes And Emotional Disorders: A Structural Approach to Psychotherapy* (New York: The Guilford Press, 1983), 92.

[14] Kets De Vries, 38.

helpful to take a brief look at some of the philosophical and theological issues closely

associated with identity and values. As we learned from earlier discussions, early Greek

philosophers such as Socrates, Plato, and Aristotle wrestled with the fundamental

question of what makes a man good? This was crucial to determining an individual's

moral obligations to the broader community. Other philosophers and theologians such as

St. Augustine, Thomas Aquinas, and Martin Luther in early Christendom, and then C. S.

Lewis in the twentieth Century, explored this further by seeking to explain the existence

of a greater connection between humanity and divinity, the material and the spiritual, and

faith and reason. This attempt by Lewis was all the more profound given that he was well

known for his dogmatic atheistic beliefs and he held academic positions at both Oxford

and Cambridge universities.

Although this is not the place to be distracted by engaging in a discussion on the

philosophy of religion, I believe it is important to at least acknowledge the significant

role faith and spirituality has played for many in identity formation and values

identification.[15] I have no doubt that based on the research conducted by Kellerhals,

Ferreira, and Perrenoud on the transmission process, they would agree that the values

attached to an individual's faith or that of a group is significantly transmitted through

family and kin relationships.

More recently, in his two seminal works, *A Secular Age* and *Sources of the Self:*
The Making of the Modern Identity, Charles Taylor, a Canadian philosopher with

significant contributions in political philosophy, social science, and the history of

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[15] An excellent resource that provides concise chapters on the question of identity and the philosophy of religion is William Raeper and Linda Edwards, *A Brief Guide to Ideas* (Grand Rapids, MI: Zondervan, 1997).

philosophy, addresses some of the internal conflicts identified by Kets De Vries in

relation to values and identity formation from a different perspective.[16] He argues that

people see their identity as defined partly by some moral or spiritual commitment that is

in part defined by their country or tradition that they belong to. "What they are saying by

this is not just that they are strongly attached to this spiritual view or background; rather

that it provides the frame within which they can determine where they stand on questions

of what is good, or worthwhile, or admirable, or of value."[17] If they were to lose this

commitment or identification, then an acute form of disorientation or identity crisis

occurs, for they lack a significant frame of reference. It is precisely this kind of

disorientation that occurs when something happens to us that challenges our existing

frame of reference, or when what we thought would ultimately bring great satisfaction or

fulfillment falls short. This of course does not necessarily negate the frame of reference

we are using, but rather challenges us to think more carefully about why we chose it in

the first place and whether or not we have adequately understood its dimensions. What

commonly occurs at this point according to Taylor is that we seek a more comfortable

place, a kind of stabilized middle condition. "This is one where we have found a way to

escape the forms of negation, exile, emptiness, without having reached fullness. We come

to terms with the middle position, often through some stable, even routine order in life, in

which we are doing things which have some meaning for us."[18] However, while this

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[16] Charles Taylor, *A Secular Age* (London, England: The Belknap Press of Harvard University Press, 2007); Charles Taylor, *Sources of the Self: The Making of the Modern Identity* (Cambridge, England: Harvard University Press, 1989).

[17] Charles Taylor, *Sources of the Self: The Making of the Modern Identity* (Cambridge, England: Harvard University Press, 1989), 27.

[18] Charles Taylor, *A Secular Age*, 6.

addresses for us a form of compromise in relation to discovering a greater sense of purpose and fulfillment, it does not adequately deal with the moral tension of what is defined as good and virtuous. According to Taylor, this may be more profoundly rooted in a higher view of humankind that commands our respect if we believe we are made in God's image, "and thus have a dignity which transcends any other being, or some other such characterization."[19] What concerns Taylor is that much of contemporary philosophy ignores this dimension of moral consciousness as confused and irrelevant. However, perhaps it is this moral consciousness—a high view of humanity afforded to it by the Creator of the universe—that also characterizes the struggle St. Paul described in resisting worldly temptation and pursuing a more virtuous path when he says,

> "I know that good itself does not dwell in me, that is, in my sinful nature. For I have the desire to do what is good, but I cannot carry it out. For I do not do the good I want to do, but the evil I do not want to do—this I keep on doing. Now if I do what I do not want to do, it is no longer I who do it, but it is sin living in me that does it." (Rom. 7:18-20 TNIV)

While St. Paul recognized the limitations of his humanity, he also knew that his high view of humanity could only be realized and sustained by accepting grace as a gift from God.

What we can see is that the philosophical and theological issues closely associated with identity formation and values provide a significant contrast to the psychological and sociological factors used to explain how values are transmitted. The former addresses some of the conflicts that arise in relation to an individual's worldview or frame of reference and the conflicts that emerge from this, while the latter focuses more on how these values are transmitted through the dynamic structures of family and kinship.

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[19] Charles Taylor, *Sources of the Self,* 5.

The second group of constituents presented by Kellerhals, Ferreira, and Perrenoud relate to the transmission channels used to convey the normative reference marks. In essence, these are the "collective practices by which the kinship seeks to affirm a family culture and thus helps to transmit an identity."[20] As stated by Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, practices are the visible part of our cultures that influence the speed and flow of change, especially in relation to values where change is much slower.[21] Kellerhals, Ferreira, and Perrenoud identified six transmission channels from their qualitative research that have been placed into two distinct categories. The first category includes those channels that demonstrate close ties with outside organizations, while the second category includes those channels that are more closely linked to internal, relational dynamics.[22] The three transmission channels in the first category includes things such as (1) owning a business that has been handed down by patrimony; (2) the existence of a family myth from which different rites and stories have emanated that embody the family's heritage and values; and (3) a shared faith or set of political, religious or cultural beliefs by which group identification occurs. The second category includes a further three transmission channels: (1) the presence of a charismatic or central figure that individuals in that group follow or aspire to be like; (2) normative instructions that provide a disciplined framework "that coordinates relationships between individuals (clearly differentiated roles, strict rules expressing tidiness, cleanliness or punctuality)"[23];

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[20] Kellerhals, Ferreira, and Perrenoud, 215.

[21] Hofstede, Hofstede, and Minkov, 19.

[22] Kellerhals, Ferreira, and Perrenoud, 215.

[23] Ibid.

and (3) frequent and intimate maieutic exchanges that reflect a Socratic mode of enquiry that forge an individual's identity. When coupled with the five normative reference marks, it becomes increasingly evident how the six transmission channels identified by Kellerhals, Ferreira, and Perrenoud help to reinforce an indispensable interplay between family, kinship and the transmission of virtues. Indeed, it appears illogical to suggest that family and kinship could possibly have no or limited influence in determining what values an individual adopts or ignores. On the one hand, an individual chooses to adopt a value or set of values they see as beneficial, while in contrast, he or she rejects or overlooks a certain value having experienced a negative outcome or the belief that an undesired outcome will result.

In addition to the normative reference marks and transmission channels identified as key mechanisms in the transmission process by Kellerhals, Ferreira, and Perrenoud, the third group of constituents relates to an individual's family boundaries and interpersonal relationships. "The definition of family boundaries involves the relationship with the outside world (the method of fencing), the way actors are structured within the family (the type of connectivity), and the scope of the kinship's genealogical knowledge (the extent)."[24] In essence, the method of fencing defines the criteria used to identify who belongs to the group. The individual's status is determined by whether or not they share the same blood or surname. Connectivity refers primarily to how individuals within the group relate to each other, some of which may result from lineage, a network established through sharing a family asset or business, and the convergence of individuals and their stories around a leader or shared belief system. Whereas most people have an awareness

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[24] Ibid., 216.

of their immediate lineage and close family ties, Kellerhals, Ferreira, and Perrenoud believe family boundaries are defined more deeply by how individual roles are assigned, organized, and celebrated within the hierarchy of the group and its actors, focusing not only on the present but the past, forging a strong collective sense of family and kinship.[25]

The research of Kellerhals, Ferreira, and Perrenoud and others we have noted indicates strong support for the role of family and kinship in the transmission of values and how values contribute to the development of an individual's identity and sense of belonging to a group. We also see how the various transmission channels affect the quality and nature of how values are transmitted through family and kin to the birthing of a new generation. It is, however, evident that the institution of the family and kinship plays a role that is much broader than merely "teaching" values through a group's narrative, relational networks, and shared faith or belief system—what exists, and is perpetually being reinforced by the group. Through the many daily interactions, conversations, decisions, and behavior, values become deeply internalized and ingrained as part of that group's culture, and subsequently, a key component of an individual's identity and any leadership aspirations he or she may have. In addition to these internalized values, Tam and Lee discovered that sometimes the values that parents considered to be important for their children were not necessarily endorsed by them personally, but ones that they perceived as being normatively important. Parents naturally want their children to acquire their personal values, "which may have been internalized from the culture (i.e., the cultural self pathway). But parents may also want them to acquire what they perceive as important in the society (i.e., the cultural knowledge

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[25] Ibid.

pathway).[26] This can cause significant challenges for families in cases of family

migration where their personal values and the normative values they believed to be

important conflict with what may be normative in their country of residence. As stated by

Schönpflug,

> Parent-offspring transmission does not corroborate adaptation to variable
> environments. In the case of family migration, the effectiveness of transmission
> from parents to children should be less effective because the transmission of
> culture of origin may be dysfunctional in the host country. Not only will the
> children (*sic*) generation be reluctant to accept transmission but parents may also
> hesitate to transmit their own orientations, which are—in a new environment—to
> a certain extent standards for nonadaptive behavior patterns. Cultural traditions
> lag behind environmental variability.[27]

As we discovered in relation to the role of national culture in leadership formation

and the adoption of certain virtues, the role played by the institution of the family and

kinship is also extremely significant. What we can observe is how its influence would not

be easy to overcome in situations that may demand greater flexibility or some degree of

compromise. This is particularly true when conflicts emerge from cultural and national

differences that result from family migration or when leaders find themselves working

across cultures. While not critical to our discussion on how the institution of the family

and kinship influence leadership formation and the adoption of certain values, from

Ronald Fischer and Ype Poortinga's research that contrasted individual values and

cultural values, they discovered that individual values were more robust than cultural

values that tended to fluctuate more. However, Fischer and Poortinga believed they

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[26] Kim-Pong Tam and Sau-Lai Lee, "What Values Do Parents Want to Socialize in Their Children? The Role of Perceived Normative Values," *Journal of Cross-Cultural Psychology* 41, no. 2 (2010): 177.

[27] Schönpflug, 176.

should not be treated as distinct categories because of their significant overlap.[28] From

this observation I believe it is possible to draw two conclusions: the first is that when an

individual holds dogmatically to their personal values when cultural values are changing,

conflict is inevitable; secondly, that precisely because personal values are more robust

than cultural values, this could be perceived as a great asset when a leader has the

courage to maintain his or her convictions and commitment to living a virtuous life.

In concluding our brief analysis of the fundamental role played by the institution

of the family and kinship in the transmission of values and how these can influence

leadership formation, we can postulate that the interplay between family, kinship, and

"virtues" is also indispensable. As stated previously, while the literature deals specifically

with the broad concept of values in relation to the institution of family and kinship as key

mechanisms in the transmission process, it is feasible to imply that virtues are also

essentially transmitted through the same primary mechanisms. Just as we evidenced the

role of national culture in shaping leadership and the adoption of certain virtues, we can

demonstrate that family and kinship act as key mechanisms in the transmission of virtues,

and therefore, a crucial dynamic in determining how certain virtues are passed on from

generation to generation, and how they are adopted by leaders.

In the next chapter we will explore the role virtues play in shaping organizational

culture while at the same time demonstrating how their presence or absence can impact.

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[28] Ronald Fischer and Ype H. Poortinga, "Are cultural values the same as the values of individuals? An examination of similarities in personal, social and cultural value structures," *International Journal of Cross Cultural Management* 12, no. 2 (2012): 165.

CHAPTER 5

THE INTERPLAY BETWEEN ORGANIZATIONAL CULTURE,
LEADERSHIP PERFORMANCE, AND VIRTUES

In reviewing various leadership paradigms, we have evidenced a strong reliance on competencies, capabilities, styles and traits, and how it is possible that leaders can excel in one or more areas. We have also discovered that when leaders lack character or virtuousness, they have the potential to destroy the organizations they have led or built, thereby nullifying some of the great accomplishments and results they have achieved. One example of this, as stated earlier, is the Global Financial Crisis of 2008/09. It can be argued that this occurrence did not result from a lack of competency but rather a lack of character, where good governance and compliance standards were intentionally ignored. Other historical examples provided earlier also demonstrate the dire consequences that can often arise when character becomes secondary to competency.

Seeking to understand the nature of character, Alexandre Havard believed that the content of a leader's character is defined through the six classic virtues of prudence, courage, self-control, justice, magnanimity, and humility.[1] Understanding how virtues originated and how leaders acquire them led us to explore the intellectual contributions made of early Greek philosophers such as Socrates, Aristotle and Plato, and other philosophers and theologians such as Aquinas, Luther, Lewis, and Taylor. Through the seminal works of Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, in *Cultures and Organizations: Software of the Mind* and Robert J. House et al. in *Culture, Leadership, and Organizations: The GLOBE Study of 62 societies*, we began to

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[1] Havard, xvii.

understand the role of national culture in leadership formation by contrasting five cultural dimensions.[2] In the previous section we analyzed the indispensable interplay between the institution of the family and kinship and the transmission of values, including the different factors that influence both the quality and nature of how these are transmitted from one generation to the next.

In this section we will explore the role that virtues play in shaping organizational culture, while at the same time demonstrating how their presence or absence can impact a leader's performance and his or her organization. I will draw from the seminal works of Christopher Peterson and Martin Seligman in *Character Strengths and Virtues: A Handbook of Classification*; Charles C. Manz et al., in *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*; and Arménio Rego, Miguel Pina e Cunha, and Stewart Clegg in *The Virtues of Leadership: Contemporary Challenges for Global Managers*.[3]

Organizational Culture and the Evolution of Leadership

Before we look at the role of virtues in an organizational context and the benefits we believe should result from their practice, it is important that we first look at the interplay between an organization's culture, its leaders, and the presence or absence of virtues, just as we have done in relation to national culture and the institution of the family and kinship. While considerable research has been conducted on organizational

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[2] Hofstede, Hofstede, and Minkov, *Cultures and Organizations*; Robert J. House et al., *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, eds. Robert J. House et al., (Thousand Oaks: Sage Publications, 2004).

[3] Three seminal works: Peterson and Seligman, *Character Strengths and Virtues*; Charles C. Manz et al., *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers* (New Jersey: World Scientific, 2008); Rego, Pina e Cunha, and Clegg, *The Virtues of Leadership*.

culture and performance, it is really only over the last decade that the literature has begun to focus more on how organizational culture is impacted by the character of leadership. The turbulence and volatility created through globalism, and the decline of organizations and of leaders, demands a response and the need to conduct such an analysis that would redefine leadership to manage the challenges of new cultures being created. It should not be avoided. Edgar Schein argues that even mature organizations are in danger of blindly perpetuating what it believes leadership is or creating

> "new definitions of leadership, which may not even include the kinds of entrepreneurial assumptions that started the organization in the first place. The first problem of the mature and possibly declining organization, then, is to find a process to empower a potential leader who may have enough insight and power to overcome some of the constraining cultural assumptions."[4]

This is true when it comes to the interplay of leadership, performance, and virtues. Some of the constraining cultural assumptions must be questioned, particularly if we desire to see organizational leaders develop the capacity to integrate and contribute to new cultures in such a way that they can respond successfully to unfamiliar challenges. As we shall also see later in our discussion, the positive psychology movement through its empirical research on the theory of well-being has given this area more credence, leading to further research being conducted on the interplay between leadership, organizational performance, and virtues. What will become evident is how organizational culture can influence the adoption and practice of certain virtues for leaders, just as national culture, family, and kinship also do.

Understanding organizational culture has many benefits, not only in relation to understanding its role in the creation and maintenance of certain virtues, but also learning

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[4] Schein, 376.

how two distinct organizations bring their own unique cultures to the negotiating table

when exploring the value of potential partnerships and strategic alliances. This is

heightened when the two organizations are geographically located in different parts of the

world, or when organizations operate in multiple countries. We alluded to the

implications of this earlier when addressing the influence of national culture on

leadership formation for two organizations located in different countries using the five

cultural dimensions adopted by Hofstede, Hofstede, and Minkov.[5] In their book

Diagnosing and Changing Organizational Culture, Kim Cameron and Robert Quinn

claim that there are more than 150 definitions of culture, from which there are two

disciplinary foundations of organizational culture: the sociological explanation that states

organizations *have* cultures, and the anthropological one that says organizations *are*

cultures.[6] In much the same way that culture consists of a common language, shared

experiences, belief systems, and practices, Robert House and Mansour Javidan believe

that organizational culture reflects similarities such as commonly used nomenclature,

shared organizational values, and organizational history.[7] Again, Cameron and Quinn

argue that it centers on the values, underlying assumptions, expectations, and definitions

of its members.[8] At a micro level, there are other cultural nuances such as what

leadership paradigm and management practices define the organization's operations and

how it organizes itself, how its members are empowered, how the performance of its

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[5] Hofstede, Hofstede, and Minkov, 31.

[6] Kim S. Cameron and Robert E. Quinn, *Diagnosing and Changing Organizational Culture* (San Francisco, CA: Jossey-Bass, 2011), 18.

[7] House and Javidan, 15.

[8] Cameron and Quinn, 18.

members are evaluated and subsequently remunerated and rewarded, how the

organization interacts with its various stakeholders, and the capacity of the organization

to define and implement its strategy. An organization's culture relates to every aspect of

its identity and its activities. It is how its different stakeholders perceive it, as well as

what they experience. In essence, an organization's culture creates, maintains, and

preserves what it believes about itself, its products and services, its market, and its

stakeholders. Henry Mintzberg, a leading authority on organizational structure, explores

the role of values in influencing one or more of five mechanisms usually adopted by

organizations for coordinating its activities. He states that, "organizations formalize

behavior to reduce its variability, ultimately to predict and control it … to coordinate

activities … to ensure the machine-like consistency that leads to efficient production …

to ensure fairness to clients. Formalization may, for example, reflect an arbitrary desire

for order."[9] This is supported by the work of Cameron and Quinn, who hold up examples

of some of the most highly successful companies, such as Apple who took on Microsoft,

Pixar who took on Disney, and Wal-Mart who took on other major retailers such as Sears

and Kmart, to name a few. They argue that the key ingredient to their success is their

organizational culture. They state that, "the sustained success of these firms has had less

to do with market forces than with company values, less to do with competitive

positioning than with personal beliefs, and less to do with resource advantages than with

vision."[10] This does not deny the significance of market forces and other environmental

factors in influencing an organization's culture, but just as we learned about the

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[9] Henry Mintzberg, *Structure in Fives: Designing Effective Organizations* (Englewood Cliffs, NJ: Prentice-Hall, 1983), 34.

[10] Cameron and Quinn, 5.

importance of institutional forces such as national culture in shaping leaders, there is a crucial relationship between an organization's culture and its values in producing performance and long-term sustainability. This is critical to our discussion on the interplay between organizational culture, leadership performance, and virtues.

The recent focus of scholars on organizational culture also reflects some of the changes we have seen take place in leadership thought and practice. As we have discovered, there are dozens of different leadership paradigms and a vast array of definitions that usually emphasize at least one or more dimensions of leadership over another. Some emphasize a leader's particular style over another, specific skills they need to be competent in, what they believe is their role, and how they perceive their relationship to followers. Over time, leadership has naturally evolved from these considerations leading to new models with their own particular emphases. One such model is sometimes referred to as competency-based leadership that focuses on leaders determining what skills and capabilities they believe their organizations need to succeed. According to Dave Ulrich and Norm Smallwood, organizational capabilities tend to focus on the collective skills, abilities, and expertise of an organization and represents how human capital and the organization's wider resources are brought together to accomplish its work. "They form the identity and personality of the organization by defining what it is good at doing and, in the end, what it *is*."[11] Core to managing an organization's capabilities, leaders focused on improving productivity, eliminating inefficient processes, and employee performance. This was indicative of another significant shift in leadership thought. Recognized as one of the world's leading management thinkers, Peter Drucker

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[11] Ulrich and Smallwood, 119.

began to look beyond the importance of organizational capabilities to identifying some of the critical leadership behaviors necessary for executives and managers to succeed in their respective roles. He developed specific tools and frameworks leaders could use to better manage others: he claimed that this started with the ability of leaders to manage themselves first.[12] In essence leaders must understand their strengths, their values, their preferred working style, and how they best contribute. In the mid-1990's Daniel Goleman popularized a concept called *Emotional Intelligence* (EI), sometimes known as EQ (Emotional Quotient).[13] He recognized that while organizations may possess exceptional practical skills and technical expertise, leaders were emotionally inept. They lacked the intuitiveness and emotional capacity to effectively interact with and lead others. Traditional efforts have focused on researching emotions in organizations from an intrapersonal approach. However, in order to deliver greater robustness and professional validity to this notion, Gerben Van Kleef, Astrid Homan, and Arik Cheshin have more recently examined the role of emotions in organizations in terms of their interpersonal effects; how "one worker's emotions influence the feelings, cognitions, attitudes, and behavior of others."[14] This focus on emotions has led to a marketing avalanche of personality assessments and tools being introduced into the marketplace designed to assist organizations to better leverage their human capital and improve the quality of

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[12] Drucker, 1-12.

[13] Daniel Goleman, *Emotional Intelligence: The 10th Anniversary Edition* (New York: Bantam Books, 2006).

[14] Gerben A. Van Kleef, Astrid C. Homan, and Arik Cheshin, "Emotional Influence at Work: Take it EASI," *Organizational Psychology Review* 2, no. 4 (2012): 311.

workplace interactions to get the job done. The Myers-Briggs Type Indicator (MBTI) is perhaps the most well known.

The evolution of leadership thought and practice from its early emphasis on competencies and capabilities to leadership behaviors and emotional intelligence provided a relatively logical progression to strategies that focused on talent management, positive psychology, and more recent empirical research on character strengths and virtues. Although the association between virtues and character in relation to business performance is a relatively new concept, it is perhaps fueled by some of the high profile leadership failures in recent years that have led to the decline of some of the world's largest financial corporations. In his discussion on the moral limits of markets and their expansion into spheres of life where they should not belong, Michael Sandel states, "The era of market triumphalism has come to an end. The financial crisis did more than cast doubt on the ability of markets to allocate risk efficiently. It also prompted a widespread sense that markets have become detached from morals and that we need somehow to reconnect them."[15] Relevant to our discussion on the need for virtuous leadership and how the presence or absence of virtues defines the character of a leader, Sandel goes on to say that, "we need to think through the moral limits of markets."[16] Therefore, while it is important to acknowledge the evolution of leadership and its substantial variations, it seems we must concern ourselves with what leadership is, and also what it is not. For if we consider Sandel's premise that markets have detached themselves from morals and leached into spheres of life they should not be, then similarly could it also be possible

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[15] Michael Sandel, *What Money Can't Buy: The Moral Limits of Markets* (London, England: Penguin Books, 2012), 6.

[16] Ibid.

that when leaders detach themselves from morals, the repercussions seep over into spheres of life they do not belong, for themselves and for others? If we suppose that this could be true, then we return once again to the importance of our discussion on how the presence or absence of virtues defines the character of a leader and affects organizational performance. Before we take a deeper look at this, it is important that we first acquire an understanding of how the positive psychology movement is relevant to our discussion and its relationship to character and virtues.

<h3 style="text-align:center">Positive Psychology, Character, and Virtues</h3>

In discussing the interplay between organizational culture, leadership performance, and virtues, it is essential that we have an understanding of the positive psychology movement. While not mutually exclusive, character strengths and virtues play a significant role in helping leaders create positive work environments with the goal of increasing employee engagement and improved performance. From an organizational context, the positive psychology movement seeks to leverage the benefits of leaders pursuing a more virtuous path with the primary goal of achieving a psychological good life. It is expected that the benefits of this spill over into an individual's workplace environment, helping it to become a place where all people can flourish. According to Seligman, this is different to humanistic psychology and the positive thinking movement, because it is grounded in the theory of well-being and supported by empirical research.[17] Seligman believed that it was important to substantiate the types of character traits and strengths that could define the character of an individual, while at the same time

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[17] Peterson and Seligman, 4.

recognizing how their presence and expression could help cultivate positive experiences for the individual as well as the individual's environment. From this understanding, it becomes easier to see how the goals and objectives of positive psychology have appealed to organizational leaders and human resource professionals around the world.

Seligman argues that there are five elements of well-being for which each has three fundamental properties. First, each property must contribute to well-being. Second, it must be pursued for its own sake and not for the purpose of obtaining benefits derived from the other elements, and thirdly, it must be independently definable and measurable from the other elements.[18] Primarily, the goal was to define the more tangible attributes of character and remove some of the ambiguous, subjective thinking on what character might be and how it is developed. This is not dissimilar to what Alexandre Havard tried to do in identifying the critical importance of the six classic virtues—prudence, courage, self-control, justice, magnanimity, and humility—representing the content of a leader's character, but without the support of empirical research. He used this to establish a benchmark or framework that could be used to define and measure the content of a leader's character.[19] By embarking on a journey of empirical research, Peterson and Seligman's goal was to validate a formal classification of character strengths and virtues. They also hoped that institutions could one day be identified or intentionally created to enable character.[20]

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[18] Martin E. P. Seligman, *Flourish: A Visionary New Understanding of Happiness and Well-being* (New York: Free Press, 2011), 16.

[19] Havard, xiv.

[20] Peterson and Seligman, 5.

Now that we understand the three fundamental properties underlying the five elements of well-being, it is important that we look briefly at what those elements are before we review Peterson and Seligman's classification of character strengths and virtues that is critical to our discussion.

Seligman defines the five elements of well-being as: (1) the presence of *positive emotions* that help to describe how happy an individual is, for which happiness and life satisfaction are subjective measures; (2) the degree to which an individual is *engaged* with a task or situation. (While there is no universal definition of employee engagement, according to Sarah Lewis, there is evidence to suggest that when an individual is engaged in their work they tend to "feel good and competent, and to have a sense of belonging."[21] Lewis believes this represents an individual's state rather than resulting from a trait); (3) the *meaning* an individual attaches to something; (4) the sense of *accomplishment* an individual experiences when something is achieved or a task is completed. (This sense of accomplishment may result from the rewards or benefits that come with it, or stem merely from having accomplished something for the sake of accomplishment); and (5) the *positive relationships* that flow out of an individual's well-being. In summary, the first three elements are subjective measures, while the final two can be more objectively measured.[22] Central to our discussion on the interplay between organizational culture, leadership performance and virtues, one can see how an individual's well-being (and the well-being of individuals in a group) can influence a workplace environment and its performance. In building on this premise and in particular the outcomes produced by

[21] Sarah Lewis, *Positive Psychology at Work: How Positive Leadership and Appreciative Inquiry Create Inspiring Organizations* (West Sussex, United Kingdom: Wiley-Blackwell, 2011), 42.

[22] Seligman, 16-20.

people exercising their virtues, Rego, Pina e Cunha, and Clegg, believe it is important for leaders to "explore how their virtues may make them more effective *and* better able to develop flourishing organizations for the people within and around them in the various contexts in which they operate."[23] This can take the form of facilitating development opportunities for staff, improving employee benefits and rewards, encouraging reciprocal relationships, and contributing "to the building and spreading of expectations that organizations are able to be virtuous spaces where human beings achieve higher purpose, including happiness."[24] Rego, Pina e Cunha, and Clegg also talk about how this type of environment breeds "self-reinforcing virtuous spirals," where people are confident in their interactions with management and staff because they have come to trust their environment.[25] Therefore, there is no need to fear negative reactions or reprisals from managers when staff want to express their ideas, because the behavior is expected and affirmed. While positive psychology is focused on well-being and creating an environment where everyone can flourish, it argues that there must be a common set of virtues undergirding the business that results in shared value for all stakeholders.[26] These virtues generate what Rego, Pina e Cunha, and Clegg call "positive power," where character strengths such as humility, wisdom, and persistence "may help leaders to develop and sustain positive power relations. There are many ways to build power

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[23] Rego, Pina e Cunha, and Clegg, 5.

[24] Ibid., 18.

[25] Ibid.

[26] Ibid., 21.

relations and one may do so either by being or not being virtuous."[27] On the surface, this

may appear idealistic in the cutthroat competitive world of business, but in reality these

virtues are core to the identity of the organization. Not only are they tangible expressions

of its character or brand but also are genuinely considered to be foundational principles

for good business at every level. As if to demonstrate this point more strongly, Rego,

Pina e Cunha, and Clegg look to the example of Nelson Mandela, an example with

immense relevance precisely because it occurred in the context of an intense, highly

competitive and politically volatile period. He modeled the opposite of what many

expected or feared.

> Mandel's virtues and character strengths (e.g., wisdom, bravery, persistence, integrity, vitality, citizenship, love, prudence, humility, self-regulation, forgiveness, and mercy) were the foundations for the power relations he was able to build and join together, albeit that they were made possible through a vicious campaign and civil war waged by the African National Congress against the apartheid regime's state-sanctioned brutality."[28]

Herein lies a difference, albeit subtle at times, between the positive psychology

movement and the premise of Havard's belief regarding the importance of virtues. While

Havard would undoubtedly be pleased with how Peterson and Seligman's character

strengths and virtues lead to a heightened sense of well-being and potentially a

flourishing work environment, the fundamental motivation for living a virtuous life

according to Havard, is simply because it is the right thing to do, not because it will result

in well-being. As stated by Lewis, "virtuous actions have a positive impact on others and

are undertaken regardless of reciprocity or any reward beyond that which is inherent in

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[27] Ibid., 23.

[28] Ibid., 25.

the act."[29] Therefore the primary difference between Havard's concept of a virtuous leader and the ideals of positive psychology are discovered in their most basic motivation. A virtuous leader seeks to be virtuous because it is the basis of his or her character and pursuit of moral excellence, whereas positive psychology believes virtuousness is a means to an end. The goal is for an individual to achieve a sense of well-being and to extend that to others by creating places where people can flourish. As stated by Manz et al., positive psychology predominantly focuses on an individual's psychological capital or set of traits—whether they are strengths and weaknesses—and how it manifests itself for the benefit of others in the organization.[30] This should not be perceived as a negative connotation. There is significant value to be seen in attaching a strong performance-orientation to the notion of virtues simply because it desires to achieve a sense of well-being and create an environment where everyone can flourish. The challenge remains, however, in seeing an association between virtuousness and economic outcomes, although from previous examples given we can demonstrate how a lack of virtuousness can result in the downfall of an organization.[31]

Virtues and Performance

Whereas virtues and virtuousness have traditionally been relegated to more philosophical and theological discussions, according to Cameron the significance of their

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[29] Lewis, 16.

[30] Charles C. Manz et al., "The Virtuous Organization: An Introduction," *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*, ed. Charles C. Manz et al. (Singapore: World Scientific Publishing, 2008), 10.

[31] Kim S. Cameron, David Bright, and Arran Caza, "Exploring the Relationships Between Organizational Virtuousness and Performance," *American Behavioral Scientist* 47, no. 6 (February 2004): 767.

organizational legitimacy in relation to performance is increasingly being validated. He

states, "when virtuousness is demonstrated (as when leaders or exemplars manifest

virtuous behaviors), or when organizations perpetuate or legitimize virtuous behaviors (as

when courageous or compassionate acts are recognized and applauded), virtuousness

tends to become self-reinforcing (amplifying), and it fosters resiliency against negative

and challenging obstacles (buffering)."[32] Similarly, Carolyn Youssef and Fred Luthans

argue that the psychological capital of an organization is something that can be leveraged

to encourage and enable virtuousness leading to desired behaviors that impact

performance.[33] Attributes such as self-efficacy or confidence, optimism, hope and

resilience, and other similar resources "can be translated from moral goals to bottom line

results."[34] In essence, it is the emotional balance sheet or virtuous balance sheet of an

organization and not the financial balance sheet that reveals the capacity of the

organization to respond to its needs and challenges. As Havard states, when habitually

practiced, virtue "enhances one's capacity to act" prudently, courageously, with self-

control, justly, with great vision and humility.[35]

Nonetheless, it appears that the biggest obstacle for business leaders treating the

notion of virtues and character seriously, relates primarily to the perceived difference it

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[32] Kim S. Cameron, "The Virtuous Organization and Crises," *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*, ed. Charles C. Manz et al. (Singapore: World Scientific Publishing, 2008), 18.

[33] Carolyn M. Youssef and Fred Luthans, "Leveraging Psychological Capital in Virtuous Organizations: Why and How?" *The Virtuous Organization: Insights from Some of the World's Leading Management Thinkers*, ed. Charles C. Manz et al. (Singapore: World Scientific Publishing, 2008), 141.

[34] Ibid.

[35] Havard, xvi.

will make to their bottom line. Cameron, Bright, and Caza sought to address this

relationship between virtuousness and performance in eighteen organizations.[36] They

measured the degree to which organizations demonstrated virtuousness *in* their respective

organizations, and how they enabled and supported virtuous activities *among* its

members. They concluded that, "when virtuousness exists in organizations, performance

does not deteriorate; rather virtuousness and organizational performance are positively

related. Innovation, customer retention, employee turnover, quality, and profitability all

are positively associated with virtuousness."[37]

As expressed earlier, these findings are explained by the amplifying and buffering

functions of organizational virtuousness.

In December 2012, I addressed a group of seventy business executives and

leaders at the Hilton on the Park, Melbourne, Australia on the topic of "Leadership is

Much More Than Competence."[38] I was asked to share some of my observations based

on my own leadership experience spanning more than twenty years and my current

doctoral research, and why I had intimated that the dialog on leadership needed to change

beyond predominantly focusing on competency, skills, and knowledge, which many

popular leadership books address ad nauseam. I explained that we needed to explore

either a new leadership paradigm or rediscover one that would address the growing

disillusionment and disenchantment with our leaders that is happening globally. During

the seven years I worked as a senior executive in the United States, I witnessed firsthand

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[36] Cameron, Bright, and Caza, 766.

[37] Ibid., 781.

[38] "Leadership is much more than competence" was a presentation given by Glenn Williams, December 5, 2013, as part of the Leadership Breakfast Series sponsored by Bridgeworks. http://www.bridgeworks.com.au/events/leadership-breakfast/.

the early and unsettling days of the Global Financial Crisis that began in 2008/09. During this time I was exposed to the economic meltdown that saw the collapse of the housing market, severe falls on Wall Street, companies laying off thousands of employees, and the constant headlines of major corporations going into bankruptcy. As the COO of a large global NGO, I was also part of an executive team that had to manage through a period that saw a sharp and substantial decline in contributions from the donor community. Many major financial institutions filed for bankruptcy or were acquired by those in a much stronger position. Headlines were dominated by the fall of Merrill Lynch, Bear Stearns, Countrywide Financial, the Lehman Brothers, Washington Mutual, and AIG. The ramifications reverberated throughout every industry sector, down to every household and individual. It was impossible not to be affected by the GFC.

Broadly speaking, a lack of competency was never considered to be the issue that caused the economic meltdown. Character, or rather a lack of character, was clearly identified as the root of the problem. This is supported by Sandel's argument expressed earlier that that the markets had become detached from morals.[39] We identified previously some of the high profile scenarios where an absence of character was evident: in 2005, Dennis Kozlowski, former CEO of the Tyco Corporation, and ex-CFO, Mark Schwartz, were convicted for stealing millions of dollars; in 2006, Jeffrey Skilling, CEO of the Enron Corporation was convicted for the largest corporate fraud in history.[40] Some have occurred more recently such as the phone hacking scandal surrounding Rupert

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[39] Sandel, 6.

[40] Krysten Crawford, "Ex-Tyco CEO Kozlowski found guilty," *CNN Money*, June 21, 2005. http://money.cnn.com/2005/06/17/news/newsmakers/tyco_trialoutcome/index.htm (accessed December 14, 2012); Shasheen Pasha, "Skilling gets 24 years," *CNN Money,* October 24, 2006. http://money.cnn.com /2006/10/23/news/newsmakers/skilling_sentence/index.htm (accessed December 14, 2012).

Murdoch's "News of the World" in the United Kingdom, and only days after incumbent

United States President, Barack Obama, was elected for another term of four years,

General Petraeus, head of the CIA, resigned his position due to having an extramarital

affair.[41] Nor would many cycling professionals and enthusiasts forget 2012 as the year

that Lance Armstrong, seven-time winner of the Tour de France, was found guilty of a

prolonged and elaborate doping scandal that saw him stripped of each of his titles.

An absence of character is felt in all spheres of life, not merely in the competitive

worlds of business and sport. It is evident also in our political and religious institutions

and even in our own families. While it seems these spheres go beyond our discussion on

the interplay between organizational culture, performance, and virtues, it is possible to

argue that they represent specific cultural groupings with their own beliefs, attitudes, and

behaviors not dissimilar to what occurs with organizations. These are reinforced by the

structures or institutions that maintain them.

Since relocating to Australia from the United States late 2010, media headlines

have been dominated by allegations of corruption and fraud for Federal MP, Craig

Thomson, the alleged misdemeanors and use of vulgar language on Twitter of Peter

Slipper, Federal Parliament's Speaker of the House, and for Prime Minister Julia Gillard

introducing a carbon tax which she had promised not to do during her 2010 election

campaign. In Australia, there are widespread concerns about the poor lack of quality

among its political leaders. High profile business leader and founder of Aussie Home

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[41] Keir Simmons, "Leveson Report on Rupert Murdoch, Son: Evidence 'suggests a cover-up by Someone,'" *World News on NBC.com*, November 29, 2012. http://worldnews.nbcnews.com/_news /2012/11/29/15542045-leveson-report-on-rupert-murdoch-son-evidence-suggests-a-cover-up-by-somebody?lite; Michael D. Shear, "Petraeus Quits; Evidence of Affair Was Found by F.B.I," *The New York Times,* November 9, 2012. http://www.nytimes.com/2012/11/10/us/citing-affair-petraeus-resigns-as-cia-director.html?pagewanted=all&_r=0 (accessed November 15, 2012).

Loans, John Symond, when being questioned on the current state of politics, says, "It's disgusting, it's appalling, it's embarrassing. I can't remember any time in the past forty or fifty years when we've had such a poor standard of political leadership and political behavior."[42] His concern is not merely for the current state of politics but how its example influences those aspiring to enter the world of politics to make a positive difference. He says, "It's setting a shocking example to young people who see the lies and deception and assume that this is the way things are done."[43] The implications of this is profound, especially when one considers how it is further reinforced by two other national issues that have resulted in hundreds of media headlines and significant emotional debate during the last few years—the treatment of asylum seekers and the institutional abuse of children.

The issue of how asylum seekers are processed and treated has caused significant division within public and political discourse over how the Australian government should respond to people seeking political asylum and refuge. Notwithstanding issues surrounding the threat of potential terrorists entering the country, the illegal trafficking of people by "people smugglers," and that many official channels are being ignored by legitimate refugees in seeking asylum, the treatment of those seeking asylum and the deprivation of their human rights contradicts the principles undergirding the laws put in place to govern such a situation. As Julian Burnside, QC and an Australian barrister states, "freedom of speech, the rule of law, and protection from persecution are basic

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[42] Leo D'Angelo Fisher, "Politics on the Nose," *BRW* 34, no. 47, December 6-January 23, 2013, 42.

[43] Ibid.

democratic rights."[44] This scenario demonstrates another example of how inconsistencies occur in the way certain laws and the virtue of justice is applied for many who are at risk and vulnerable. This is also true for our final example. In November 2012 the Australian Prime Minister, Julia Gillard, announced a royal commission into the institutional abuse of children in response to the escalating number of claims of sexual abuse over four decades within the Catholic Church. It has also been prompted by the large-scale failure of the Catholic Church to remove offending clergy while denying the hurt and pain experienced by hundreds of victims of sexual abuse. The inquiry will also extend to all religious institutions, schools, state and territory governments, and agencies responsible for children in state care.[45] We could go on highlighting additional examples of how the absence of character impacts all spheres of life, but it would only belabor the point. What these examples do show us is that successful people and successful organizations can come undone not merely through a lack of competency, but a lack of character. This significantly undermines their performance and their reputations, from which the implications are often felt far beyond. None of us are immune to moral failure or lapses in judgment, and sometimes it is closer than we think. But given the fact that this is occurring more frequently at every level of leadership, including at what many would describe as the highest echelons of leadership, it is wise to reflect on what could be done differently in identifying and developing future leaders. If character is going to play second fiddle to competency, then we will continually be facing issues like some of the

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[44] Julian Burnside, *Watching Brief: Reflections on Human Rights, Law, and Justice* (Carlton North, Australia: Scribe Publications, 2008), Kindle Edition, Loc. 3331.

[45] "Julia Gillard Announces Royal Commission Will Probe Child Sex Abuse," http://www .theaustralian.com.au/national-affairs/julia-gillard-announces-royal-commission-will-probe-child-sex-abuse/story-fn59niix-1226515336333 (accessed December 15, 2012).

ones mentioned earlier, and shareholders, investors, customers, and donors will continue to feel increasingly vulnerable.

While at times it may seem difficult to quantify exactly how character increases organizational performance, what we do know is when it is absent organizations rapidly deteriorate and perform below what is expected. Jim Collins addresses this extremely well in, *How the Mighty Fall And Why Some Companies Never Give In*, when he presents his framework on the Five Stages of Decline.[46] These include: (1) hubris born of success. This is where excessive pride resulting from previous success leads to an arrogance that is capable of bringing down a leader or the organization he or she leads. It represents an absence of the virtues of prudence, self-control, and humility. At a practical level, according to Collins, hubris is seen "in undisciplined leaps into areas where a company cannot be the best … a company's pursuit of growth beyond what it can deliver with excellence … in bold, risky decisions that fly in the face of conflicting or negative evidence … in denying even the possibility that the enterprise could be at risk."[47]; (2) the undisciplined pursuit of more, which relates to the unsustainable quest for growth[48]; (3) the denial of risk and peril, relating to decisions that support evidence to the contrary. This is often supported by a culture where people are afraid to speak up for fear of being criticized or being penalized[49]; (4) grasping for salvation and looking for a "silver bullet" that will turn the fortunes of the company around. This will often result in the pursuit of

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[46] Collins, *How the Mighty Fall*, 19.

[47] Ibid., 30.

[48] Ibid., 63.

[49] Ibid., 68.

unproven strategies or pursuing one major opportunity that can put at risk other core efforts[50]; and (5) capitulation to irrelevance or death. According to Collins this is the final stage of decline where companies "spiral downward, increasingly out of control. Each cycle—grasping followed by disappointment followed by more grasping—erodes resources. Cash tightens. Hope fades. Options narrow."[51]

From Collins's five-stage framework, what is notable is how the absence of virtues directly impacts performance. Important to our discussion here on the interplay of organizational culture, performance, and virtues is that we are not discussing mere lapses in judgment or a momentary rejection of an intrinsic value, but the intentional and willful disregard of certain values that can be conveniently ignored or rejected when there is a perceived cost if they get in the way of profit or a good opportunity. If we return to our original description of virtues as it relates to the content of a person's character, we understand that a virtue runs much deeper than any intrinsic value. It is the consistent, habitual practice of a value that sits at the core of a person's identity. It is simply not easy to go against it, as that person's self is carved, marked, impressed, or branded through the habitual practice of virtues. This distinction is crucial. In a sense, for many organizations, the word "values" or phrase "core values" has become extremely commonplace. We see examples of this when organizations point to a nice list of core values neatly framed on the wall of their reception foyer. It simply does not go deep enough, and often their application is not evaluated or measured in terms of their application.

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[50] Ibid., 89.

[51] Ibid., 105.

Therefore, when we look at virtues in the context of Collins's five-stage framework, we can see how the absence of virtues that define a leader's character, can negatively impact an organization's performance, their reputation, and their long-term sustainability as well. In contrast to this, from the work of Cameron, Bright, and Caza, we can see that there is a very positive relationship between organizational performance and virtues, particularly in relation to innovation, customer retention, employee turnover, quality, and profitability.[52] From these conclusions we are able to state confidently that both the presence and absence of virtues influences organizational culture and its performance, demonstrating the close relationship that exists between organizational culture, leadership performance, and virtues.

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[52] Cameron, Bright, and Caza, 781.

CHAPTER 7

CONCLUSION

It is always intriguing to me that after having extensively researched a topic, that one must assemble their findings and conclusions still sensing that one has merely touched the surface. This is true in this scenario also. Not only did I get so much more than I bargained for in relation to the breadth of content on leadership, but as my research unfolded, I began to see that no matter which leadership paradigm or set of leadership behaviors or skills you decide are best, they can nearly always be challenged or threatened when a leader's character is compromised. As I set out to explore different facets of leadership, and more specifically how the presence or absence of virtues can define the character of a leader and impact performance, I discovered great power and depth in the notion of virtues and its relationship to leaders. I do not use the word "power" to describe virtues lightly; for it represents "control," "influence," "authority," "energy," and "dominance." Paradoxically, and contrary to what many may understand about virtues, we have learned that the nature and scope of a leader's authority or power stems from his or her character (both the presence or absence of virtues) and the ability to first control and manage one's inner self.

From an extensive search of the leadership literature that included a range of cultural perspectives, I hope it is clear that to the question "Does the presence or absence of virtues define the character of a leader and impact performance?" the answer is a resounding *yes*! However, before I briefly summarize and conclude my findings on this, I want to convey my strong desire that this analysis will be the beginning of many more

dialogs around the interplay between leadership performance and virtues (what Havard uses to define "the content of a person's character") and that leaders will understand that leadership is more than simply *doing*; it is core to who they are and their sense of *being*. It must emanate from something that is deeply ingrained within their identities.[1] There is a desperate need for these types of dialogs. In recent decades we have witnessed leadership failures of the highest magnitude, with the ramifications affecting so much more than the governments, corporations, and institutions they have led. History is replete with examples of leaders who have both succeeded and failed, and not always was it due to a mere lack of ability or skill or even organizational capabilities and resources. A lack of character or the absence of certain virtues is often not too far away. Arménio Rego, Miguel Pina e Cunha, and Stewart Clegg discuss the need for renewed dialog in that today most people would not consider the corporate world or political realm "as a landscape of virtue," while Rosabeth Kanter introduces the idea of a values and economic based continuum to help "assess corporate integrity and degree of positive engagement with communities, regions, and global networks" as a form of triple bottom line reporting (TBL).[2] Kanter's idea should not easily be dismissed, as not many would argue against the need for organizations to be more virtuous, and there is certainly a need for some corporations to resurrect their tattered reputations and restore leadership credibility. However, I would argue that the pursuit of organizational virtuousness must become secondary to leaders pursuing personal character for which virtues are necessary.

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[1] Havard, xiv.

[2] Rego, Pina e Cunha, and Clegg, *The Virtues of Leadership*, 3; Rosabeth Moss Kanter, "The Corporate Conduct Continuum: From 'Do No Harm' To 'Do Lots of Good,'" in *The Virtuous Organization*, ed. Charles C. Manz, Kim S. Cameron, Karen P. Manz, and Robert D. Marx (Hackensack, NJ: World Scientific Publishing, 2008), 279-286.

Otherwise there is the risk that virtues become denigrated and merely seen as a means to win the favor of others. As we quoted from Sarah Lewis earlier, "virtuous actions have a positive impact on others and are undertaken regardless of reciprocity or any reward beyond that which is inherent in the act."[3] A virtuous leader seeks to be virtuous because it is the basis of his or her character and pursuit of moral excellence.

We can also conclude from our research that for virtues to take root in a person, they must be habitually practiced, not merely applied when it is convenient or when it is seen as beneficial to an outcome. Virtues contribute significantly to creating relationships and organizations that flourish, and while there are clear benefits that result from their practice, they do not function as some form of self-serving mechanism that seeks reciprocity or reward. A leader commits himself or herself to live virtuously because it is the right thing to do, where moral excellence is desired. When virtues are absent, the opposite occurs. Vice gradually takes its place, and a leader's insecurities and self-interest (no matter how well rationalized or denied) catapults an organization towards what Jim Collins calls the "Five Stages of Decline" or contributes to the emergence of what Patrick Lencioni calls "silos, politics, and turf wars" that quickly destroys the confidence of colleagues and turns them into competitors."[4] As Gilbert Meilaender aptly describes, "virtue enhances vision, vice darkens and finally *blinds*."[5]

From the works of Geert Hofstede, Gert Hofstede, and Michael Minkov and the GLOBE study (Robert House et al.,), we can also conclude that culture plays a significant

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[3] Lewis, 16.

[4] Collins, *How the Mighty Fall*, 19; Patrick Lencioni, *Silos, Politics and Turf Wars: A Leadership Fable About Destroying the Barriers That Turn Colleagues Into Competitors* (San Francisco, CA: Jossey-Bass, 2006), 175.

[5] Meilaender, 17.

role in leadership formation and what a leader comes to value. Understanding this is vital

to leaders having the ability to operate in culturally diverse areas, including their own

workplace environments that can represent a convergence of cultures coming together.

By briefly analyzing Hofstede's five cultural dimensions of *power-distance, individualist*

versus collective societies, *assertiveness versus modesty, uncertainty avoidance*, and

long-term versus short-term orientation we learned how cultural differences could cause

confusion, misunderstandings, and conflict. Sometimes, these differences lead us to

conclude that a particular virtue is absent when it is not. For example, leaders who have a

longer-term strategic outlook may perceive leaders focused on short-term goals as

lacking the virtue of prudence or self-control, or leaders unwilling to take a measured risk

to seize an opportunity may be accused of lacking the virtue of courage. Based on the

GLOBE study of 62 societies, we can also conclude that universal facilitators of

leadership effectiveness do exist across cultures, some of which are related to the four

cardinal virtues (prudence, courage, self-control, and justice) and the two non-cardinal

virtues of magnanimity and humility we have previously analyzed. While some of them

are virtues, others fall into the category of "character strengths" used by Peterson and

Seligman. Some of these universal facilitators of effectiveness include:

- Being trustworthy, just, and honest (integrity)
- Having foresight and planning ahead (charismatic-visionary)
- Being positive, dynamic, encouraging, motivating, and building confidence (charismatic-inspirational)
- Being communicative, informed, a coordinator and team integrator (team builder)[6]

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[6] Peter W. Dorfman, Paul J. Hanges, and Felix C. Brodbeck, "Leadership and Cultural Variation: The Identification of Culturally Endorsed Leadership Profiles," in *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, ed. Robert J. House et al. (Thousand Oaks, CA: Sage Publications, 2004), 677.

It is important to remember that the key attributes of a *Charismatic/Value-Based Leader* (one of the six global leader behaviors identified by the GLOBE study highlighted in Chapter 1) is that of being a visionary, inspirational, and demonstrating self-sacrifice, integrity, decisiveness, and being performance-oriented.[7] Once again, it is not difficult to see how the virtues of prudence, courage, self-control, justice, magnanimity and humility relate to this type of leader. In contrast to this, it is obvious why these same virtues are not present in another one of the other global leader behaviors in *Self-Protective Leadership*.

We are able to conclude from our analysis that culture is so much more than the country we were born in or where we currently live or work, and that the interplay of national culture, family, kinship, and organizational culture have a crucial role in shaping leaders. Each of them acts as a key mechanism in the transmission and maintenance of virtues, and therefore often the quality of these channels can also profoundly affect which virtues are passed on and maintained in the life of a leader. While it was not within the scope of our question to explore the implications of this, we did acknowledge the impact of factors such as social mobility, social dislocation, migration, and changing attitudes on the transmission of virtues—in relation to the channel and the content. This calls for further research.

While still on the subject of recommending further research, it is important to highlight some of the other issues that emerged from our analysis that may warrant further exploration. They include understanding: (1) how religious traditions and ethics beyond Western leadership theory have influenced ethnocentric definitions of leadership;

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[7] Ibid., 676.

(2) the interplay between organizational lifecycles, leadership, and virtues; (3) how to overcome some of the limitations of language, particularly as it relates to the economic and business spheres of life where the ethic of virtue is seen as antiquated, obsolete, or overly religious in nature (this was one of the reasons why my analysis avoided a discussion on virtues in relation to "spirituality in the workplace"); (4) what constructs would best measure the presence or absence of virtues and their "character strengths" in an organization that is committed to being accountable for how they are integrated into their corporate culture; and (5) how the Appreciative Inquiry (AI) methodology could be applied to establishing an integrative leadership program where "virtues" are foundational to leadership performance and organizational outcomes.

Although we have concluded that the presence or absence of virtues *does* define the character of a leader and *does* impact performance, it is important that we appreciate other potential benefits that could result from future discussions on the interplay between leadership performance and virtues. They include: (1) helping organizational leaders, board members, and recruiters know what to look for in a leader. This has implications for how leaders are identified, developed internally, externally recruited, and evaluated over time; (2) helping organizations understand how an ethic of virtue needs to become a critical component of its brand strategy if it wants it to become part of a resilient, flourishing, and sustainable culture; (3) helping leaders explore how an ethic of virtue can guard against "the failure of success, the corruption of triumph, and the danger of celebrity"[8]; and (4) empowering leaders to develop personal strategies to resolve conflicts

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[8] Andre L. Delbecq, "The Spiritual Challenges of Power, Humility, and Love as Offsets to Leadership Hubris," *The Virtuous Organization*, 97.

that often arise when organizational, professional, and personal goals are at odds with

each other and the virtues they believe are important.

Finally, I close with some remarks from Gabriel Flynn,

That the coalescence of virtue and profit is possible only when daring, creative, and insightful business leadership is practiced in society. Such leadership should take cognizance of the psychological, social and spiritual values, and associated needs, of individual workers and their families, thereby placing business at the service of society as a whole. It is incontrovertible that ethics plays an important role in the creation of a business environment in which virtues and values are brought into relationship for the good of all. In this regard, character and, in particular, the character of leaders is paramount.[9]

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[9] Gabriel Flynn, "The Virtuous Manager: A Vision for Leadership in Business," *Journal of Business Ethics* 78 no. 3, 2008: 359-60.

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