# The Building of a Virtuous Transformational Leader

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This paper links the presence of strong demonstrated virtues with what research has determined to be successful transformational leaders. The paper begins by defining transformational leadership, then links the definition to what Collins (2001) termed "level 5 leaders" and what Johnson (2009) described as "proponents of virtue ethics." Presenting Johnson's "three important features of virtues," the author draws from Taylor's (1995) description of "the Greeks' four chief cardinal virtues" and Johnson's seven "important virtues" to observe commonalities, then creates a parallel link to the four key leadership characteristics identified in Kouzes and Posner's (2007) research. The results show that great transformational leaders, defined by what they do and their levels of followership, are, in fact, virtuous leaders. Identifying the common virtues, the author then argues that it is possible to help or teach people to become virtuous leaders.

Imbedded and inherent in the literature, discussions, and research of transformational leadership is the character of leaders. According to Burns (1978), the founding researcher on transformational leadership, "such leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality" (p. 2). Transformational leadership "is characterized by the ability to bring about significant change" (Daft, 2005, p. 153). Transformational leaders have the competence and character to lead change in the "organization's vision, strategy, and culture as well as promote innovation in products and technologies" (Daft, p. 153). Rather than focusing on the micromanagement tools of rules and operational goals, transformational leaders focus on vision, values, and relationships to engage followers and build change leaders, who in turn build change leaders.

In his now classic book *Good to Great*, Collins (2001) elaborated on the two critical characteristics of what he and his team called a "level 5 leader" who "embod[ies] a paradoxical mix of personal humility and professional will" (p. 39). Collins further wrote about the extra dimension that elevates companies to elite status. This "extra dimension is a guiding philosophy or a 'core ideology,' which consists of core values and a core purpose (reason for being beyond just making money)" (Collins, p. 194). Citing Hewlett, Collins stated:

> The 'HP WAY,' as it became known, reflected a deeply held set of core values that distinguished the company more than any of its products. These values included technical contribution, respect for the individual, responsibility to the communities in which the company operates, and a deeply held belief that profit is not the fundamental goal of a company.

This appears to be a practical application of Burns' "raising one another to higher levels of motivation and morality" (Burns, 1978, p. 2). In linking Collins' level 5 leaders to virtue ethics, Johnson (2009) wrote:

> Proponents of virtue ethics start with the end in mind. They develop a description or portrait of the ideal person (in this case a leader) and identify the admirable qualities or tendencies that make up the character of this ethical role model. They then suggest ways in which others can acquire these virtues. (p. 70)

According to Johnson, there are three important features of virtues:

1. Virtues are woven into the inner life of leaders. They are not easily developed or discarded but persist over time.
2. Virtues shape the way the leaders see and behave. Being virtuous makes them sensitive to ethical issues and encourages them to act morally.
3. Virtues operate independently of the situation. A virtue may be expressed differently depending on the context (what's prudent in one situation may not be in the next). Yet a virtuous leader will not abandon his or her principles to please followers. (p. 71)

This leaves us with the question: will people follow a virtuous leader? The answer lies in the relationship between Johnson's seven "important virtues," what the ancient Greeks called "the four chief or cardinal virtues," and what Kouzes and Posner's (2007) research stated are the "four attributes" people look for in a leader they are willing to follow (see Table 1).

At best it appears that a moderate to strong correlation (but a correlation nonetheless) exists between important or chief virtues and what Kouzes and Posner's research defined as the four key attributes "people most look for in a leader…a consistent pattern across countries, cultures, ethnicities, organizational functions and hierarchies, gender, educational, and age groups" (2007, p. 29). When compared to Branham's (2005) research on why employees leave organizations, another parallel is observed. Branham wrote, "it became clear that employees begin to disengage and think about leaving when one or more of four fundamental human needs are not being met" (p. 19):

1. The need for Trust (being honest and treating you fairly).
2. The need for Hope (believing you will be able to grow and develop).
3. The need for a sense of Worth (being shown respect and regarded as valued)
4. The need to feel Competent (being matched to a job that matches your skills and to receive training). (Branham, pp. 19-20)

It is possible (see Table 1) that Branham's definition of trust is met through the applied virtues of courage, integrity, justice, and prudence and the leadership practice of honesty. Hope is met through the applied virtue of optimism and the leadership practices of forward-looking and inspiring. A sense of worth, and feeling competent are met through the applied virtues of reverence, compassion, and temperance, as well as through the leadership practice of competence.

Table 1

*Comparison of Branham's 4 unmet needs with Johnson's and ancient Greek virtues along with Kouzes and Posner's leadership attributes.*

| Branham's 4 Unmet Needs (2005, pp. 19-20) | Johnson's Important Virtues (2009, pp. 71-78) | Greek 4 Chief Virtues (Taylor, 1995, p. 31) | Kouzes and Posner's 4 Attributes of Leadership (2007, pp. 29-41) |
|---|---|---|---|
| **Trust:** Expecting the company and management to deliver on its promises, to be honest and open in all communication with you, to invest in you, to treat you fairly and to compensate you in a fair and timely manner. | **Courage:** Overcoming fear in order to do the right thing | **Courage:** The capacity to do what is right even in the face of adversity. | **Honest:** Having integrity and character. Being truthful, ethical and having principles |
| | **Integrity:** Being "true to ones-self", honest and walking the talk publicly and privately. | **Prudence:** Practical wisdom (not to be confused with intelligence or information) that leads to good choices. | |
| | **Humility:** Being self-aware, open to new ideas and knowledge and acknowledging there is a power greater than the self. | | |
| | **Justice:** A sense of obligation to the common good; and treating others as equally and fairly as possible. | **Justice:** Centers on acts of fairness, honesty and the rule of law. | |
| **Hope:** Believing you will be able to grow, develop your skills and have the opportunity for advancement or career progress. | **Reverence:** The capacity to feel a sense of awe, respect and even shame when appropriate. | **Temperance:** Self-discipline, the ability to control one's impulses to do things that are gratifying in the short run but harmful in the long run. | **Forward-Looking:** Having a sense of direction and a concern for the future of the organization |
| | **Optimism:** Expecting positive outcomes in the future even if one is currently experiencing disappointments and difficulties | | |
| **Competent:** Expecting you will be matched to a job that aligns with your talents and your desire for a challenge. & **Self worth:** Feeling confident that if you work hard, do your best, demonstrate commitment and make meaningful contributions, you will be recognized and rewarded accordingly. | **Compassion:** Putting others ahead of self | | **Inspiring:** Being enthusiastic, energetic and positive about the future. |
| | | | **Competent:** Having relevant experience and sound judgment |

Without attempting to state the obvious, it follows, therefore, that followers will engage with leaders who demonstrate virtues and disengage with those who do not. If virtuosity is necessary to lead, can organizations train or develop adults to be virtuous leaders? According to Johnson (2009), "character appears to be more caught than taught. We often learn what it means to be virtuous by observing and imitating exemplary leaders" (p. 81). However, Johnson further argued that "character is developed over time through a series of moral choices and actions…virtues are more likely to take root when nurtured by families, schools, governments, and religious bodies" (p. 83). Such institutions "provide a framework for understanding the world and, at the same time, challenge us to act in specified ways" (Johnson, p. 83). A similar framework is alluded to in Kouzes and Posner's (2007) leadership research:

> Exemplary leaders know that if they want to gain commitment and achieve the highest standards, they must be models of the behavior they expect of others. […] To effectively model the behavior they expect of others, leaders must first be clear about guiding principles. They must clarify values. (p. 15)

However, leaders must not only clarify their values; they must give voice to them. "Leaders are supposed to stand up for their beliefs, so they'd better have some beliefs to stand up for" (Kouzes & Posner, p. 15).

It is this starting point of clarifying and giving voice to values that is emphasized here. However, once we have given voice to values (what we say), we must then focus on behavior (what we do). "The ethics of individuals and organizations is based on how they respond when faced with ethical issues—not with what they say" (Axline, 1996). This is the role of ethics awareness training (Brown, 2008). Not that values and ethics are the end-all and be-all of great leadership and inspired followership, but they are the unarguable starting point and are non-negotiable in building a virtuous leader and engaged followers. Learning about ethics is the key to building virtuous leaders because it is in the dialogue of ethics where people have an opportunity to explore virtues (principles or values) and behaviors of themselves, others, and their organization.

Over the past sixteen years, I have had the privilege of having my character brought under the mentorship and coaching of great people like Larry Mills and Dr. Larry Axline from Holt Caterpillar of San Antonio, Texas; Dr. Steven Ulosevich of Ulosevich and Associates in Pendleton, South Carolina; Pastor Brian Roller from Calgary, Alberta; and my wife, Jeannie. All of these people and more have had a profound effect on my journey toward virtuous leadership (a journey I am still on). In 2001, I decided to quit my position as COO and Operating Partner of SEAL international so that I could commit my life to helping others on the same journey. The Values-Based Leadership development model, which continues to evolve out of this commitment, is less a program and more of a process. As part of this process, I teach and coach our customers and their associates to develop the competence and commitment to influence others (one-on-one), influence teams, and influence the organization. However, the foundation of my work over the last eight years has been teaching and coaching leaders to influence self, starting with values and ethics. My consulting firm has delivered this virtuous leader training and coaching to over 3000 executives and their associates in customized, customer-specific workshops and follow-up coaching sessions. Within this process, we discovered a few simple truths:

1. People who choose to rise to the challenge of leadership desire to be virtuous leaders and are hungry to be taught how in a culture they can be proud of.
2. People desire to work for leaders whose virtues are modeled in their daily behavior.

3. There is an understandable level of new generational cynicism developed as a result of well-publicized ethical lapses of self-centered short-term management, be it business or family.

The foundation to developing virtuous leaders is to understand psychology's nature/nurture debate. According to Trevino and Nelson (2007),

> Most studies find that behavior results from both nature and nurture. So, when it comes to ethical/unethical behavior, the answer is not either/or, but and. Individuals do come to organizations with predispositions that influence their behavior, but the work environment can also have a large impact. (p. 11)

What I have learned from Trevino and Nelson's research, and from my own experience, is that "…most people are not guided by a strict internal moral compass. Rather they look outside themselves to their environment – for cues about how to think and behave" (Treviño & Nelson, p. 10).

The foundation to developing a virtuous leader is somewhat of a chicken/egg dilemma. Before we can develop virtuous leaders, we must first develop and/or bring them under the modeling of a virtuous leader. That one leader must be the person who has the greatest positional power in the organization. Let's call him or her the CEO. For this to occur, the CEO must be encouraged, coached, taught and measured into a new paradigm. (I say new paradigm because if they were already in the right paradigm, I would not be looking at helping them develop virtuous leaders; I would instead be using them as the poster child for virtuous leadership and ethical organizations around the world). The following is a four-step macro (model) formula for creating the environment in which to nurture virtuous ethical leaders. A macro level or model overview was used because I do not wish to feed a perception that this paper is intending to sell a program; nor do I believe that a single micro level development program will influence every environment. The best practice is to take a macro level model, as outlined below, and customize it at the micro level (actual tools used) to the given environment or organization:

1. Develop shared vision, mission and values for the organization. This drives the standard for behavior for all stakeholders of the organization, and gives direction to where leadership is intending the organization to go.
2. Use a facilitative/coaching process to aid the CEO and an intimate senior team (to aid in holding the CEO accountable) through an understanding of applied ethics:
   a. What is ethics and ethical decision-making?
   b. Why be ethical? – Challenges and benefits
   c. Different ways and means of rationalizing unethical behavior.
   d. Develop a prescriptive ethical decision making process which involves:
      i. Understanding the pros and cons of consequentialist, deontological, and virtuous/integrity applications (most people tend to filter right decisions from one of these applications). The key is to understand the pros and cons of each and be able to think through which application works best for a given situation (ethics is grey, not black and white).
      ii. Develop a decision-making matrix (Brown, 2009), which includes ethical filters to aid in applying consequentialist, deontological, and virtuous/integrity applications in making the right decision. For example:
         01. Corporate Core Values (virtuous/integrity)
         02. Compliance (virtuous/integrity)

        03. The ripple effect of a decision on others (consequentialist)
        04. The golden rule (deontological)
        05. Personal core values (virtuous/integrity) (Brown, 2007).

3. Engage a means to benchmark an ethical/virtuous culture and deliver alignment/realignment tools.
4. Apply step 2 and 3 above to all employees and key stakeholders in the organization (see Figure 1).
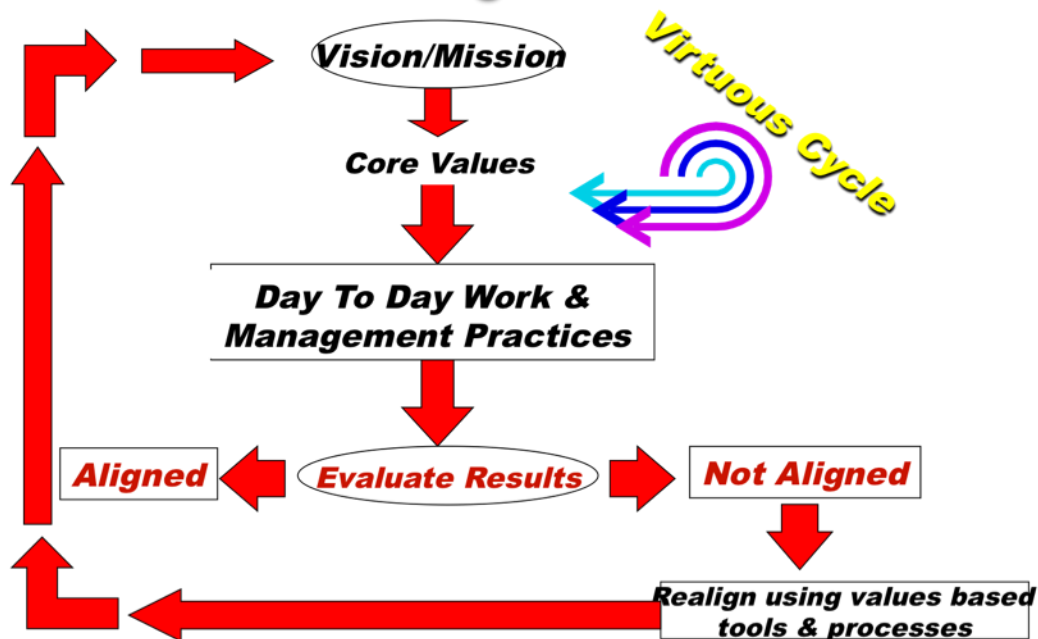
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**Figure 1.** The Values Based Organizational Model.



*Figure 1.* The values based organizational model was adapted from an internally published training manual at Holt Caterpiller (Quesnell, 2001).

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Lest we trivialize the key step beyond environment to creating virtuous leaders by letting it become hidden within a plethora of stages, I must highlight the importance of encouraging people to develop personal core values. Kouzes and Posner (2007) "set out to empirically investigate the relationship between personal values clarity, organizational values clarity and a variety of outcomes…" (p. 56). Their research made two critical distinctions (among others):

1. Those individuals who are clearest about personal values are better prepared to make choices based on principle.
2. Sending executive teams off on a retreat to chisel out the organization's values, making videos about them, conducting seminars on them, or handing out laminated wallet cards imprinted with the values all matter very little until leaders also make sure that they help individuals understand their own values and beliefs (pp. 54-57).

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This defining, molding, and crafting over time of one's personal core values is paramount to developing virtuous leaders. My research on this is conclusive. Of the 3,257 executives and employees who developed personal core values under my team's facilitation and coaching between 2002-2009, over 95% picked integrity as the most important value. Although how they defined it differed slightly, behavioral indicators such as *honesty*, *truth*, *ethical*, *fairness* and *do the right thing* were among the most consistent. For many, increased ethical awareness and the defining of personal core values, when compared to their present behavior, became a life changing experience. Many unsolicited testimonies such as the one below were received:

- "I want to thank you for the Ethics Awareness training you delivered in Tulsa last month. This training has helped me to make several tough decisions that, before, I had no chance of handling. I know I'm still young, but I feel that having these lessons taught to me early has been a blessing. I have incorporated these lessons and values into my life. The lesson learned and adjusted life perspective has probably saved my marriage. Thank you." (An unsolicited letter from a 22 year old female student, received one month after taking Ethics Awareness training)

Before anyone runs out and decides to embark on the journey of developing virtuous ethical leaders within their organization, understand that there is a significant caution to heed. When people start to explore what virtuous ethical leadership looks like, they are almost always drawn to it and want to emulate it. However, the unintentional outcome of such knowledge is that people soon discover what unethical, self-centered leadership looks like and they are repulsed by it. When executives and managers talk the virtuous ethical talk and fail to walk the virtuous ethical walk, followers, especially those equipped with knowledge of what makes a virtuous and ethical leader, disengage and/or leave in disgust. And so they should. "Of course, ethical lapses are a part of human behavior that is here to stay" (Treviño & Nelson, 2007, p. 8). As my friend Larry Mills used to say, "we are human beings, not perfect beings." However, when followers witness that management sees organizational or personal core values as nothing more than pious words of intent or a punch line, they will not grant management the designation of leader. The "Kouzes-Posner First Law of Leadership" is never so obvious as here: "If you don't believe in the messenger, you won't believe the message" (2007, p. 38). It is here that the "personal humility and professional will" of Collins' "level 5 leader" differentiates between a leader and a manager. When level 5 leaders make mistakes relative to core values, they admit they were wrong, correct any inappropriate outcomes, re-align their behavior, and recommit to the values and desired culture. Such humility draws followers to want to succeed as virtuous leaders themselves.

In the end you might ask, does any of this make a difference? Well if you tend to rely on consequentialism, the most popular subset being utilitarian thinking, you might be interested in the financial outcome. The testimony below provides evidence of tangible benefits to such leader development:

- "In six years we grew from 2500 employees to 11,000 and $350,000,000 in revenue to over 1 billion. A significant reason for our success was becoming a values-based company, through values-based leadership. Thank you." (CEO of a Publicly traded energy company upon presenting me with their "First Billion" commemorative award in 2005)

However, if you tend toward the deontological bent and wonder how the world would be a better place by focusing on the development of virtuous leaders, you would be influenced more by this testimony:

- "I was in the yard getting caught up on some work and found myself not able to get your Ethics Awareness training out of my head and I would like to give you some feedback. Personally I will always remember to take the time and THINK about the decisions that I will make in my personal and business dealings. My other thought was, I wonder how our world would be if Ethics courses were taught in school, at a young age. Maybe if we taught our children (that eventually become adults) ethics by means of a mandatory course study similar to Math, English, etc., I would like to think that perhaps the world would be a better place. If children learned that they need to do unto others as they would do unto themselves, maybe there wouldn't be as many problems in the world. Thank you." (Post-course unsolicited testimony from a participant in Ethics Awareness Training, whom I later found out resisted taking the training for 18 months)

And, if you tend toward the virtuous/integrity filter and are most concerned with people's character and motivation, you would be influenced more by this testimony:

- "Six months ago my General Manager took Ethics Awareness training. I'm not sure what happened on the course; however, my work world has been turned upside down. He came back and shut the shop down to "re-orientate" us all to the corporate core values. He also shared with us his personal core values. Everything we do now is measured against values. We even refused a customer request that was seen as contrary to our values. We are learning to trust him more and more each day. This is the first time I have ever worked for a company I am proud of." (Unsolicited feedback from a direct report of a student who took Ethics Awareness)

Inherent in the role of a transformational leader is leading a group into uncharted waters—change. What it takes to engage willing followers and succeed is clearly identified through research. Whether it is Collins' (2001) level 5 leader or a demonstrator of Kouzes and Posner's (2007) 4 Leadership attributes, successful leaders are virtuous leaders. Such leaders are not born; they are made. This crafting and molding takes time, training, coaching, modeling, and mentorship. Organizationally, the key modeler is the one with positional power over the individual. However, I have been witness to the virtuous leadership journey growing out of peer-peer mentoring. People want to be ethical and to work for ethical people and ethical organizations that are led through clearly articulated and shared core values. However, in the end we must each make our own life decisions and be accountable to the man or women in the mirror. Such is the role of understanding our own virtues, values, or principles. And once we understand these, we must give voice to them as the key election platform to those who would bestow on us the title of *leader*.

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## About the Author

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