

The Leader's Individual Attributes - Character. Part 1



"Character is the particular mental or moral attitude [that makes one feel] most deeply and intensively active and alive ... a voice inside which speaks and says: 'This is the real me!'"

William James, Psychologist

The idea that you can have both character and success as a leader is still considered by many in the business world to be of secondary importance because character cannot, apparently, be quantified into financial results. No wonder that, as recently as the 1970s, the Wall Street Journal was considering the concept of Business Ethics an oxymoron.

Even though Harvard Business School was offering classes on "social factors in business enterprise" back in 1915, the ethical aspects of running an organisation have been confined, for decades, only in pompous mission statements or corporate visions, but ignored in daily life. Many of these skilfully crafted value statements still gather dust on the walls of some meeting rooms or at the bottom of a drawer. They were nothing more than mere rhetoric because they were not reflected in the way some of these organisations do business.

In recent years, however, the lack of character of various business leaders proved to be incredibly expensive both for them and for their companies. We are all familiar with the much-publicized scandals that have shaken the corporate world. We read almost daily about companies exposed for lying to their shareholders, or having to pay huge penalties for various misconducts of their Boards of Directors.

After the recent collapse of huge corporations and the public exposure of the thefts, lies and deceptions perpetrated by unscrupulous top managers of "blue chip" companies that were in business for many decades, both the public and the governments have started to take the ethical aspects of doing business very seriously. The first reactions of the various governments were to impose additional and tougher rules and regulations, in an attempt to try to prevent such financial disasters happening again. However, very little was done to change the context that determined this type of fraudulent behaviour.

What are two of the common roots of these scandals?

On a broad level, it is the tremendous pressure for short-term results, which puts profits ahead of people, asking those same people to do things they normally would not do, in order to meet their quarterly or yearly targets.

As long as it was not exposed, greed was indeed good, and profits offered excuses for cutting corners.

On an individual level, this external pressure for delivering the expected results was augmented by the lack of character of some of the most senior people in the organisations. As recent scandals have shown, there is not a faceless organization to be blamed, but various senior people who deliberately made mistakes trying to please their bosses and shareholders. And, faced with these overwhelming pressures from within and the outside, some organisations adapted themselves and became, for a short time, financially successful through unethical behaviour.

The responsibility for organizational integrity must start with the organization's structure and end with individual accountability. Government regulations can only be the yellow lines on either side of the road. They only indicate the correct way forward, but we, individually, have the freedom and the responsibility to decide how fast and carefully we will drive within these lines.

The answer to “How can we address this lack of ‘character’ in today’s business world?” is not what to do, but *who* will do it. And the answer is *us*, as individuals and leaders.

To be continued

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