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# Embedding leader character into HR practices to achieve sustained excellence



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Good leadership is a function of competencies, character and the commitment to doing the hard work of leadership. Of these three, character has traditionally received the least attention – both in research as well as in our day-to-day conversations and practices – even though it has long been thought to be foundational to good leadership. For example, Fred Kiel and his colleagues found that CEOs who scored high on four aspects of character – integrity, responsibility, forgiveness and compassion – had an average return on assets (ROA) of 9.35% over a two-year period. In contrast, CEOs with low ratings had a ROA of 1.93%.

Character is a combination of virtues, personality traits and values that enable excellence. Virtues refer to situationally-appropriate behaviors that are widely seen as representative of good leadership. Virtues encompass personality traits such as resiliency and openness, two relatively stable dispositional variables. Virtues can also be seen in an individual's values, such as behaving equitably.

Research on character is currently burgeoning and has begun to be incorporated in mainstream leadership research. This development is, in part, the result of recent crises and scandals in business, politics, and sports. For example, we conducted a qualitative study to understand the role of leadership in the lead-up to the 2008–2009 financial crisis. Questionable character was a recurring theme in our conversations with senior leaders from the public, private and not-for-profit sectors in Canada, Hong Kong, the United Kingdom, and the United States.

Character has been shown to affect both an individual's and an organization's performance. While our research revealed that senior leaders, including board members from public and private companies, believe that character is critical to good governance and organizational success it remains underdeveloped in the practice of management. Hence, two questions: What prevents executives, leaders and HR professionals from developing good character in

employees? How can leader character be translated into HR practices so as to build organizational excellence?

We seek to make two core contributions in this article. First, our objective is to elevate leader character alongside core competencies in HR practices. Competencies include the knowledge, understanding and skills employees are expected to demonstrate in order to be deemed successful in their roles. Competencies reflect what employees can do whether due to natural talent, developed skills, or both. The competency-based perspective – focusing attention on those HR activities, functions and processes that enhance or impede the development of strategic, organizational, business and people competencies – is currently a dominant force in HR. We contend that organizations need to pay as much attention to leader character as they do to competencies. This is because a shortfall in one of the pillars of good leadership – competencies, character and commitment – will undermine the other pillars and, ultimately, lead to performance problems for leaders, their organizations and related stakeholders. Second, we suggest ways to embed leader character into HR practices and offer thoughts on how character can be developed in employees and leaders. The question as to whether character can be taught is often passionately debated. Our view is that, similar to learning new skills or competencies, character can be developed through deliberate practice. Every situation presents a different experience and opportunity to exercise, apply and develop character.

There are several explanations for the gap between understanding the importance of character and implementing initiatives to develop character in employees. First, character is often seen as an overly subjective concept. Second, a vocabulary or contemporary language that helps executives, leaders and HR professionals to focus on good and bad examples of character in organizations is largely lacking. Consequently, many people find it challenging to

include character in workplace conversations. Third, HR professionals donot have access to reliable and valid tools to measure leader character.

Our work on leader character revealed a major gap between the scholarly account of character and the understanding and application of character in practice. Therefore, we set out to demonstrate that leader character can be expressed as a set of behaviors and that it can be assessed through self-assessment and 360-degree assessment instruments. This enables HR professionals to develop character in employees. In this article, we translate research on character into practice, and then consider a number of questions. What are the implications of a focus on leader character for recruitment and selection? How can selection practices be applied to hire people with good character into the organization? What developmental interventions are effective for cultivating good character in current and future leaders?

We start this article with a brief overview of research findings on character in organizations. We then introduce the leader character framework depicted in Fig. 1. We also introduce the leader character insight assessment (LCIA). This assessment is a behaviorally-based instrument that we

developed for measuring character. Finally, we describe how good character can be brought into the organization through hiring, performance management, and leadership development processes.

## LEADER CHARACTER

Character influences not only how competencies are exercised by an individual, but also whether they are exercised at all in a particular situation. There are many examples of leaders who are highly competent in their jobs, but derail as a result of character deficiencies. For example, Chip Wilson is the founder of Lululemon Athletica. Over the course of his impressive career he mastered myriad business challenges. Yet, he created problems for himself and his organization by losing control over his tongue. For example, in 2013 Lululemon came under fire when some of its women’s yoga pants turned out to be unexpectedly transparent under workout conditions. Wilson’s response was that some women’s bodies simply were not appropriate for Lululemon’s products. He was savaged in the media for such comments. Despite being the founder and largest shareholder of Lululemon, the board

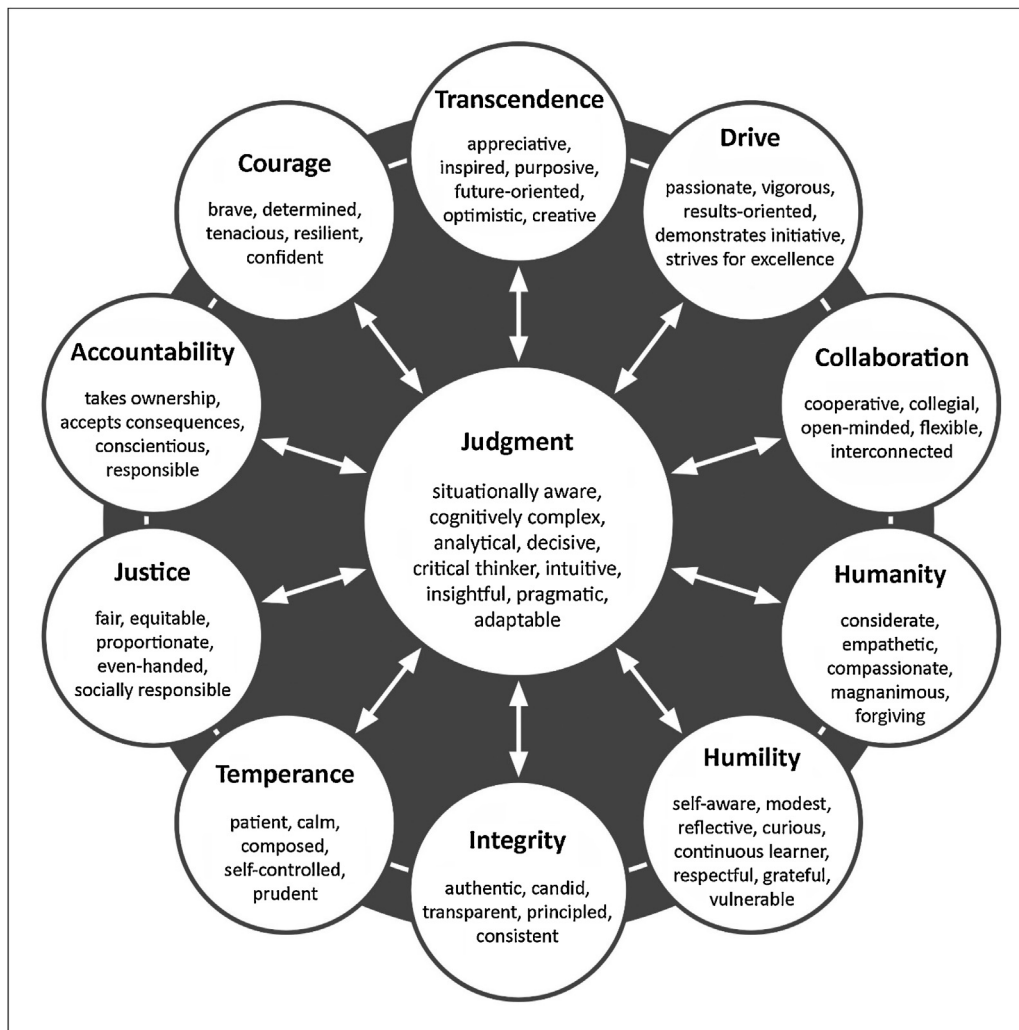


Figure 1 Character Dimensions and Associated Character Elements

of directors pressured him to resign. Temperance, namely, conducting oneself in a calm, composed manner, and to maintain the ability to think clearly and responsibly in tense situations, is an essential dimension of character. Or consider the leadership of Heather Bresch, the embattled CEO of Mylan. The pricing of a two-pack EpiPens kit jumped from about US\$100 to more than US\$600 since the company acquired rights to the life-saving product in 2007. Instead of addressing the concerns of critics who accused the company of price gouging allergy-prone families, she choose to enrage customers by bluntly stating, “I am running a business.” Bresch’s lack of empathy led to a storm of public shaming which included a four-hour Congressional hearing. Empathy is an element of the leader character dimension of humanity and has been shown to be a predictor of performance.

The research of Christopher Peterson and Martin Seligman provided a starting point for our research on leader character. They synthesized the empirical literature on character in the fields of education, philosophy, psychology and sociology, as well as through an examination of historical and religious literatures. They identified 24 character strengths which they then clustered into six broad virtue categories: courage, humanity, justice, temperance, transcendence and wisdom. The character strengths associated with each virtue are behaviors that can be reliably measured. For example, the character strengths associated with wisdom include creativity, curiosity, judgment, love of learning and perspective. Peterson and Seligman found that the six virtues correlate positively with an individual’s health and wellness, life satisfaction, and work performance.

Consequently, their research has encouraged others to investigate the effect of virtues and character strengths on organizationally-relevant variables. For example, Kim Cameron and his colleagues found that virtuousness and its five sub-factors – compassion, forgiveness, integrity, optimism and trust – predict organizational performance including customer retention, innovation, quality, voluntary turnover and profit margin. Similarly, John Sosik and his associates studied the effects of the behavioral manifestations of the character strengths of bravery, integrity, perspective, and social intelligence on the performance of top-level executives in for-profit and not-for-profit organizations. They found that direct reports’ ratings of bravery, integrity, and social intelligence were predictors of executive performance. Integrity was the most important contributor to performance followed by bravery.

Our consulting activities and research revealed that many business leaders and HR professionals dislike Peterson and Seligman’s “Values in Action – Inventory of Strengths” survey for two reasons. First, the survey does not include key virtues deemed important for leadership in organizations. Second, it is difficult for business leaders to relate to some of the language used in the survey. As a result, we conducted qualitative (e.g., focus groups and interviews) and quantitative (e.g., surveys and longitudinal research designs) research involving over 2500 leaders in the public, private and not-for-profit sectors. We then developed the leader character framework shown in Fig. 1.

The character dimensions in this figure refer to virtues. The character elements refer to behaviors that illustrate each dimension. The terms “dimension” and “elements” resonated with practitioners more so than the terms “virtue” and “character strengths.” Furthermore, we dropped several of the character strengths identified by Peterson and Seligman (e.g., spirituality and zest) and added both character dimensions (e.g., accountability and drive) and elements (e.g., conscientiousness and patience). The result is a set of behaviors that define virtues and character strengths in the workplace.

Judgment is at the center of the leader character framework because it is critical in decision-making. Aristotle argued that practical wisdom, or judgment, is the outcome of the application of the leader character dimensions in situationally-appropriate ways. For example, a wise leader understands when it is appropriate to foster collaboration and be considerate of other people’s concerns, and when it is better to demonstrate initiative and act independently; when to act with determination and confidence and when to be patient and reflective; and so forth. Judgment is central in orchestrating and activating the character dimensions required by a situation.

The behavioral statements used to describe the character elements are the basis for the LCIA, an instrument we designed for both self-assessment and a 360-degree feedback assessment of leader character. Table 1 includes sample items of the LCIA.

The leader character framework has been used for providing 360-degree feedback to leaders in a manufacturing company, leaders working for a government department, small and medium enterprise owners, as well as senior administrative personnel of a private university. Our research showed that peer ratings of character of high potentials correlated with supervisors’ assessments of

**Table 1** Sample Items Taken from the Leader Character Insight Assessment

Character dimension	Character element	Item
Temperance	Self-control	Controls strong emotions like anger or disappointment, especially in difficult situations
Humility	Continuous learner	Takes advantage of any opportunity to learn from someone else
Drive	Demonstrates initiative	Recognizes the need for, and takes prompt action, without being asked to do so
Transcendence	Creative	Demonstrates the ability to generate original and innovative ideas, products and approaches
Humanity	Compassion	Is sensitive and accommodating to the circumstances of others in order to allow them to perform at their best
Collaboration	Collegial	Actively seeks to resolve differences amicably

the likelihood of promotion or derailment of those high potentials.

In summary, a leader's character can be assessed. Character predicts both an individual's and an organization's performance. Yet, many leaders and corporate directors do not do a good job of taking character into account when making hiring, promotion and succession decisions. This begs the question of how we can embed leader character into organizations in order to increase an organization's effectiveness. We believe the answers lie in the hiring process and in leadership development programs.

## HIRING FOR LEADER CHARACTER

Regrettably, a systematic, thorough character assessment during the hiring process is seldom done. Often it is driven by the absence of negatives. However, to say, "I've heard nothing bad about this applicant's character" does not mean the candidate has demonstrated courage, integrity, accountability, temperance, or other character dimensions. To develop an understanding of a person's capacity to demonstrate temperance, for example, requires an examination of a person's work history through the highs and lows of a business cycle.

There are several avenues through which the hiring process can be improved. Biodata may be helpful, and deep reference checking is essential. As well, in the interview setting, we need to ask job-related, well-constructed, and probing questions about how candidates have behaved in tough situations in the past, or how they think they would behave in specific situations in the future. We explore these three approaches next.

### Biodata

Biodata involve questions related to an individual's background (e.g., education, work experiences, or behavioral demonstrations of initiative, resiliency and adaptability). The usefulness of biodata is based on the fact that past work behavior is an important predictor of a leader's future behavior. For example, questions related to conscientiousness, an element of the leader character dimension of accountability, is likely to predict work-related errors; evidence of consideration and compassion, elements of the leader character dimension of humanity, is likely to predict good customer service; and authenticity, an element of the leader character dimension of integrity, is likely to predict employee engagement. HR practitioners may be concerned to what extent self-rated measures are susceptible to response distortion or faking. Probing questions and requesting supporting information to justify answers to biodata items make individuals more accountable for their answers and hence has a desirable effect on the accuracy of these measures.

### Reference Checking

The failure of organizations to engage in deep reference checking for character can cause considerable embarrassment. For example, Scott Thompson at Yahoo was forced to step down on May 13, 2012 as CEO when it was revealed he had falsified his educational background on his resume. He

had joined Yahoo in January, 2012 from PayPal. His derailment arguably had little to do with his competencies. It was his character that brought him down. The episode suggested a low level of integrity on the part of Thompson. It also demonstrated a lack of accountability as he did not take responsibility for the error. Instead, he blamed a junior headhunter for the mishap.

Reference checking for academic history, prior employment, qualifications, as well as collecting information from direct reports, peers and subordinates on a person's competencies, character and commitment is an easily used way to obtain job-relevant information. For example, the character elements of candour, even-handedness, calmness and the extent to which an individual accepts consequences can be determined through deep reference checking. For example, HR professionals may ask about a candidate's temperament during a departmental crisis. How did the person respond to set-backs during the implementation of an enterprise-wide system? How did the candidate gain consensus on an emotionally-charged issue?

A recent survey we conducted revealed that almost 60% of the respondents, namely, 589 directors from the public, private and not-for-profit sectors, either agreed or strongly agreed that character can be assessed through extensive and intensive reference checking. Furthermore, the same percentage of respondents either agreed or strongly agreed that good interviewing will reveal character strengths and deficiencies in individuals.

### Interviews

The situational interview (SI) and the behavior description interview (BDI) can be used to identify leader character. The SI is based on Edwin Locke and Gary Latham's goal setting theory which states that intentions predict behavior. SI questions are derived from a job analysis to ensure job and organizational relevancy. Each question contains a situational dilemma that individuals may encounter on the job. Individuals therefore have to choose between two or more mutually exclusive potential actions. The dilemma that is embedded in the question "forces" applicants to state their true intentions rather than what they believe is a socially desirable answer. All applicants are asked the same questions. A behavioral scoring guide for scoring the answers is developed. The purpose of the scoring guide is two-fold. First, it requires an organization to articulate the desired course of action. The scoring guide is company specific—a good answer in one organization might be merely an average one in another. Second, the scoring guide facilitates agreement among interviewers as to what constitutes a good, average, or poor answer to the question. An example of an SI question is as follows:

You have been assigned to a cross-functional team to complete an important assignment. You feel that one of your team members is not doing any work at all, while others spend too much time gossiping. Overall, you feel that you are carrying all the weight for the team, and that no one else in the team cares very much about the project. The project supervisor has emphasized to you that the team must solve its own problems. What would you do?

A scoring guide for the question that includes behavioral benchmarks that illustrate a good, average, and a poor answer may be as follows:

(Good) Discuss my concerns with the team. Work with the team to acknowledge and identify the problem. Devise a solution to the problem agreeable to the whole team. Get commitments from each team member to help solve the problem.

(Average) Get the team to acknowledge there is a problem and vote on the solution; or, I would confront each team member individually.

(Poor) Do nothing; live with the challenges that emerged in the team.

This example demonstrates how leader character is assessed by an SI question, as the top behavioral benchmark includes the character dimensions of accountability (take ownership, responsible), collaboration (open-minded, cooperative), courage (brave, determined), drive (demonstrate initiative, results oriented), humanity (considerate) and integrity (candid, transparent). The low behavioral benchmark illustrates that the interviewee has difficulty in activating one or more of these dimensions.

The BDI is based on the premise of behavioral consistency—past behavior is among the best predictors of future behavior in similar situations. As with the SI, the interview questions are based on a job analysis. The interviewers are encouraged to probe the candidate's answers if what is said is not clear to them. An example of a BDI question is as follows:

Tell me about a time when someone took over the leadership of a team project and ignored contributions that were not in accordance with his or her own opinion. What were the circumstances? What exactly did you do? What was the outcome?

The scoring guide could incorporate the elements of the character dimensions listed above — accountability, collaboration, courage, drive, humanity and integrity — as well as elements of the dimensions of justice (fair, equitable), humility (reflective, respectful) and temperance (calm, composed) for the effective resolution of the conflict described in the scenario. For example, interviewees may discuss how they demonstrated ways they gave support to the disenfranchised members of the team; or the importance of avoiding putting down the ideas and beliefs of the emergent leader.

We used features of structured interviews with a professional sports franchise when they were assessing candidates prior to the professional draft. The organization had a vast amount of information on the players' competencies and the benefit of having a variety of real-life situations that they can explore with the player. Thus, they focused their interviews on each player's character and used the real-life situations to uncover who the player is and why he behaved in a particular way in a given situation. With key members of management and scouting staff in attendance, the organization learned how to assess character through interviewing. Importantly, they learned that the questions you pose and how you probe them matter. For example, asking someone how they define success for themselves is a challenging question, but typically it is the follow on questions to probe what success really means that will start to reveal the

various dimensions of leader character. Also, the character of the people conducting the interview matters. While players were coached to approach the interviews in a particular way by parents, agents and coaches, the interviewers were able to break down the façade and impression management to engage the top candidates on a more personal level through questions that contained a dilemma. Part of that can be attributed to the people in the room who would be widely recognized as people of strong character, but also in the way they managed the interview to ensure the candidates understood it was not only acceptable but desired that they be authentic. This license to be oneself in an interview and to state one's true intentions is an important aspect of a character-based interview. The advantage professional sports teams have is the extensive historical observational data on players before the draft. However, they have largely focused on physical skills and competencies rather than character in their scouting assessments.

In conclusion, a leader's character can be assessed through biodata, deep reference checking, and interviewing. Much can be gained by making the assessment of leader character in the hiring process explicit. For example, consider the appointment of Robert Benmosche as CEO of American International Group Inc. (AIG) in 2009. He led the insurance company through a challenging turnaround. By 2012, AIG had not only repaid the bailout money it had received from the U.S. government — \$182 billion — it had also given the taxpayers a \$22 billion profit on their loan to AIG. By all accounts, Benmosche demonstrated several character dimensions, specifically, drive, humanity, integrity, courage, and in particular, judgment in his effort to prevent a catastrophe that threatened the global financial system.

Organizations can make character explicit in the hiring process by adding leader character to job profiles, outlining how the various measures assess character dimensions and elements, identifying their relation to effective job performance, and thus establishing the validity of these measures.

## DEVELOPING CHARACTER

Another important avenue to ensure leader character resonates throughout an organization is to embed character in leadership development initiatives. There are people who believe that leader character cannot be developed, that you either have it or you don't. This belief is wrong. People can do a lot to develop their own character. Parents, teachers, church leaders, coaches and many other individuals help develop character in those whose lives they can influence. Leaders, organizations and professional associations can further develop character among current and the next generation leaders. Character is developed over the course of a lifetime through both formative and transformative experiences that help individuals to reexamine themselves in a different way, and there is ample research to prove it. For example, on-the-job experiences or assignments may illustrate how certain character dimensions are necessary for success.

## Feedback and Performance Management

Performance management is a key element of a comprehensive HR system. This is because it links an individual's

performance with the organization's goals. For example, in Canada, WestJet Airlines has set a goal of providing a "great guest experience." This is achieved, in part, through creating a culture of "care." The comprehensive HR system that WestJet has implemented shapes and reinforces the organization's core values and expected behaviors of employees including, but not limited to, listening, communicating, engaging in teaming behaviors, demonstrating initiative and showing appreciation. Each of these values are defined behaviorally.

Feedback is an essential part of the performance management process. Behaviorally-based feedback is particularly helpful for effective coaching and the ongoing development of individuals. Behavioral measures such as behavioral observation scales (BOS) are based on a job-analysis that yield performance criteria defined in specific, observable behavior. These scales reduce ambiguity by making explicit what individuals should stop doing, start doing or consider doing differently to increase their effectiveness. BOS facilitate the identification of training and developmental needs, the setting of specific, challenging goals for improvement in both behavior and performance, and the attainment of goals that were set. For example, Aharon Tziner and Richard Kopelman trained managers employed at an Israeli aircraft company to evaluate their subordinates' performance, to give feedback, and then to set specific, challenging goals with subordinates. The results showed that individuals who were evaluated with BOS indicated their goals were easier to understand, and reported higher commitment to the goals, than did those who were evaluated with traditional scales.

Our research with leaders in the private and public sectors indicated that they found it difficult to give feedback on character. Hence, many individuals are largely unaware of where they stand relative to character development. They spent little or no time thinking about their character. As a result, we developed a behaviorally-based assessment of leader character, the LCIA. The instrument is similar to a BOS and hence the nature of the feedback that people receive encourages the setting of behavioral goals. As well, the LCIA promotes personal reflection on ways to improve or strengthen behavioral patterns. Reflection is required to truly learn from challenges otherwise these challenges are just arduous experiences. For example, leaders from organizations such as Aecon, General Dynamics Land Systems-Canada and OMERS have weaved aspects of the LCIA into their HR practices to support performance management and leadership development.

There are a number of implications of leader character development through feedback and performance management. First, as previously noted, HR professionals should bring leader character into job profiles and assessment instruments, provide individuals with behaviorally-based feedback on their character, and include character improvement goals in personal development plans. Second, in promotion decisions, senior leaders need to be explicit as to how character contributed to a person's promotion to a senior leadership role, and be prepared to discuss character failings when they are manifested. Third, they need to emphasize and celebrate positive examples of leader character just as they do with core competencies. These actions are based on a well-known saying in business, namely, "that which gets measured gets done."

## Self-management and Stretching

Individuals can take ownership of their leadership development through self-management and stretch assignments. Training in self-management teaches employees to identify work-related challenges; to set specific, challenging goals in relation to those challenges; to monitor ways in which the environment facilitates or hinders goal attainment; and to administer positive and negative consequences to bring about and sustain commitment to the goals. For example, Collette Frayne and Gary Latham found that a 12-h training program in self-management designed for unionized workers employed by a state government resulted in a permanent change in job behavior as compared to a control group: job attendance three months after the training had taken place. It is relatively easy to envision how organizational leaders may utilize training in self-management to benefit character development. For example, the principles of self-management may be applied to risk-management thus activating leader character dimensions such as humility, temperance and judgment, or work-life balance thus activating leader character dimensions including accountability, drive and transcendence.

Character will be continuously shaped and developed as individuals encounter new challenges and gain further life experiences. For example, stretch assignments where individuals step out of their comfort zone to solve workplace challenges are a way to develop leader character. For example, individuals are likely to exercise courage, humility, temperance, collaboration and accountability to successfully implement an enterprise resource planning project across the organization. Missing out on a promotion or being fired may also be character-shaping events in that they are opportunities for self-testing, learning and subsequent development as a leader.

Good leaders are reflective and develop a strong sense of self-awareness that includes an understanding of their developmental needs. Candour in critical reflection and writing personal narratives to advance self-awareness is often difficult for individuals. For example, they may be confronted with the reality that what they previously thought about themselves and their leadership may not be what they actually experienced while working on a stretch assignment. The experience may reveal they lack temperance or accountability in leading a cross-functional team. It is therefore critically important that HR professionals ensure that the character-related lessons embedded in the stretch assignments are not lost on an individual. This brings us to the importance of behavioral modeling and mentoring.

## Behavioral Modeling and Mentoring

As we stated earlier, senior leaders play an important role in the development of the next generation of leaders. We now highlight two approaches, behavioral modeling and mentoring, that have been well-researched and offer rich opportunities for leader character development.

Albert Bandura's social cognitive theory states that individuals learn from observing others within the context of social interactions. The implication for senior leaders is straightforward. They should model the behaviors they want to promote throughout the organization. Leaders who speak

and act with humility beget others who act in similar ways. Conversely, swaggers beget swaggers; bullies beget bullies; and so forth. Any character-associated behaviors expressed or enacted by senior leaders, whether good or bad, tend to be watched closely by others, especially those at early stages of their leadership development, as they discern the behaviors that are valued in the organization.

Training in behavior modeling is among the most widely used interventions in large part because changes in job behavior and results are sustained over time. The intervention, based on Bandura's social cognitive theory, emphasizes a five step approach: (1) to describe to trainees a set of well-defined behaviors to be learned; (2) to provide a model displaying the effective use of those behaviors; (3) to provide opportunities for trainees to practice using those behaviors; (4) to provide feedback and reinforcement to trainees following practice; and (5) to take steps to maximize the transfer of those behaviors to the job. For example, Gary Latham and Lise Saari designed a behavioral modeling training intervention to improve first-line supervisors' interpersonal skills in dealing with their employees. The training program produced favorable trainee outcomes in that the performance of the trainees was significantly better than that of supervisors in the control group on a learning test administered six months after training, behavioral simulations collected three months after the training, and performance evaluations one year after the training.

The implications of these findings are straightforward for character development. First, character can be shaped in deliberate ways through both observations of role models and continued practice. For example, temperance can be developed through meditation, which reduces stress and promotes emotional stability. Elite athletes use breathing techniques to maintain their self-control. Second, there must be consistency between espoused values and desired behaviors and those that are actually rewarded by the senior leadership. Third, feedback, reflection and coaching are essential for behavioral modeling to have its intended effect. For example, individuals must develop confidence they can successfully engage in virtuous behavior as well as develop positive outcome expectancies for doing so.

Beyond modeling, an organization's senior leaders have to put their own time into leader character development. They can expose individuals to learning opportunities that activate leader character dimensions. They can coach individuals when they encounter teachable moments that would otherwise slip by. They may also serve as mentors by providing a sounding board and sharing personal experiences in handling challenging workplace situations that required the activation of the leader character dimensions we identified through research.

## CHARACTER AND COMPETENCIES

We have provided examples of how leader character can be woven into existing HR practices. Character should be elevated alongside core competencies. For example, many organizations have programs to onboard new hires, to familiarize them with the organization, and to provide specialized

knowledge and training. We have worked with an investment bank that took steps to ensure it was bringing the language of character front and center with their employees. They ran leader character workshops for new hires. The professional sports team we discussed earlier did the same thing with their newly drafted players.

There are opportunities to examine how character and competencies work together in various HR practices. For example, we have found that in developing strategic competencies the major obstacle to the development and execution of those competencies is strength of character. It takes courage to consider and raise challenges to the existing strategy; transcendence to imagine a different future state; humility as a leader to hear deficiencies associated with one's strategic leadership; collaboration to construct a robust strategy, to name just a few key examples. It is perhaps surprising to learn that in leadership development and succession management it is also possible that strong competencies in a particular job may actually undermine character development. For example, HR leaders in one organization concluded that a leader with very strong technical competencies who was lacking in humility, humanity and collaboration might only learn to develop and rely on these character dimensions when he moved to an international assignment for which he would not have the competencies to fall back on. In the new assignment he would have to be more open to learning from others and in the process would strengthen his character.

As well, it is important to consider that executives, leaders and HR practitioners influence more than just the basic HR practices of the organization. There are many initiatives that take place in organizations at any point in time such as diversity, quality management, innovation, or culture change. It is our experience that these programs or initiatives often fall short of expectations because organizations have underestimated the strength of character required to implement them. These initiatives are not simply knowledge- or competency-based and would benefit from incorporating a character-based perspective. For example, a bank requested that we work with them to bring perspectives on leader character to their extensive work in the area of diversity. They had raised significant awareness of issues associated with diversity and recognized that the dimensions of humility, humanity and collaboration may set an even higher bar for embracing diversity than even their current emphasis on gay, lesbian, bisexual and transgendered issues. We explored that the deepest sense of humanity is the respect for the true individuality of every person. There are also character links to initiatives around risk management, organizational transformation, and corporate governance, to name a few. Most of these programs focus on developing awareness and understanding, but fall short on developing the character required to actually exercise that which is being promoted. For example, many individuals have not cultivated the depth of accountability that is often assumed to be in place in programs associated with risk management, organizational transformation or corporate governance. Without that level of accountability, individuals often check out of the process when it does not suit their own personal needs. Overall, competencies are necessary but insufficient in achieving the various aims of organizations.

## CONCLUSION

Good leadership is a function of an individual's competencies, character and commitment. Leader character has received the least attention, yet studies have shown that character is an important way through which individual and organizational performance can be enhanced. We end this paper with three conclusions. First, it is important that individuals across the organization recognize that leader character is critical to their and their organization's success. Second, the importance of leader character should be reflected in HR systems and processes, from hiring to

leadership development, to promotions and dismissals. This requires embedding leader character into extant HR processes and systems. Third, leaders in the organization play a key role in promoting the development of leader character. They model the character they want to see throughout the organization and in doing so help to shape the corporate culture they believe will lead to the organization's success. They coach and mentor people so that they can succeed in those cultures. They hire and promote those who demonstrate the appropriate behaviors. In sum, they bring personal engagement in leadership development processes and programs.





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We collected data from board members in the public, private and not-for-profit sectors. The data collection was conducted in partnership with the Institute of Corporate Directors. A representative publication includes: G. Seijts, A. Byrne, M. Crossan and J. Gandz, Leader character in board governance, Paper presented at the annual meeting of the Academy of Management, 2015, August 5–9, Anaheim, California.

There are several articles that focus on leader character development including: S. Hannah and B. Avolio, The locus of leader character, *Leadership Quarterly*, 2011, 22, 979–983; S. Hannah and P. Jennings, Leader ethos and big-C character, *Organizational Dynamics*, 2013, 42, 8–16; M. Crossan, D. Mazutis, G. Seijts and J. Gandz, Developing leadership character in business programs, *Academy of Management Learning & Education*, 2013, 12, 285–305; and E. Sadler-Smith, Before virtue: Biology, brain, behavior, and the “moral sense,” *Business Ethics Quarterly*, 2012, 22, 351–376. These articles all emphasize that character can be developed and that the development of character is a life-long journey.

Research has shown that biodata measures are among the most valid predictors of job performance. Two comprehensive reviews include: M.D. Mumford, J.D. Barrett and K.S. Hester, Background data: Use of experiential knowledge in personnel selection, published in N. Schmitt (Ed.), *The Oxford Handbook of Personnel Assessment and Selection* (New York, NY: Oxford University Press, 2012, pp. 353–382); and J.F. Salgado, C. Viswesvaran and D.S. Ones, Predictors used for personnel selection: An overview of con-

structs, published in N. Anderson, D.S. Ones, H.K. Sinangil and C. Viswesvaran (Eds.), *Handbook of Industrial, Work and Organizational Psychology* (Thousand Oakes, CA: Sage Publications, 2001, pp. 165–199). The usefulness of biodata is enhanced when applicants are asked to provide supporting information to justify their answers. This finding was reported in: J. Levashina, F.P. Morgeson and M.A. Campion, Tell me some more: Exploring how verbal ability and item verifiability influence responses to biodata questions in a high-stakes selection context, *Personnel Psychology*, 2012, 65, 359–383.

Research has shown that structured reference checking – the consistent use of measures across applicants and referents – has higher criterion-related validity compared to non-structured approaches. Two relevant publications include: R.D. Zimmerman, M.D.C. Triana and M.R. Barrick, Predictive criterion-related validity of observer ratings of personality and job-related competencies using multiple raters and multiple performance criteria, *Human Performance*, 2010, 23, 361–378; and P.J. Taylor, K. Pajo, G.W. Cheung and P. Stringfield, Dimensionality and validity of a structured telephone reference check procedure, *Personnel Psychology*, 2004, 57, 745–772.

Several meta-analyses have shown the high criterion-related validity and reliability of structured interviews vis-à-vis unstructured interview. Two examples include: A.I. Huffcutt, J.M. Conway, P.L., Roth and N.J. Stone, Identification and meta-analytic assessment of psychological constructs measured in employment interviews, *Journal of Applied Psychology*, 2001, 86, 897–913; and M.A. McDaniel, D.L. Whetzel, F.L. Schmidt and S.D. Maurer, S.D., The validity of employment interviews: A comprehensive review and meta-analysis, *Journal of Applied Psychology*, 1994, 79, 599–616.

The situational interview was first introduced by Gary Latham and his colleagues. He conducted a series of studies showing that the situational interview is a valid and reliable approach to interviewing; reduces bias on the part of the interviewer; and is seen as a practical tool. Representative studies include: G.P. Latham, L.M. Saari, E.D. Pursell and M. A. Campion, The situational interview, *Journal of Applied Psychology*, 1980, 65, 422–427; and G.P. Latham and C. Sue-Chan, A meta-analysis of the situational interview: An enumerative review of reasons for its validity, *Canadian Psychology*, 1990, 40, 56–67. The situational interview sample question included in the article is adapted from: C. Sue-Chan and G.P. Latham, The situational interview as a predictor of academic and team performance: A study of the mediating effects of cognitive ability and emotional intelligence, *International Journal of Selection and Assessment*, 2004, 12, 312–320.

Tom Janz designed the behavior description interview. Representative studies include: T. Janz, Initial comparisons

of patterned behavior description interviews versus unstructured interviews, *Journal of Applied Psychology*, 1982, 67, 577–580; and T. Janz, The patterned behavior description interview: The best prophet of the future is the past, published in R.W. Eder and G.R. Ferris (Eds.), *The Employment Interview: Theory, Research, and Practice* (Newbury Park, CA: Sage Publications, 1989, pp. 158–168). The behavioral description interview sample question included in the article is taken from: U.C. Klehe and G.P. Latham, The predictive and incremental validity of the situational and patterned behavior description interviews for team-playing behavior, *International Journal of Selection and Assessment*, 2005, 13, 108–115.

Edwin Locke and Gary Latham's pioneering research led to their theory of goal setting and performance. The theory states that a specific, challenging goal leads to higher performance than a specific, easy goal, an abstract goal such as to your best, or setting no goal. The second tenet of the theory is that the higher the goal, the higher the performance. Their 2013 book *New Developments in Goal Setting and Task Performance* (New York, NY: Routledge) provides a comprehensive review of the goal setting studies conducted to date.

BOS were introduced by Gary Latham and his colleagues (see, for example, U. Wiersma and G.P. Latham, The practicality of behavioral observation scales, behavioral expectation scales, and trait scales, *Personnel Psychology*, 1986, 39, 619–628). Using BOS to provide employees with behaviorally-based feedback has been used in research on performance management. Aharon Tziner and Richard Kopelman (1988) found that goals based on BOS are easier to understand; see: A. Tziner and R. Kopelman, Effects of rating format on goal-setting dimensions: A field experiment. *Journal of Applied Psychology*, 1988, 73, 323–326. Trevor Brown and Gary Latham found a positive relationship between the level of the self-set goal on a BOS and the performance of employees, as rated by their peers, working for a Canadian telecommunications company; see: T.C. Brown and G.P. Latham, The effects of goal setting and self-instruction

training on the performance of unionized employees, *Industrial Relations*, 2000, 55, 80–95.

Gary Latham and his colleagues conducted several studies on the effects of training in self-management on performance. Representative studies include: C.A. Frayne and G.P. Latham, The application of social learning theory to employee self-management of attendance, *Journal of Applied Psychology*, 1987, 72, 387–392; G.P. Latham and C.A. Frayne, Self-management training for increasing job attendance: A follow-up and a replication, *Journal of Applied Psychology*, 1989, 74, 411–416; G.P. Latham and M.H. Budworth, The effect of training in verbal self-guidance on the self-efficacy and performance of Native North Americans in the selection interview, *Journal of Vocational Behavior*, 2006, 68, 516–523; and A. Shantz and G.P. Latham, The effect of written self-guidance on the transfer of interview training for unemployment professionals, *Human Resource Management*, 2012, 51, 733–746.

Gerard Seijts discussed the importance of stretch assignments in his book *Good Leaders Learn: Lessons from Lifetimes of Leadership* (New York, NY: Routledge Publishing, 2013). Susan Ashford and Scott DeRue highlighted the importance of reflection in leadership development; see: S.J. Ashford and D. S. DeRue, Developing as a leader: The power of mindful engagement, *Organizational Dynamics*, 2012, 41, 146–154.

Albert Bandura has written extensively on observational learning and the importance of behavior modeling in learning to acquire leadership skills. A representative book is: A. Bandura, *Self-efficacy: The Exercise of Control* (New York, NY: WH Freedman, 1997). Training in behavior modeling is one of the most widely used and researched interventions. For example, Paul Taylor, Darlene Russ-Eft and Daniel Chan conducted a meta-analysis involving 117 studies to evaluate the effects of behavior modeling training on various outcomes including job behavior and results. Their findings revealed positive and sustainable effects of the training intervention; see: P.J. Taylor, D.F. Russ-Eft and D.W. Chan, A meta-analytic review of behavior modeling training, *Journal of Applied Psychology*, 2005, 90, 692–709.

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