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Leader Ethos and Big-C Character

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To be a 21st century leader you must have two things: *competence* and *character*. I have met a lot of leaders who were very, very competent, but they didn't have character...and I've seen a lot of leaders who had superb character but lacked competence...you must have both!

In May 1991, having recently returned from commanding the triumphant coalition forces in Desert Storm, and just days before his retirement after 35 years of honorable service, General H. Norman Schwarzkopf ("Stormin Norman") addressed the corps of cadets at West Point for the last time, to impress upon those emerging leaders the key leadership lessons from his career. The excerpt from his speech in the epitaph above reflects his core message, which was powerful in its simplicity — leaders must have both character and competence — and either by itself is deficient. Followers and organizational stakeholders must not only possess trust that the leader has the necessary skills and abilities to functionally lead the group or organization, but also faith that the leader will use those capabilities not to serve himself or herself, but to serve the interests of others in ways that are honorable and aligned with the values and mores of the organization. Together these two forms of trust/faith give the leader *credibility*. Character is thus requisite to the leader's ability to influence others and to align the organization and inspire success toward socially valued outcomes.

Yet, there appears to be a crisis of trust in American business leaders, making a conversation on leader character important and timely. Many writers have suggested that the scope and scale of greed and malfeasance in organizations is escalating. In the latest Gallup poll of the professions, for example, when asked to "rate the honesty and ethical standards" of business leaders, only 15 percent of respondents rated business executives as being highly honest and ethical. Similarly, in a national study by Harvard called the *National Leadership Index 2008*, 80 percent reported that there is a crisis of confidence in America's leaders. In response, there is an uptick in organizations' establishing ethics officers and developing more robust ethical policies and mandatory ethics training. While such programs and policies create constraints and pressures that may partially align individuals' behaviors with an organization's espoused values and ethics, they cannot make up for intrinsically inspired moral agency, driven by one's own character. As stated by Plato in his *Republic IV*, "It isn't worthwhile...to dictate to gentlemen. Most of these things that need legislation they will, no doubt, easily find for themselves."

Thus there are two primary outcomes of leaders' character. First is to provide the moral compass needed to guide their organizations toward socially responsible and praiseworthy purposes. Second is to enable the leader to positively influence others. We define our approach to "Big-C" character and then discuss how it manifests in these two primary outcomes.

THE BASIS FOR "BIG-C" LEADER CHARACTER

The Oxford English Dictionary (OED) defines *personality* as "the quality or collection of qualities which makes a person a distinctive individual....", while it defines *character* as "the sum of moral and mental qualities that distinguish an individual..." These meanings suggest that character is somewhat akin to personality in that both are distinguishing qualities or aspects of the individual, yet that character is related to those qualities that are markedly *moral*. People thus tend to associate moral attributes with character, such as honesty, integrity, and virtue.

It is important however, to distinguish what we call "Big-C" character from more bounded "little-c" character. Little-c character consists of narrowly defined ethical definitions, largely composed of abstract principles such as being just, fair and honest. Little-c character focuses primarily on the individual attributes of the person as an autonomous moral agent and his or her unique ethical makeup. Big-C character follows the Aristotelian approach to character, which is not

only conceptually broader, but is also a socially embedded phenomenon. It focuses less on moral judgments about "what's right to do" in a particular situation, and puts greater emphasis on value judgments about "what's good to be" in a particular vocation, career or profession. Ultimately, the focal question that Big-C character answers is, what does it mean to lead a good life in one's chosen career or vocation — to flourish (*eudaimonia*)? Contrary to modern notions of what constitutes sucess in a career, which typically emphasize economic sucess, a good life from an Aristotelian perspective is a life of virtue, where virtue is an all-round moral excellence (*arête*) of a person embedded in and in service to the collective, e.g., community or organization. Consistent with this Big-C approach, we define leader character as *a purposeful and principled moral self that reflects the values, principles, ideals of — and duties and obligations to — the collective to which the leader belongs*.

This definition conveys two important things. First, character is not about moral "me-ism" and the modern emphasis on autonomous individual value preferences. On the contrary, it is about having internalized into one's identity and moral self those principles and ideals that the collective to which the individual belongs hold in highest regard. Our concept of "real" character then is not about self-actualization and self-expression, but about the excellences or virtues necessary to fulfill one's responsibilities to the collective in a morally praiseworthy way. In this way, moral character is as much a function of the social order as it is a manifestation of the individual person, and thus, it is impossible to understand the moral character of a leader without also understanding the larger moral culture in which he or she is located. Additionally, these collective principles certainly encompass ethical principles, but also broader virtues held in high regard by the particular group. Character valued amongst physicians may include care and compassion, passion for lifelong learning, and a sense of responsibility to advance the expert medical knowledge of the profession. A physician failing to practice lifelong learning to stay abreast of science, for example, is both a failure of character and has moral implications. Our research on character in the military, for example, identified loyalty, putting followers' interests above one's own, leading by example, being transparent, emotional temperance, and courage, as important attributes, amongst others. Big-C character thus entails internalizing the broad set of values, principles and ideals of the collective, and these extend beyond typical narrow ethical principles (e.g., justice) to encompass broader aspects of what is "good."

Second, character entails the formation of a sense of duty and felt obligation to uphold collective principles on behalf of the group, and the willingness to sacrifice in upholding those normative standards in the face of adversity. This action orientation is evident in Aristotle's statement that character "is that which reveals choice, shows what sort of thing a man chooses or avoids in circumstances where the choice is not obvious, so those speeches convey no character in which there is nothing whatever which the speaker chooses or avoids." A modern interpretation is "talk is cheap," and a person's character is only truly known when faced with tough dilemmas and chooses to act despite adversity to uphold principles. As General Schwarzkopf has bluntly put it, "The truth of the matter is that you always know the right thing to do. The hard part is doing it." Character can thus be thought

of as a capacity that provides the "strength" to withstand adversity, to resist temptation, and overcome obstacles and challenges in upholding principles and ideals associated with one's responsibility as a leader. In summarizing our approach to character described in this section, we highlight the following take-away points:

- We adopt what we call a Big-C approach to leader character that is defined as a purposeful and principled moral self that reflects the values, principles, ideals of - and duties and obligations to - the collective to which the leader belongs.
- Big-C character entails internalizing into one's identity and moral self those principles and ideals that the collective to which the individual belongs hold in highest regard.
- Big-C character entails the formation of a sense of duty and felt obligation to embody and to uphold those principles on behalf of the group, even in the face of adversity.

BIG-C CHARACTER AND A LEADER'S SOCIAL RESPONSIBILITY

As indicated above, the first outcome of Big-C character is that it provides business leaders with the moral compass needed to guide their organizations toward good (i.e., socially responsible) purposes. The importance of this outcome is underscored by the recent financial crisis and the unfolding of corruption scandals that have plagued business over the last two decades. The litany of scandals reveals that various corporations have gone wrong on the basic principles of business. Many suggest that the institution itself — specifically, the U.S. corporate business model — is tarnished; while others suggest that the entire economic system is in need of fundamental reform. But from another perspective, to say that business has gone wrong on basic principles and is in need of fundamental reform is another way of saying that business (and the society it serves) has been betrayed by its leaders.

Lack of Character and Failures of Responsibility

Organizations fail not usually on their own account, but as a result of people — leaders — failing to live up to responsibilities attached to their positions. Further, organizations and their leadership become synonymous in the minds of people: a failure of one implicates the other. This close connection between an organization and its leadership helps explain the lack of credibility that many individuals assess in business leaders as well as their lack of trust in business.

Research into the causes of the corporate corruption and financial crises that have plagued business in recent years suggests that the causes were complex and multi-faceted. Yet, a key factor was that some leaders, under increasing pressure to produce economic results for their organizations, exhibited failures of character — lost the inner moral compass that guides them toward good and socially responsible purposes and enables them to overcome obstacles and temptations in pursuing those purposes. Specifically, in recent decades, the forces of creative destruction have multiplied and intensified; the global corporate business environment became increasingly unforgiving, mercilessly efficient and

vastly more complex and fast paced. In this environment, the moral demands on management grew increasingly complex and weighty.

Under pressure from the Wall Street investor community and others, business leaders came to focus narrowly on short term financial performance. Emergent in this business context was what many consider to be business leaders' unreasonable and unrealistic obsession with meeting highly ambitious and even "heroic" economic performance results. This produced in turn several negative effects including leaders' inappropriate focus on the short term, excessive risk-taking and unethical behavior, which have all been widely acknowledged as significant causal factors in the financial crisis as well as related corruption scandals in recent times.

Overall, this behavior reflects a failure of business leaders to fulfill their social responsibilities in the face of adversity. Yet, some scholars suggest that these failures of character of business leaders reflect more than just lack of strength to stand up to ethically compromising performance pressures; they reflect a failure to internalize an appropriate guiding set of values, principles and ideals that are central to Big-C character (what we will later describe as collective ethos — a set of shared beliefs and ideals).

The high negative attention such business leaders have received as a result of years of unfolding corruption scandals and financial crises has caused many in the public to lose trust in the social beneficence of business and the trustworthiness of business leaders. This, we argue, is the natural result of a lack of Big-C character among certain business leaders that puts primacy not on the social responsibilities associated with his or her role as a leader, but on self-interests. When a chief executive officer (CEO), for example, commits the kind of deceit, fraud and corruption characteristic of those implicated in recent scandals, indignation is evoked among shareholders, stakeholders, and society in general that manifests in a sense of betrayal. The betrayal is more than personal; it is more than the fact that as investors or employees, some return or promised bonus was not received. It is also a sense that standards that ought to be upheld were violated.

People expect more from business leaders than looking out opportunistically for their narrow personal interests, or even solely the profitability of the corporations they lead. There is an intrinsic standard of responsibility that is expected that when not met, evokes a sense of betrayal and loss of trust. In other words, the performance that ultimately matters for business leaders in terms of their responsibilities, as Hugh Heclo described in his recent book, *On Thinking Institutionally,* is not just whether or not they "deliver the *goods*" in terms of short term economic performance; but, in a larger sense, whether or not they "deliver the *Good*" that was rightly expected of someone in an institutionally responsible position.

Character as a Moral Commitment

By contrast, a leader of Big-C character as we have defined above is one who is committed to and successful in living up to the legitimate expectations attached to his or her position of responsibility. The power and significance of Big-C character is that it focuses on "what's good to be," and thus the moral self of the leader. A highly developed moral self is evident to the extent that moral notions (moral values, principles, beliefs, and obligations) are central to one's self-identity. This occurs when an individual has internalized the principles of, and obligations to, their collective to the extent that they have appropriated those facets as part of their self-identity and created deep emotional bonds to those moral concerns.

As noted above, business leaders operate in complex and highly demanding performance contexts. As highlighted by Harvard Business School's Joseph Badaracco, they also operate in a state of tension between four spheres of commitments they must uphold: commitments to their own beliefs and values, commitments to employees and others in the firm itself, commitments to shareholders, and commitments to stakeholders and society external to the firm. Navigating these often-competing commitments is challenging at best. We argue that the first sphere of commitment reflects the leader's character and serves as the moral compass with which leaders choose to what extent and how they will service each of the other three spheres of commitments. Without being grounded in strong character, leaders can excessively service shareholders, or another single set of commitments to the neglect of all others. The mantra "maximize shareholder wealth" cannot be accompanied with "...by all means" — such as destroying the environment or through unfair business practices. Therefore, a strong commitment to one's own character is needed that equals or exceeds the tensions the leader feels toward other commitments if they are to maintain a moral compass for themselves and their organization.

Some description of this psychological tension is warranted. Research on the related constructs of moral identity, values centrality, authenticity, self-concordance, and other theories have all shown that the deeper and more central a moral concern is held by an individual, the greater motivation he or she has to act consistent with that concern. This occurs as individuals seek self-consistency, and acting contrary to one's values, beliefs or principles creates a disconcerting state of cognitive disequilibrium and negative moral emotions such as shame and guilt. Therefore, the more developed the leader's character, the greater drive he or she will have to act with character. This is the true definition of *integrity*, the state of being *integral* in that thoughts, motives, and actions are aligned.

This subjective experience of alignment can also inform what it means to be an authentic leader. Our research and that of Bruce Avolio and colleagues suggests that authentic leaders have a highly developed moral perspective, are transparent in communicating their perspectives to others, and align their behaviors to "walk their talk." Authenticity thus entails taking ownership of moral principles in seeking moral excellence (*arête*). Character thus serves to bridge *who a person is* (a person's sense of self and identity) with *how a person acts* (ways of thinking, feeling, and behaving).

Character and Moral Obligation and Moral Aspiration

The moral motivation associated with such Big-C character reflects the internalization of two distinct moralities: obligation and aspiration. By morality we refer to the moral values and principles of conduct that are internalized in the individual's conscience. The morality of obligation reflects the

leader's sense of personal responsibility to fulfill the obligations and duties associated with his or her role as a leader. From an ethical theory perspective, it emphasizes the categorical moral imperative — the "must" — of duty. It is the type of morality expressed in the Old Testament and the Ten Commandments; it speaks to the leader's conscience in terms of "thou shalt not" fail your responsibilities and "thou shalt not" put yourself ahead of your organization. This felt obligation is not based on contingent situational judgments, but on more deeply held categorical beliefs about what is expected of someone in a leadership role.

On the other hand, the morality of aspiration reflects the leader's sense of personal ambition to realize the moral excellences associated with his or her role as a leader. From an ethical theory perspective, it conveys the sense of "virtue." Virtue here is not meant in the truncated modern sense of moral prudishness or chasteness. Rather it conveys the more expansive notion of willful and purposeful striving — the desire to realize to the fullest the ideals and standards that constitute excellence in one's chosen career, vocation or profession. In a morality of aspiration, there may be overtones of obligation, but these are usually muted. Instead of ideas of right and wrong, of legal obligation and moral duty, the morality of aspiration entails the conception of good and bad, of praiseworthy conduct, conduct such as befits a leader performing at his or her honorable best.

The morality of aspiration does not suggest that a business leader cannot fight to win in the marketplace. A U.S. military commander may deploy combat assets with full intent of destroying the enemy, but do so with honor, fighting with chivalry. Similarly, a business leader can, as often stated by former PepsiCo chairman and CEO Wayne Calloway, "get results with integrity." It is that aspirational ideal to get results with integrity that typifies the morality of aspiration and allows the leader to maintain proper balance across their various commitments.

The two moralities combined suggest that the motivational structure of Big-C character involves a hierarchy in which leaders are lashed from below by the obligations of duty and also pulled from above by the aspirations to honor. Understood this way, the two moralities are complementary: the obligations of duty compelling leaders to fulfill their responsibilities and the aspiration to honor inspiring them to realize certain ideals and achieve a level of moral excellence — the compulsive and the attractive, the floor and the ceiling. These moralities are thus not opposing moralities, just different and complementary.

Ultimately the moral motivations associated with the moralities of obligation and aspiration enables what prominent psychologist Albert Bandura calls *moral agency*. Agency entails the capacity to exercise control over the nature and quality of one's life and enables individuals to be not just a product of, but a producer of their environments. Character enables moral agency by providing capacity and motivation to bring personal influence to bear on one's own behaviors, and as a leader in positively shaping the environment, in pursuit of projects, causes, and ideals that have moral significance. It is that which maintains the leader's commitment to his or her ideals in the face of conflicting commitments. In summarizing this section, we highlight the following take-ways:

- Much of the corporate corruption and financial crises that have plagued business in recent years can be attributed to failures of responsibility resulting from a lack of character among certain business leaders, which in turn has helped undermine public trust.
- Leader character involves formation of a moral self-identity organized around moral commitments to certain values and beliefs that serve as a leader's moral compass to navigate the complexity and competing demands of the modern business environment.
- Character manifests in two distinct moral motivations: a morality of obligation reflecting the leader's personal responsibility to fulfill obligations; and morality of aspiration reflecting the desire to realize the moral excellences associated with being a leader.
- These dual moral motivations enable leader moral agency — the capacity to succeed with integrity as a leader.

CHARACTER AND EARNING THE RIGHT TO LEAD

Beyond providing the leader with the necessary moral compass to keep his or her own and the organization's actions on course to achieve results with integrity, character also enables the leader to effectively lead. At its core, leadership is a positive influence process — a social phenomenon created as leaders and their followers interact in ways that create a sense of purpose, motivation, and direction to achieve collective goals. However, instead of such positive impacts, individuals in formal positions of authority who lack character and competence (we explicitly do not call such individuals leaders) can also create negative relationships with group members and poor social interactions that create dysfunctional outcomes such as animosity, distrust, conflicting or inconsistent goals, lack of cohesion and low teamwork. Achieving positive versus negative influence requires that the leader is able to engender alignment behind their ideas and visions as well as support for the plans they propose to achieve those visions. Followers must be persuaded intellectually, through the demonstrated knowledge and competence of the leader, to support his or her vision.

Beyond transforming followers' thinking, however, aligning efforts in an organization requires that high levels of trust be established. Followers must have trust that the plans that the leader proposes are not self-serving, are morally acceptable, and will benefit the group and lead to group success. Followers must also trust that the leader is benevolent, perceiving that the leader has the followers' best interests in mind and will not exploit them: As Wayne Calloway has also been known to say, "people dont care care what you know until they know that you care." Research indeed supports that these three forms of trust: competence-based trust, integrity-based trust, and benevolence-based trust, are all critical to establishing credibility.

Therefore the very essence of leadership, the leader's ability to positively influence others, requires that leaders first earn credibility as a competent and character-based leader. The term "earn" deserves emphasis. One can be *appointed* to a position of formal authority, but *earns* the right to lead through demonstrating that they are worthy to do so. This in many ways separates being only a manager from being a manager *and* leader.

Forms of Power and Exemplary Leadership

To better understand this phenomenon, we draw from research on forms of power. According to John French and Bertram Raven, those appointed to formal positions of authority can potentially draw from five forms of power to gain influence over others. One can use *reward power* to entice ("hit the goal and you'll get a bonus"), or threats and negative contingencies through using *coercive power* to get followers to comply with their directives ("hit the goal or your job is in jeopardy"). Further, one can use *legitimate power* as appointed authorities as a bully pulpit to get followers to comply ("do it because I am in charge and I told you so"). These first three forms of power can be called "position powers," as they are based on the formal position of authority held, and importantly, these powers are thus given to the individual when they assume that position and do not have to be earned.

The other two forms of power are *expert power* and *referent power*, and have to be continuously earned from one's followers through demonstrating competence and character, respectively. Expert power is the ability to intellectually persuade others through the attractiveness of ideas and by displaying knowledge and practical expertise that is functional, in that it generates effective solutions to the problems that the group faces. Through demonstrating their expertise, leaders can get their followers to believe in and internalize their visions and execution plans. Referent power, conversely, is gained through exemplary behavior that evidences sound character and inspires others through serving as a role model to be emulated. The fact that referent power has to be continuously earned should put character front and center in any discussion of what constitutes effective leadership.

A leader's reliance on "position power" to influence followers would manifest in what has been called *transactional leadership*. Transactional leadership is based on using economic exchanges and quid pro quo transactions between leader and followers to gain followers' support for the leader's goals. Research has shown that transactional leadership, which is based on creating extrinsic motivation in followers, is generally effective in motivating followers to *meet expectations* and achieve expected results. If you offer a bonus for selling 1000 units, 1000 units will likely be sold. As denoted in the title to his 1985 book in which he introduced *transformational leadership* theory, Bernie Bass argued that achieving *performance beyond expectations* requires that leaders go beyond transactional exchanges and transform followers such that they become intrinsically motivated and driven to perform.

Transformational leaders tap into and change individuals' values and ideals and their self-identities. They intellectually stimulate others to think differently about opportunities and threats. They create idealized influence through serving as a referent and exemplar, and by their charisma, they inspire and attract others to their leadership vision. Without using the term itself, General Dwight D. Eisenhower understood the power of transformational leadership in his famous quote, "Leadership is the art of getting someone else to do something you want done because he wants to do it." Transformational leaders would thus need to draw from sources of expert power, and more so referent power, to change the hearts and minds of followers such that they "want to do it."

Prototype-Matching and the Earning of Leadership

Research has demonstrated that followers establish mental prototypes of what constitutes a "good" leader. Credibility is then established when the qualities demonstrated by a leader matches followers' prototypes, and followers will provide or withdraw support for the leader based on their appraisal of the leader's fit or consistency in matching those qualities. We also know that these leader prototypes vary across contexts, such as different cultures, professions, and occupations. That is because groups differentially weight the importance of different attributes of character and competence in their leaders, largely based on the unique demands of each particular context. Compassion, for example, may be valued in many contexts, but be more valued in the nursing profession; courage may be more valued in a military context, and creativity more valued in an advertising agency context, etc.

Specific to the composite of qualities or attributes associated with good leader character, it is important to note that different moral communities (what we will describe as a collective's *ethos* in the next section) value different aspects of character more strongly. Further, research on leadership prototypes has shown that followers not only hold a leader prototype but also a leader *anti-prototype*, reflecting their prototype of what constitutes poor or negative leader qualities (e.g., tyrannical, unethical, selfish, etc.). While a leader's influence will vary based on the extent that they match followers' prototypes, if he or she instead matches followers' anti-prototype, influence will not only be reduced, but followers will likely outright resist influence attempts. Therefore, what constitutes good leader character is collectively formed, and followers' appraisal of the leader's fit and consistency in meeting their expectations will serve to establish leader credibility, and ultimately, determine the persuasive influence of the leader.

Credibility Earned as Links in a Chain

The discussion thus far highlights the critical role of the leader's credibility as well as their earned reputation for being credible across time. Leadership is a process, not a discrete act, and any action the leader takes is merely one more link in a long chain of history with their followers. That is, every action that the leader takes will be considered and interpreted by followers through the "lens" of their history with the leader. The effectiveness of the leader's current actions will thus be restricted by the extent that the leader has built adequate expert and referent power through their prior acts. Consider a situation where a leader, who has established himself through prior acts as a leader of character, sits down to mentor a follower. The follower would likely be open to the leader's influence attempts, believing that the leader truly cares about her development and advancement. If the leader lacks referent power through prior failures to act with character, the same attempt to mentor the follower may be looked at through a lens of great skepticism (e.g., "the senior boss must have told him to

counsel everyone'' or ''what information is he trying to get out of me'').

A similar process has been described as the leader earning ''idiosyncrasy credits'' from followers. The metaphor suggests that the leader has a ''bank account'' with followers and earns ''credits'' into their account over time and can ''spend'' those credits to influence followers. This suggests that if the leader does not continue to earn ample credits, or spend more than he/she earns, then the account can get overdrawn and the leader's ability to influence will be depleted.

In summarizing this section, some take-away points are noteworthy:

- Authority and leadership are distinct and separable concepts. One may be appointed with authority, but leadership is earned from followers.
- Members of different collectives build different prototypes for what constitutes leader competence and character.
- Leadership is earned through behaviors consistent with the prototype over time, building ''credits'' that enable the leader to exercise expert and referent power.
- Expert and referent power underpin more transformational forms of leadership.

LEADER ETHOS AND POSITIVE PERSUASSION

To better understand the role of character in the leadership influence process, we now turn to the concept of *ethos*. Ethos is grounded in ancient Greek rhetoric. In Aristotle's *Rhetoric*, there are three modes of persuasive influence: *ethos, logos*, and *pathos*. Ethos is based on the trustworthiness of the speaker's character — their credibility. Logos reflects the extent the speaker's argument is logical and compelling. Pathos reflects the extent the speaker is able to arouse emotion in the audience. Thus while ethos reflects character (referent power), logos stems from the leader's competence (expert power), and one can argue that pathos reflects the leaders charisma and oration and communication skills. Bringing Aristotle to the present, we may say that the ''3-Cs'' of competence, character, and charisma may be the 'triple threat' of leader persuasion.

Yet Aristotle argued that ethos is the most powerful of the three modes of influence. This is because ethos establishes to others that what the individual says is trustworthy and can be relied upon. The act of trusting requires, by definition, that the trustor place him or herself willingly into a position of vulnerability in relation to the trustee. Trusting a leader thus involves uncertainty and risk to followers to the degree that the leader's credibility is uncertain. Without sound character, the most well thought through and communicated idea doesn't carry the necessary credibility to be internalized by others. The leader's reputation for character — being a purposeful and principled moral person — provides a source of expectation or proof that the leader can be believed, making followers more receptive to the leader's arguments and influence.

Collective Ethos

Leader ethos thus reflects the ''practice'' of character in the social sphere and emerges only when a leader possesses the character prototype valued by those they are attempting to influence. This is because, as we established earlier, character is grounded in the normative context of the shared values, beliefs and principles of the particular collective — the *collective ethos*. Different collectives and moral communities establish unique systems of morals, relationships, commitments, and accountabilities through which members learn what is expected of them and the appropriateness, and inappropriateness of certain actions. A collective's ethos thus reflects this system of values, beliefs and mores vital to the welfare and maintenance of the collective. Members then expect their leaders, amongst all members, to most exemplify those mores. The collective's ethos, if sufficiently powerful and salient (more on that later), is thus highly normative and authoritative as it binds and obligates members of the community to certain kinds of conduct which support the social structure and welfare and success and performance of the collective. To maintain the esteem, reputation, and effectiveness of the collective, members are thus quite ready to expel or excommunicate members, whether leaders or not, that fail to live up to their ethos. Examples include a reporter who doesn't stand by a promise of anonymity given to a source, a lawyer who breaks client confidentiality, or a physician who euthanizes a patient — all against those collectives' ethos.

A Framework for Leader Ethos

Leader ethos, then, does not reside merely in the character of the leader, but neither is it simply resident in the perceptions and attributions of one's followers. Leader ethos is a relational phenomenon that emerges when, and only when, the leader displays good character and their actions are interpreted by others as being aligned with the collective ethos, resulting in positive assessments of the leader's credibility. Leader ethos thus is dependent upon followers' culturally determined prototypes of good leaders as described earlier, which provide the lens through which followers evaluate the suitability of their leader and determine whether they will allow the leader to hold influence over them.

Figure 1 provides a general summary of leader ethos and the discussion thus far. As shown, a leader's character provides the moral compass to drive behavior when attempting to influence followers. Those behaviors will be assessed by the leader's followers through two ''lenses.'' The first lens is the leader's reputation for character, the ''links in the chain'' reflecting followers' history with the leader and the extent that he or she has acted in the past consistent with the collective ethos. The second ''lens'' assesses the extent that the leader's current behaviors are consistent with the collective ethos. These lenses filter followers' interpretations of the leader's behaviors and drive whether they perceive the leader as credible and whether they will grant that leader influence. Credible leader acts then feed back to reinforce the leader's positive reputation. This illuminates the central importance of character to leadership.

The Locus, Transmission, and Reception of Leader Ethos

As shown at the bottom of Figure 1, the process of leader ethos can be illuminated by distinguishing between the *locus*,
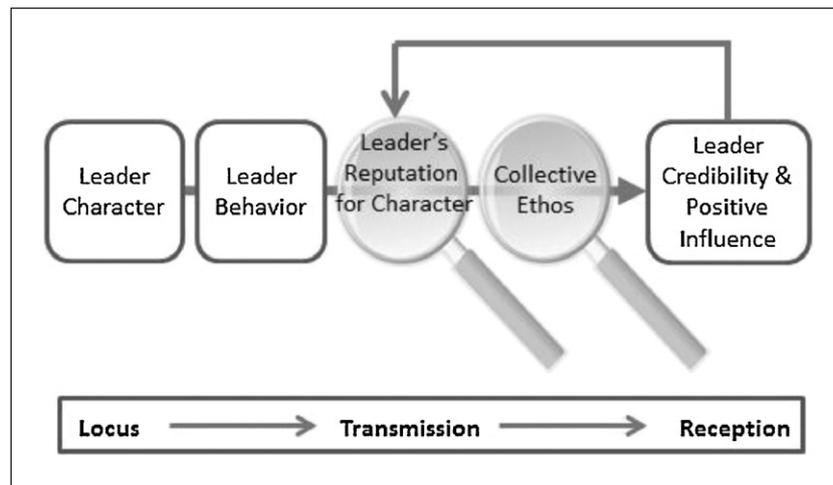
Figure 1   The Operation of Leader Character and Ethos

the *transmission*, and the *reception* of leadership. As noted earlier, the leader's character is the locus of his or her behaviors, the source or "compass" from which the leader draws their motivations and guidance. All leaders have a form of character, noble or ignoble, that drives their actions. From this locus individuals "transmit" their leadership to others through actions and behaviors, attempting to effect positive influence. Finally *reception* concerns how that transmission is received and interpreted by the targets of leadership — one's followers.

Understanding character as the locus of leadership returns us to the discussion of character in moral agency — the moral compass of the leader. Over time leaders create their own life stories, personal narratives of who they are, authentically, as leaders. Research has shown that when an individual has clearly held values and beliefs, he or she is intrinsically driven to act consistently with those mandates, as to act differently damages self-esteem and creates an inconsistent self-view. Therefore, acting inconsistently with one's strongly held beliefs creates an uncomfortable state of cognitive disequilibrium and damages one's sense of self-worth. Together this provides a motivating force to act in line with one's character.

The central and most important aspect of the locus of the leader's character is his or her motivation to lead and personal conception of success. Leaders can be driven to lead for noble or ignoble reasons. We described the motivations associated with Big-C character and the moralities of obligation and aspiration. Leaders with Big-C character are prosocially motivated to make a positive difference and pursue ideals greater than themselves. Conversely, we described how many business leaders lacking Big-C character, were motivated by a short term focus on economic performance at the expense of their broader social responsibilities. We believe this to be the "deep structure" of the leader's character, the core locus grounded in his or her moral self-identity that drives leadership behaviors. When the character of a leader earns a reputation for pro-self motivations that "lens," as depicted in Figure 1, will greatly bound the leader's ability to create influence. A leader of character, conversely, is driven by a purposeful and principled moral self reflected in reliable and praiseworthy motives that preserve

the fundamental values, principles and ideals of the community. This is because those ideals have been internalized by and thus have intrinsic value to the leader.

The actions of the leader then are interpreted through the transmission and reception phases by followers through the dual filters shown in Figure 1. Each filter is interdependent. The first lens, the leader's reputation for character, will influence the second lens: how the leader's current behaviors are interpreted. For example, if a leader has a reputation for very high levels of character, his or her current behaviors may be less scrutinized by followers, who may simply be looking for confirming "character indicators" verifying that the leader's current behaviors are consistent with past behaviors. They may even be willing to overlook small transgressions, assuming that they "must have been a fluke." When a leader has no history with the group or has a history of low levels of character, however, followers would tend to be highly diagnostic, looking closely and with great scrutiny over the leader's behavior before granting them influence. Followers may thus be highly sensitive and reactive to any indication of low character.

Both of these "lenses" are driven by the collective ethos, that characteristic spirit, prevalent tone or genius of a community that is approved and respected by its members and motivates its ideas, customs or practices. This consists of the accepted practices that define what it means to be a member of and be honored by the community; including views of what conduct will gain the leader merit or praise as well as what conduct will be regarded as wrong or inexcusable and will lead to dishonor.

The Strength of Collective Ethos

Different collectives, whether they be a profession, an occupation, an organization, or even a social group each have different strengths of ethos, meaning how shared and deeply held certain values, beliefs and ideals are held across the collective. The strength of ethos determines the extent that followers develop clear and shared prototypes of leaders and the extent that they hold leaders accountable for matching those prototypes. Some collectives can be defined more as "anything goes," while others may promote extensive

orthodoxy. When there is a clear and commonly held ethos, the lenses shown in Figure 1 are quite powerful in the accountability they place on leaders to act honorably, consistent with the ethos. Earlier in the paper we noted the intense pressure in recent years for business leaders to focus narrowly on short-term profit maximization, which in some organizations may have contributed to systematic unethical behavior leading to scandals and financial crises. It could be said that these organizations lacked adequate strength of ethos to maintain the proper conduct of members. This highlights the need for discussions of whether business could be or should be considered a profession that agrees to live by a certain set of codes — a shared collective ethos of what constitutes a noble business.

In summarizing this section, some additional take-away points are evident:

- Leaders have three modes of persuasion: *ethos* (character), *logos* (competence), and *pathos* (charismatic emotional appeal), with ethos being most necessary and important.
- Leader ethos is situated in and judged by followers through the lens of collective ethos.
- Leaders' actions will be judged both on whether their actions have been consistent with the collective ethos in the past — their history of credibility — but also on the consistency of their current actions with the ethos.
- The strength of the collective ethos will determine the extent followers develop clear and shared leader prototypes and hold leaders accountable for matching those prototypes.

COLLECTIVE ETHOS AND THE DEVELOPMENT OF CHARACTER

Research suggests that individuals are not born replete with character, but that it is socially constituted over time. It is gained through social learning processes such as observing moral exemplars and internalizing the ideals they model; and through learning and internalizing the collective ethos over time. This differs from individualistic and autonomous approaches to character and ethics, which can lead to "me-ism" and values pluralism. We argue for organizations to return to the classical ideal of character — Big-C character — which is grounded in virtues of honor and duty and emphasizes the social rather than the personal. Yet, it is important to understand that we are not promoting a form of blind conformance to obligations. A leader who simply complies with obligations in fear of punishment or pursuit of reward cannot

be acknowledged as having good character. Big-C character is manifest when the individual has thoughtfully accepted and internalized the importance of the collective ethos and has assumed personal responsibility to preserve and sustain it. In effect, they become intrinsically motivated in pursuit of those values, beliefs, and mores and have aligned them with their moral identity.

It is also important to note that a strong collective ethos not only provides the normative grounding for the formation of leader Big-C character, but as we described in the previous section, serves as the lens through which followers appraise the adequacy of the character of the leader within the moral community. This suggests that organizational and societal leaders should focus much attention and resources toward building strong collective ethos. Further, our framework illuminates that leader development programs that focus primarily on competency development will be deficient in preparing organizational leaders to lead effectively. Despite the leader's level of competence, if the leader fails to establish character-based credibility, followers will tend to not trust the validity and reliability of the leader's vision and they will lack trust that the leader will employ their competence for pro-social versus pro-self ends. Organizations should thus place character development at the forefront of leader development programs.

CONCLUSION

The terms *character* and *competence* may often be heard in discussions of what constitutes good leadership and thus come across as somewhat shallow and perhaps cliché. We suggest that is due to a lack of understanding of the richness in the meaning of those two simple terms. Adequately understanding leader character and competence requires an appreciation of how both are embedded in the collective ethos. This illuminates the heart of the leader influence process, the emergence of leader ethos, which resides at the intersection of the character of the leader and the attributions followers make of the leader's credibility, based on the leader's past and current actions. Importantly, this attribution process is grounded in the normative values, principles and beliefs of the collective ethos. Ultimately, leader ethos provides the bond between those aspiring to lead and those who see the leader as worthy of leading and subsequently choose to follow.

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