

THE SEARCH FOR WORTHY LEADERSHIP

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This paper presents a model of leadership called “worthy leadership,” defined as “the ability to guide, direct, or influence people in a way that has great merit, character, and value.” The model, which derived from the authors’ experiences consulting with and assessing senior leaders combined with existing research findings, encompasses three major constructs. These are labeled: The Capacity to Lead, The Commitment to Lead, and The Character to Lead. The factors that make up each major construct are described along with implications of the model for research and practice.

Keywords: leadership, worthy leadership, capacity, commitment, character, executive performance

In the practice of consulting, psychologists are often called upon to help organizations identify, develop, and ultimately select top executive leaders. There is an implicit hope, if not a presumption, that recommended leaders by virtue of their skills, what is important to them, and their personal behavior, will practice leadership that is worth following.

In examining the impact of leadership failures, we were struck by both the number of such failures and the carnage left in the wake of obviously “unworthy” leadership. These leaders have ultimately cost many thousands of employees their jobs and pensions, shareholders billions in value, and even left communities without anchor entities that funded roads, schools, hospitals, and other essential community services.

As the senior author considered the leaders he had known best, and also followed Congressional hearings and seemingly countless legal proceedings involving others, he was struck by the superb skills of many of the leaders who subsequently failed. When he looked even more deeply into who these individuals were as people, the knowledge they possessed as leaders, their expertise in their chosen fields, and their personal drive and work habits, he was surprised at the contrast between how well they would have

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performed in most assessments and the reality of their subsequent demise. These leaders were, in many ways, outstanding executives and were highly respected by people whose opinions most of us would value.

So what went wrong? And what can we, as consulting psychologists, do to help organizations prevent the kinds of catastrophes that have caused such serious leadership and managerial failures?

Origins of the Model

To begin answering those questions, we looked to assessment theories, practices, and tools commonly used in our field. There were tools such as behavioral interviews, cognitive and problem solving tests, personality and style inventories, work simulations, and assessment center technologies, to name a few. We also looked more deeply at our own process for assessing executives and took pride in seeing that we used multitrait, multimethod, and multiassessor models of assessment, designed to quickly bring the most reliable, valid, and relevant data-points to bear on selection decisions. Armed with rich data, we could envision confidently recommending leaders for key positions that could impact hundreds, thousands, and even millions of people's lives. Yet, we recognized the need to learn from the recent spectacular executive failures.

Of course we recognize that the field of consulting psychology, like all science-derived disciplines, will never be perfect, especially when considering the complexity of human behavior, situational constraints, and the interaction between these variables. When looking at the assessment theories, practices, and tools developed throughout the last century, the field of consulting psychology and other related fields have come a very long way. However, forward progress is often dependent upon the analysis of those critically important instances when even the best assessment practices currently in use are markedly insufficient.

So what seemed to go wrong in the practice of consulting psychology in the assessment of these failed leaders? One observation is that we may have been assessing on too few variables, and/or with a traditional bias toward capacity (i.e., intelligence and knowledge) related variables.

In January of 2004, we set out to better understand and conceptualize these issues. We began a process of systematically looking at both successful and failed executives and their organizations. Our goal was to determine whether we could help our clients avoid what were clearly catastrophic failures of executive leadership by looking more broadly at executive performance. These preliminary efforts involved reviewing client assessment files and publicly available information, and searching for points of differentiation between success and failure in high-profile leaders over the past decade. The more we looked at this information the more we came to believe that leadership needed to be more than just competent or effective—it needed to be “worthy,” and that executives needed to practice “worthy leadership.”

As we thought about defining “worthy leadership,” we first considered each word separately. The word “worthy” refers to “having adequate or great merit, character, or value” (*Random House Dictionary*, 2005). The word “leadership” refers, for our purposes, to having “the ability to guide, direct, or influence people” (*Encarta Dictionary*, 2007). Taken together, our working definition of *worthy leadership* was “the ability to guide, direct, or influence people in a way that has great merit, character, and value.” And as we looked at the cluster of attributes that needed to be accounted for in worthy leadership,

they seem to fall surprisingly neatly into three constructs: *The Capacity to Lead*, *The Commitment to Lead*, and *The Character to Lead*.

Refining the Model

To begin evaluating our initial ideas, experience, and theoretical beliefs, LWF partnered with The University of Texas at Arlington (UTA). Mark Frame, PhD, and his graduate students were asked to conduct an extensive literature search of work that might support or refute our initial thoughts on *Capacity*, *Commitment*, and *Character* as core constructs related to executive performance and *worthy leadership*. They wrote detailed whitepapers based on these literature reviews, and presented their findings to the firm's Advisory Board of Directors in October, 2004. These white papers were highly encouraging, and used as a blueprint for putting together the basic structure of what we began to call *The Worthy Leadership Model*.

The Capacity to Lead

The first construct was found to be most closely aligned with current research and practice relevant to general intelligence, technical knowledge and skills, and core personality traits (which, for leaders, may act more like ability variables) that have been consistently linked with effective leadership. It lays out the practical limits of what is possible, and where certain aptitudes and skills may be available to compensate for other deficiencies. In essence, this construct focuses attention on what executive leaders *can do* in their leadership roles.

The Commitment to Lead

The second core construct refers to the multifaceted passions and energies that seem to propel leaders to extraordinary performance. This is where terms such as "motivation" begin to emerge within the research literature, and when career and personal interests take center stage. What are people, namely leaders, interested in? What do they want to do? As basic as these questions appear, their answers become crucial for understanding performance and what oftentimes differentiates people, and successful leadership from failed leadership. People tend to follow their preferences by choosing the things they want to do, and over time, they ultimately do better in those areas (Holland, 1997). Therefore, this construct focuses attention on what executive leaders *want to do* in their leadership roles.

The Character to Lead

The third core construct was found to be the least addressed in current leadership theory and research, but central to explaining the most glorious failures of leadership we examined. Many of the failure-related issues and behaviors seemed "character" related, and therefore warranted separate treatment. This construct focuses attention, in a behavioral manner, on what executive leaders *will do*, both positively and negatively, across a variety of leadership contexts.

We then continued the process of operationally defining the three core constructs by reaching consensus on the factors, dimensions, and behavioral items to be included within each construct. The end result was a 12-factor model organized under the three core

constructs. With the initial performance model completed, we identified a psychologist from outside the firm to serve as an independent reviewer. Twelve CEOs and top-level executives representing six industries were interviewed. During these interviews, the initial performance model was presented to each executive and feedback was collected regarding the representativeness of the model for their leadership roles.

Over the past 4 years we have continued to refine *The Worthy Leadership Model*, develop assessment tools to support use of the model, and collect data to see if the model adds anything new or useful to the field of consulting psychology—and most importantly, whether the model could better help organizations avoid the kinds of catastrophic failures of leadership witnessed in recent history. Early returns on these efforts are quite positive, and we look forward to future opportunities to present these results. However, in this paper, our first published work on *The Worthy Leadership Model*, we focus on describing the model itself, and briefly discussing its relevance for the work of consulting psychologists. The organization of the model including the three constructs, 12 factors, and 32 dimensions is displayed in Table 1.

Before moving to an explication of the model, we want to be clear on one major point. We are not suggesting that the components of *The Worthy Leadership Model* are new in the vast realm of leadership research and practice. The content in the model covers much of the same territory explored, researched, and confirmed by other researchers over the last

Table 1
The Worthy Leadership Model

The capacity to lead

1. Capacity to reason and make good decisions
Critical thinking & decision making; numerical & financial acumen
2. Capacity to see & realize the future
Seeing the future; strategic & execution excellence; global acumen
3. Capacity to communicate & influence
Inspiration & influence; conflict management; leadership presence
4. Capacity to know
Job & industry knowledge; business knowledge
5. Capacity to persevere & adapt
Energy, adaptability, & humor

The commitment to lead

6. Commitment to excellence
Defines success; passion for results
7. Commitment to people & relationships
Building talent; diversity & culture; interpersonal effectiveness
8. Commitment to learning & personal growth
Insatiable curiosity; self-awareness & development
9. Commitment to stakeholders
Customers; team members; the organization; shareholders; the community

The character to lead

10. Personal integrity & ethics
Personal integrity; ethics; openness
 11. Organizational integrity & courage
Organizational integrity; courage; power
 12. Humility, gratitude, & forgiveness
Humility; gratitude; forgiveness
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half century or more. It also contains some newer elements. Our aim is to offer an alternative conceptualization of executive leadership performance and a more transparent way to balance what is currently known and what may be new. In doing so, we are hoping to be able to better discuss, measure, and emphasize what may be leading to catastrophic failures of leadership in some cases, and significant successes in others.

The Capacity to Lead

Research consistently demonstrates that intelligence is positively related to leadership performance (Bentz, 1990; Foti & Hauenstein, 2007; Howard & Bray, 1988; Judge, Colbert, & Ilies, 2004; Lord, De Vader, & Alliger, 1986). However, we believe general intelligence alone is not enough to predict effective performance and that other capacities also uniquely contribute to successful leadership. *The Capacity to Lead* consists of five factors: *Capacity to Reason and Make Good Decisions*, *Capacity to See and Realize the Future*, *Capacity to Communicate and Influence*, *Capacity to Know*, and *Capacity to Persevere and Adapt*.

Capacity to Reason and Make Good Decisions (CRMGD)

At the heart of *CRMGD* lies cognitive ability and intelligence. Many leadership researchers (e.g., Fiedler, 1986; Fiedler & Garcia, 1987; Gottfredson, 1997; Schmidt & Hunter, 2000) have found cognitive ability (typically measured as general intelligence, or *g*) to be significantly linked to job performance and that the magnitude of this relationship increases with job complexity. Leaders are constantly asked to process large amounts of often ambiguous information and to translate this information into creative solutions for complex problems. Large correlations, above .50, were found between general mental ability and performance in a meta-analysis covering all levels and types of jobs (Schmidt & Hunter, 2004). However, when Schmidt and Hunter (2004) examined the correlation between intelligence and performance solely for those in leadership roles, this relationship decreased substantially ($r = .21$). There are a number of studies suggesting that intelligence is one individual difference variable that distinguishes performance across most jobs, but that it is not the only capacity a leader must possess to be successful. Judge, Colbert, and Ilies (2004) presented a quantitative review of the relationship between intelligence and leadership. Interestingly, while they found significance in this relationship ($\rho_1 = .21$, $\rho_2 = .27$), a previous review by Judge, Bono, Ilies, and Gerhardt (2002) that inspected individual differences other than intelligence (e.g., personality theories such as the "Big Five") revealed even larger correlations between leadership and extraversion ($\rho_1 = .31$). The same was found for leadership and conscientiousness ($\rho_1 = .28$). This suggests that it is important to consider individual differences other than intelligence alone.

Not surprisingly, the first dimension of *CRMGD*, *critical thinking and decision making*, acknowledges the importance of intelligence, and thinking *quickly*, in leadership. However, it also emphasizes the need for leaders to think *well*. We contend that leaders who have a natural ability for thinking critically and making sound decisions are not only quick thinkers, they are likely to insightfully analyze relevant issues, ask penetrating questions, and contribute great ideas and solutions.

The second dimension of *CRMGD*, *numerical and financial acumen*, is the ability to see the business through numbers. In a study by Murphy (2005), numerical thinking was

found to be a significant predictor of managers' career potential. This does not necessarily mean that leadership requires advanced mathematical ability, but it does require an understanding of business metrics and their impact on the organization.

Capacity to See and Realize the Future (CSRF)

Truly great leaders have the ability to envision a compelling future for their companies. We consider *CSRF* as essential in establishing strategic objectives and anticipating trends, hurdles, and barriers facing the organization. This capacity is often thought of as ending with developing and communicating a strategic vision; however, the vision cannot be realized without establishing and executing strategic objectives within the context of an increasingly global environment. This is the basis for the three dimensions of *CSRF*: *seeing the future*, *strategic and execution excellence*, and *global acumen*.

The first dimension of *CSRF*, *seeing the future*, involves developing a vision and innovative solutions. This can also mean challenging current thinking and assumptions. According to Conger (1990), the largest contributor to negative leadership outcomes is a lack of (or faulty) strategic vision. John Humphreys (2004), author of *The Vision Thing*, highlights the importance of being able to anticipate the future. He writes, "If a corporate leader is successful, his or her vision is cited as the cause and lauded as the foundation of the leader's greatness To be sure, an organization without appropriate vision is likely to fail" (p. 96).

After developing a practical vision, getting others rallied around it and executing it, becomes the next big challenge. The second dimension of *CSRF*, *strategic and execution excellence*, involves establishing objectives and performance standards, while balancing long-term goals and short-term results to ensure execution of the vision. This is the core of most executive management positions.

The third dimension of *CSRF*, *global acumen*, refers to the ability to anticipate the impact of global events and trends on the business. Today's environment requires successful leaders to possess a deeper understanding of the global business environment than was called for in the past. Leaders with this understanding leverage global events and opportunities for business advantage and work effectively with global organizations. Global acumen has received increasing attention and researchers have given it various labels. Morrison, Gregersen, and Black (1999) call it "Savvy Global Leadership;" Den Hartog and Koopman (2003) refer to it simply as "Global Leadership." The label may change, but for many organizations it is evident that *global acumen* is becoming central to effective leadership.

Capacity to Communicate and Influence (CCI)

In some respects, *CCI* shifts the focus from the traditional definitions of capacity (i.e., cognitive ability) to other skills and abilities required of leaders. In addition to the ability to make good decisions and envision a compelling future, we believe that achieving successful results requires leaders to communicate with and to positively impact and influence others. Under the *CCI* heading we include: *inspiration and influence*, *conflict management*, and *leadership presence*.

The first dimension of *CCI*, *inspiration and influence*, represents the leader's ability to inspire a broad sense of purpose in the organization, effectively manage organizational politics and opposition, and adjust communication style to best influence others. The first two dimensions of transformational leadership, as defined by Bass (1985), are *idealized influence* (influence similar to that of a role model) and *inspirational motivation* (influence

through providing a sense of purpose). A meta-analysis by Lowe and Kroeck (1996) found high correlations (.60 and higher) between leadership effectiveness and transformational leadership. Furthermore, transformational leadership had higher correlations with leadership effectiveness than transactional leadership. We believe leaders with the ability to inspire and influence have a much greater impact on those they work with and the companies they work for.

The second dimension of *CCI* is *conflict management*. Conflict at work is inevitable, and managing conflict well is an important aspect of leadership. In 1976, Thomas and Schmidt found that 18% of a CEO's time, 21% of a VP's time, and 26% of a middle manager's time at work was spent resolving conflict (Thomas & Schmidt, 1976). It is very difficult to influence, inspire, and align people around a common goal when they are fighting with one another. People tend to follow leaders that attempt to understand and address their needs. Tjosvold, Wedley, and Field (1986) showed that effective conflict management processes were highly correlated with successful decision making. To be sure, conflict is not always a bad thing; when well managed and depersonalized, it can lead to better, more creative solutions. Effective conflict management does not require everyone to get along or agree; it does require redirecting energy to a common goal and purpose.

The final dimension of *CCI*, *leadership presence*, refers to the capacity to build stakeholder confidence by credibly representing oneself and the organization. We see this as being conceptually different than charisma, transformational leadership, or simply the ability to persuade. It is the ability of a leader to deal directly with difficult questions while remaining steady, composed, and credible. At its heart, *leadership presence* is demonstrating a relaxed comfort with self, which puts others appropriately at ease.

Capacity to Know (CK)

The fourth factor, *CK*, refers to understanding the functions, processes, and history of an organization and its industry. It is comprised of two dimensions: *job and industry knowledge* and *business knowledge*. Education and experience are the key ingredients to both of these areas.

The first dimension of *CK* is *job and industry knowledge*. It highlights the need for appropriate job knowledge, skills, education, credentials, and understanding of the industry. Education has become more predominant within the professional business environment over the last 30 to 50 years. The United States Department of Higher Education (2000) indicates that only 3,200 MBAs were granted in the 1955 through 1956 academic year, while over 102,000 MBAs were granted in 1997 through 1998. However, *CK* is more than simply having the right credentials. According to the model, a thorough knowledge of the work is fundamental to effective leadership.

The second dimension of *CK* is *business knowledge*. It focuses attention on the need for a solid understanding of business principles and models, as well as cross-functional knowledge. This knowledge helps leaders organize information, and provides a basis for making effective decisions. Knowing how the various functions of a business work with and through each other is especially important for building alliances, and ultimately, for leadership success (Mumford, Campion, & Morgeson, 2007).

Capacity to Persevere and Adapt (CPA)

Leading in any environment, but particularly in a turbulent business environment, is stressful. According to Krupp (1995), the level of stress in the workplace increased

through the late 20th century. In fact, three fourths of workers believed they experienced more stress than previous generations (Princeton Survey Research, 1997). The rapid move to a 24/7 global business culture in the 21st century suggests this trend is not likely to reverse (Business Wire, 2007).

Leaders who embody this factor keep going in the face of obstacles, especially when others would wear down and/or give up. A 1970 survey found 25 studies suggesting leaders generally have higher levels of energy than other employees. This enables them to maintain high levels of productivity, even in difficult times (Bass, 1990).

High levels of *energy, adaptability, and humor* increase the likelihood of remaining effective even through the rough patches. Zaccaro, Gilbert, Thor, and Mumford (1991) define behavioral flexibility as “the ability to respond accordingly to the characteristics of a particular situation” (p. 328). Having the ability to adapt to ever-changing business situations is imperative to successful leadership.

The 1981 downsizing within Illinois Bell Telephone highlights the importance of *CPA*. The majority of leaders and other employees affected by the downsizing reacted in one of two ways: either their performance, commitment, and health plummeted—or soared. Maddi (1987) reviewed the similarities and differences between those who remained healthy and effective and those who did not. They concluded that it was a level of “hardiness,” which we see as a personality-like variable, which determined whether or not an individual would be defeated or thrive (Maddi, 1987). This “hardiness” or resiliency is at the heart of *CPA*.

Taken together, research and our work suggest that these five capacities are fundamental, measurable, and contribute significantly to leadership success. They tend to describe what a leader *can do*. They also tend to be frequently researched, assessed, and measured; and in our view, may be over emphasized in the practice of consulting psychology.

The Commitment to Lead

We contend that *The Capacity to Lead*, although essentially important for effective performance, is not sufficient to describe *worthy leadership*. What leaders are interested in, and what is important to them—what we call *The Commitment to Lead*—is also a necessary component of *worthy leadership*. The literature broadly defines commitment as “a force that binds an individual to a course of action of relevance to one or more targets” (Cohen, 2003, p. xi). Over the last century, dozens of definitions have emerged within the literature to describe an individual’s commitment within the workplace (Morrow, 1983). In executive roles, commitment has to be much more than a general commitment to an organization, career, or job. Our work suggests that *what* executives care about, and *how* they show that they care, begins to differentiate worthy leadership from leadership that results in catastrophic failure. *The Commitment to Lead* encompasses four multidimensional factors that, when well understood and adroitly balanced, we argue, will propel leaders to exemplary performance: *Commitment to Excellence*, *Commitment to People and Relationships*, *Commitment to Learning and Personal Growth*, and *Commitment to Stakeholders*.

Commitment to Excellence (CE)

Many individuals are promoted into leadership positions as a result of going above and beyond what others are willing to do. Quite simply, they work harder and try harder than

everyone else and subsequently get rewarded with leadership responsibilities. As noted by McClelland and Burnham (1976), there is an inherent paradox in the tendency for individuals to emerge as leaders based on their need to perform better than their counterparts. The authors note, "There is no reason on theoretical grounds why a person who has a strong need [for personal achievement] should make a good manager . . . it leads people to behave in very special ways that do not necessarily lead to good management" (p. 100). McClelland and Boyatzis (1982) found support for this paradox by demonstrating that individual contributions are not enough for leaders to become successful at higher organizational levels.

The first dimension of *CE* is *defines success*. We view the requisite first step to achieving excellence is a leader's ability to clearly see and articulate what success looks like for him or her, others, and the organization. The extent to which leaders define success determines their ability to maintain high performance standards, not accept mediocrity, and drive repeatable success.

The second dimension of *CE* is *passion for results*. In addition to clearly defining what success looks like, leaders play to win. Byham (2003) states, "[A passion for results] reflects a person's desire to overcome obstacles and get things done with excellence" (p. 9). This also includes a willingness to help others do more than they believe possible, whereas also dealing directly with nonperformance and nonperformers.

Commitment to People and Relationships (CPR)

As a leader reaches higher levels within an organization, his or her individual success (as well as the success of the organization and its people) increasingly corresponds to the leader's authentic level of commitment to people and relationships. A relentless focus on task and goal accomplishment, which often gets leaders to the director level, needs to be increasingly in balance with an attention to what is important to others as they go even higher in organizations. Leaders who fully grasp this point generate positive momentum and essential goodwill (even followership) by effectively working with and through others. The behaviors included within this factor draw from, but are not limited to, recent conceptualizations of emotional intelligence (Salovey & Mayer, 1990) and transformational leadership (Bass, 1985).

The first dimension of *CPR* is *building talent*. It emphasizes the need for leaders to make developing organizational talent a priority. It is commonly said that leaders are only as good as their followers. If so, leaders carry the responsibility for finding and equipping people with the skills needed to be successful. For this reason, much of the literature covering effective leadership emphasizes the need for leaders to actively commit to developing others (Bossidy & Charan, 2003; Byham, 2003; Wood & Vilkinas, 2004). These leaders attract, select, and retain top talent, and support talent development efforts.

The second dimension of *CPR* is *diversity and culture*. Leaders who fully commit themselves to people and relationships also commit to maintaining the diversity and culture of the organization. These leaders deliberately model the intended culture of the organization, and confront intolerance or disrespect toward others.

The third and final dimension of *CPR* is *interpersonal effectiveness*. Effective relationships require leaders to listen carefully, communicate an accurate understanding of others' views, and tactfully share their own views. This encourages openness between people, and builds mutual respect. Effective leaders are aware of, and sensitive to, what makes people tick, and they consider building comfortable relationships with others to be well worth their time and effort.

Commitment to Learning and Personal Growth (CLPG)

Robert J. Sternberg (2007) noted in a special edition of the *American Psychologist* on leadership that leaders can choose to commit themselves to learning, or they can choose to stagnate. "Effective leaders do not get stuck in their patterns of leadership. Their leadership evolves as they accumulate experience. They learn from experience rather than simply letting its lessons pass them by" (p. 36). Previous research suggests that people's desire to engage in the learning process is usually at its highest point when they first enter a new organization or take on new responsibilities (Ashford & Black, 1996). However, without the stimulus of these types of new challenges, their appetite for learning new things generally begins to diminish. Effective leaders never stop learning, and they maintain high levels of performance by continually working on their craft.

The first dimension of *CLPG* is *insatiable curiosity*. Albert Einstein is quoted as saying, "I have no special talents, I am only passionately curious." Although there is a bit of obvious self-deprecating humility to this statement, there is also a bit of truth to it. Leaders who take responsibility for their professional growth often demonstrate a curiosity for acquiring new knowledge and skills. Curiosity not only initiates the learning process, it also fuels the desire for future learning (Harvey, Novicevic, Leonard, & Payne, 2007).

The second dimension of *CLPG* is *self-awareness and development*. We have observed that the leaders who continually strive for personal growth also demonstrate self-awareness. This involves a commitment to developing a keen insight about one's own motives, behavior, and impact on others, and a willingness to continuously look for even small developmental opportunities and feedback. Self-awareness is not simply attending to what works throughout the day. It also incorporates learning from painful "crash and burn" experiences. Leaders must also seek feedback from others to fully realize their potential (Peterson & Hicks, 1995). Helpful feedback can come from a number of sources (e.g., coaches, direct reports, peers, customers). However, as leaders are promoted to higher levels, the feedback channels become increasingly restricted (Kaplan, Drath, & Kofodimos, 1987). Most leaders will have to actively engage others to receive unfiltered and helpful feedback.

Commitment to Stakeholders (CS)

Up to this point, highly committed leaders have been characterized by *what* they care about: excellence, people, relationships, learning, and personal growth. These are all critical elements of *Commitment*, but it is often *whom* leaders care about, and how they show that caring, that determines whether or not they will be seen as demonstrating *worthy leadership*.

Researchers who take a stakeholder approach to strategic management view organizations as being composed of various constituencies, all of which have a legitimate stake in the organization and contribute to its success (Freeman, 1984). Within the *CS* factor, we find that leaders must demonstrate an acute awareness and concern for the impact of their decisions and actions on five primary stakeholder groups: *customers, team members, the organization, shareholders, and the community*. The best leaders are committed to, and particularly good at, knowing, understanding, and effectively balancing the often conflicting needs and wants of various stakeholders.

Taken together, our research and experience suggest that these four commitments offer an alternative view of motivation in executive leadership. *The Commitment to Lead*

defines what we believe worthy leaders should *want to do*, or care about, in tangible ways, that will lead to greater effectiveness.

The Character to Lead

We believe that for leadership to move from being simply effective (which requires sufficient levels of *Capacity* and *Commitment*) to being truly worthy, leaders also need the integrity, courage, and humility to earn and maintain stakeholder trust and to be accountable. We call this, *The Character to Lead*.

As we looked at client files, reviewed Congressional testimony on corporate failures, and followed high-profile legal proceedings, we noted the presence or absence of certain behaviors contributing to their successes were often markedly different than the behaviors contributing to their failures. The executives who failed catastrophically did not display many of the positive behaviors that were ultimately included in the *Character* construct, and were seen as “low in character.” We also observed that people were much more likely to want to follow those executives who were seen as “high in character.” Research supporting this observation suggests that people are more satisfied with leaders who demonstrate high character (Brown, Trevino, & Harrison, 2005). This research also suggests that people are likely to put more discretionary effort into their jobs when they are working for high-character leaders.

The Character to Lead is the third and final construct of *The Worthy Leadership Model*. It encompasses three multidimensional factors: *Personal Integrity and Ethics*, *Organizational Integrity and Courage*, and *Humility, Gratitude, and Forgiveness*.

Personal Integrity and Ethics (PIE)

The first factor, *PIE*, is fundamental to leadership. Integrity has been found to be related to perceptions of CEO success (Wood & Vilkinas, 2007), perceptions of organizational bottom-line effectiveness (Parry & Procter-Thompson, 2002), and employees’ job satisfaction (Vitell & Davis, 1990). When Kouzes and Posner (2004) asked what characteristics people looked for in leaders whose direction they would willingly follow and admire, 88% indicated honesty (i.e., a person worthy of trust and demonstrating consistency between word and deed).

Not surprisingly, the first dimension of *PIE* is *personal integrity*, itself, and emphasizes consistency—between values and words, and words and behaviors. A colloquialism might be that leaders with high personal integrity, “let their yes be yes, their no be no, and if they change their minds, they let others know.” From the follower’s perspective, personal integrity can be damaged by small missteps (e.g., promises and commitments not kept, scheduling a meeting and not attending, saying one thing and doing another), or big events (e.g., fiduciary breach, sexual harassment). Breeches of either type can seriously erode trust and credibility, and accumulate to actual dishonesty and personal failure (Dotlich & Cairo, 2003).

The second dimension of *PIE* is *ethics*. At the most basic level, leaders must understand the difference between right and wrong, be willing to address ethical dilemmas, and hold themselves and others accountable to high standards of professional and organizational ethics. In one study, 20 high ranking executives (90% of whom had experience in C-level positions) were interviewed on the topic of ethical leadership (Trevino, Brown, & Hartman, 2003). The consensus of these leaders was that executives

need a broad ethical awareness to be effective and a willingness to operate in the light of day (even being comfortable having their actions judged in the daily newspaper).

Leaders also need to be willing to serve as visible role-models of ethical leadership. Badaracco and Webb (1995) asked 30 young managers what or who set the ethical standards and cultures of their organizations. These managers largely agreed that the actions of leadership, rather than corporate pronouncements or formal ethics programs, determined the standards of acceptable behavior and culture. These managers also stated they were more likely to believe in the ethical codes of their organizations if they saw them enforced.

The final dimension of *PIE* is *openness*. Leaders with integrity openly share information (as appropriate), make their thinking available to others, and encourage broad participation in decisions and actions. When people do not know the minds of their leaders, they are less likely to trust them (Kouzes & Posner, 1993).

Organizational Integrity and Courage (OIC)

As *PIE* emphasizes leaders holding themselves accountable for acting in accordance with their personal values and commitments, *OIC* emphasizes the need for leaders to enforce their organizations' stated values and ethics. This also means courageously ensuring that power is appropriately managed and balanced. The Special Investigative Committee hearings of the Board of Directors of Enron Corp (Investigation of Board of Directors of Enron Corporation, Committee on Financial Services, U.S.H.R., 2002) highlighted what can happen when *OIC* is lacking. Lead investigator, William Powers, testified, "The tragic consequences of the related party transactions and accounting errors were the results of failures at many levels and by many people." He further commented, "Whenever this many things go wrong, it is not just the act of one or two people." He concluded, "... there was a fundamental default of leadership and management."

The first dimension of *OIC* is *organizational integrity*. It requires leaders to develop a system of checks and balances to enforce the ethical standards and policies of the organization. The costs of not doing so can be substantial. *The Hidden Costs of Unethical Behavior* (The Josephson Institute, 2004) reported that unethical behavior harms sales and stock price, worsens the risks associated with scandal, and can lead to civil charges, criminal charges, indelible stains, and bankruptcy. It also decreases productivity and efficiency, whereas increasing misconduct, conflict, employee absenteeism, and turnover.

The second dimension of *OIC* is *courage*. It takes courage to step up and hold the organization accountable for doing what it says it is going to do—or what it *should* do. Saying what needs to be said, making unpopular decisions, and then modeling, recognizing, and rewarding appropriate courage in others brings organizational integrity to life. Doing so requires dealing with one's own fear. Woodward (2004) proposed that fear, in fact, is a prerequisite for courage. Reardon (2007) talked about courage as a skill. Skillful courage is careful and mindful. The goal for *courage* is to have the greatest impact while thoughtfully and mindfully dealing with important issues. It is not just "whistle-blowing," but fully participating in the organization to make it more consistent and effective.

The third dimension of *OIC* is *power*. Executives, by the very nature of their roles, have enormous power to set direction, make decisions, allocate resources, and influence careers. We contend that *worthy leadership* requires an equitable, fair, and responsible approach to (and use of) power. Research finds that leaders who are more apt to rely upon personal sources of power [e.g., French and Raven's (1959) expert and referent power] see better performance from their followers (Podsakoff & Schriesheim, 1985). Participative or

democratic leadership styles are often related to follower satisfaction and productivity (Bass, 1990). These styles are marked by a tendency to share power and decision-making responsibility, and the minimal use of punishment and coercion. *Power*, in this context, also relates to using power to appropriately protect and support others.

Humility, Gratitude, and Forgiveness (HGF)

We see the three components of *HGF* as interrelated filters through which leaders tend to see themselves, work, and the people around them. These filters tend to be powerful influences on leaders' day-to-day interactions. They inform their decisions, and may heavily impact their ability to attract loyal and willing followers. Our preliminary research and experience has found that the dimensions of *HGF* are also behavioral and measurable.

The first dimension of *HGF* is *humility*. It refers to having a reasonable view of oneself—and an accurate understanding and acceptance of one's strengths and development opportunities. *Humility* means representing contributions accurately, accepting praise graciously, and showing sincere appreciation to others. We find that leaders who show *humility* are appropriately proud of their accomplishments and have self-confidence; but they are not arrogant. They fundamentally do not see themselves as better than others.

The second dimension of *HGF* is *gratitude*. It refers to having a primary life orientation that says, "I'm going to celebrate what's good and be grateful for what I have, who I am, and where I am in life." We are not suggesting a leader should not be ambitious or aspire to want to do more, contribute more, or change the world. However, we are suggesting that a "cup half full" philosophy is oftentimes more adaptive than the inverse. This goes a step beyond optimism. *Gratitude* also emphasizes showing others sincere personal appreciation for their contributions. Research shows that individuals who demonstrate gratitude are found to be more positive, happy, and satisfied with life (McCullough, Tsang, & Emmons, 2004). They also report fewer negative health symptoms and the ability to sleep better (Emmons & McCullough, 2003). We believe leaders who demonstrate gratitude have a more positive influence on their organizations and others, than leaders who operate from a perspective of deficiency or "what's wrong."

The final dimension of *HGF* is *forgiveness*. Some leaders get offended quickly, and forgive others slowly, which ultimately fosters an environment of vindictiveness and fear. The ability to forgive is linked to multiple positive outcomes. People taught the skills of forgiveness see benefits including increased well-being over time and a decrease in perceived stress and physical health symptoms (Harris, Luskin, Norman, Standard, Bruning, Evans, & Thoresen, 2006). Forgiveness has also been associated with increased immune and cardiovascular functioning, the need for fewer medications, and less consumption of alcohol (Bono, McCullough, & Root, 2008; Lawler-Row, Karremans, Scott, Edlis-Matityahou, & Edwards, 2008). Several leaders in our review could not forgive others easily, and as a result experienced health and judgment shortfalls that materially contributed to their downfalls. Our experience suggests that while leaders need to hold people accountable, they also need to be willing to forgive and move forward without retribution.

Taken together, *The Character to Lead* may depart from how we traditionally assess leadership potential, performance, and success. Unfortunately, research on these factors in the realm of leadership is generally lacking. However, we increasingly believe that *Character* is a protective factor that helps individuals and organizations avoid catastrophic failures, as well as bolster strong followership. *Character* points the way to understanding what a leader *will do* across a variety of leadership contexts.

Summary and Implications for Consulting Psychologists

We have briefly presented a three-construct, 12-factor model of executive performance constituting what we label *worthy leadership* (i.e., leading, acting, or guiding in a way that has great merit, character, and value). The need for the model was initially driven by the observation that many highly talented executives were contributing to, if not actually causing, the catastrophic failures of their organizations and destruction of their own careers. It was derived from looking deeply at a number of these executives and their organizations, formally interviewing CEOs and other top leaders, and reviewing leadership research.

We found what we believe to be three critical constructs of leadership. Of the three constructs, we found that *Capacity* has been well researched and is likely the strongest predictor of executive success. We also found that *Commitment* is essential to executive success, but also helps begin to explain many serious leadership failures. Finally, we found that *Character*, especially when rounded out with newer elements such as *Organizational Integrity and Courage* and *Humility, Gratitude, and Forgiveness*, warrants significantly more attention in the field of consulting psychology. Although leadership research on *Character* is lacking, it appears to us clearly linked to both individual and organizational success and failure.

We recognize, of course, that we have made significant leaps of faith in what has been presented. We also recognize that there is an enormous amount of work yet to be done to flesh out the details of *The Worthy Leadership Model*, and its reliability, validity, and efficacy. There are numerous obvious questions, such as: Can we empirically support the presence and organization of the three constructs, 12 factors, and 32 dimensions included in the model? Are all the variables necessary, of equal weight, and/or compensating when predicting the likelihood of success or failure? Can the constructs, factors, and/or dimensions be reliably and validly measured, and if so, do the results differentiate effective from ineffective performance?

Our preliminary empirical tests of the model with executive and director-level client assessment data appears very promising, and will be the focus of our next article. We are also encouraged that Boards of Directors, senior executives, and other leaders who have been exposed to the model have been very positive about it and find that it rings true to them. It is providing them additional information to help select leaders, assemble development programs, and better understand something as complex as the process of leadership, itself.

Finally, we acknowledge that we are fundamentally practitioners. As such, we are focused on helping real clients make critical decisions. We are clearly encouraged by the apparent potential of *The Worthy Leadership Model* to help our clients. We also encourage other consulting psychologists to consider its attributes when helping their clients identify, select, and develop executives.

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