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Character Defined

Populating the Character Curve

Whether they express their opinion or keep it to themselves, hardly anyone is neutral on the subject of leadership character. In meetings, seminars, professional consultations, and private conversations, the topic of character can generate strong reactions. Some of this heat may be sparked by the lack of a widely shared definition of just what character means. And many people are uncomfortable talking about character at all, because they view it as something deeply personal and largely unchangeable.

According to that common view, character is something we acquired as we were growing up, a set of ideas and operating beliefs that just sort of crept up on us while we weren't looking and then calcified into a framework that would, ever after, influence our view of the world and our way of living in it. These ideas about character help place it, along with politics and religion, in the category of somewhat untouchable subjects. What good can come, after all, from talking about a personal quality that you don't really understand, can't fairly assess or categorize without bias, and, in any event, cannot adapt or influence in any meaningful way? Any talk of "morals" or "values" became suspect in the last decades of the twentieth century, as a series of religious, political, and business leaders who claimed great reverence for those ideals revealed themselves to be not even loosely bound to them. Doug Lennick and I stumbled into that minefield when we published

our book, *Moral Intelligence*, in 2005.¹ In that climate, character and the morals that shaped it had become topics best left undisturbed.

In less than a decade, however, attitudes have shifted. A 2014 Google search on the phrase “morality and business” yields over thirty-one million results. From business analysts to academicians, economists, and everyday citizen investors and consumers, people worldwide are paying increasing attention to the morals demonstrated in the character of business, political, and religious leaders. But while today’s business world may be much more open to a conversation about the value of character than it was ten years ago, all of the vague and unfounded ideas that circulate around the concept of character continue to cloud the discussion with misunderstanding and controversy. So my KRW research team and I prepared to enter a social minefield when we decided to study the connection between leadership character and business results—a study whose findings formed the basis for the ideas and processes of Return on Character or ROC.

As business consultants with many years’ experience working with CEOs and senior executives, we were convinced that character shapes leadership decisions, tactics, and workplace behavior—all of which play a direct role in business results. To map the connections between all of those factors, we structured a research project aimed at bringing crystalline clarity to our understanding of what constitutes character, how it’s formed, the role it plays in our self-concept, and how it shapes our interactions with the world. (See appendix A for a detailed description of the research design.) We may have been venturing into explosive territory, but we knew that beyond it lay the answer to the *big* question: Is the strength of a leader’s character an important driver of business success?

Our first step in that journey was to arrive at a workable definition of the term *character*. That single task triggered an entire series of questions: What is character? How do we demonstrate our character through our actions, and—most particularly—how does leadership character make itself felt in the workplace? Further, just what role does character play in the CEO “value equation”? These are just some of the questions we’ll be answering in this chapter, as we begin our discussion of ROC.

Coming to Terms with Character

When you think of the term *character*, what definition comes to mind? Many people immediately respond with answers such as “honesty” or “truthfulness,” but human character actually encompasses much more than those fundamental elements. It’s also much more than loyalty, or integrity, or spiritual beliefs, fairness, or any other single value or principle.

Of course, there are many definitions of character, but American biologist, naturalist, and author E. O. Wilson offers one in his book, *Consilience: The Unity of Knowledge*, that effectively reflects the many facets of this complex concept (emphasis mine):

True character rises from a deeper well than religion. It is the *internalization of the moral principles of a society, augmented by those tenets personally chosen by the individual, strong enough to endure through trials of solitude and diversity*. The principles are fitted together into what we call . . . *the integrated self, wherein personal decisions feel good and true*. Character is in turn the enduring source of virtue. It stands by itself and excites admiration in others. It is not obedience to authority, and while it is often consistent with and reinforced by religious belief, it is not piety.²

Let’s look more closely at Wilson’s assertion that character is the “internalization of the moral principles of a society.” He’s telling us that a morally intelligent person is one who knows what behavior is expected by his or her specific culture and context as well as by human societies in general. Fortunately, we have some idea of what kinds of moral principles shape nearly *every* culture’s expectations for social behavior. Various cultural anthropologists have cataloged lists of moral principles that they claim are universal for all humans, lists that typically include some forms of expression for fairness, compassion, and honesty. Anthropologist and author Donald Brown, for example, has identified nearly five hundred behaviors and characteristics that all human societies recognize and display.³ We drew from this list when we chose the four universal moral principles of integrity, responsibility,

forgiveness, and compassion—principles demonstrated in a wide range of common human behaviors and attributes, including:

- Distinguishing right from wrong (Integrity)
- Language employed to misinform or mislead (Lack of integrity)
- Redress of wrongs (Responsibility)
- Self-control (Responsibility)
- Cooperation (Forgiveness)
- Mediation of conflict (Forgiveness)
- Empathy (Compassion)
- Attachment (Compassion)
- Affection—expressed and felt (Compassion)

Steven Pinker, in *The Blank Slate: The Modern Denial of Human Nature*, lists all of Brown’s universals and, about them, he says, “Thus while conflict is a human universal, so is conflict resolution. Together with all their nasty and brutish motives, all peoples display a host of kinder, gentler ones: a sense of morality, justice, and community, an ability to anticipate consequences when choosing how to act, and a love of children, spouses and friends.”⁴

Further evidence of these human universal moral principles comes from a study that compared American children with those in India.⁵ As my coauthor and I wrote in *Moral Intelligence*, “The differences in values were predictable: Indian children displayed more deference to elders and acceptance of tradition, while American children value personal autonomy and freedom. But their moral codes were virtually identical. Both groups of children believed that it was wrong to lie, cheat, or steal, and both thought that it was important to treat the sick or unfortunate with kindness.”⁶

So while societies vary in how they honor and express these moral principles—parents in one culture may have a very different way of teaching their children about truthfulness than those in another—in some form, these principles are embedded in the cultural norms of all societies.

Wilson also makes a powerful point when he says that strong character leads to the integrated self—a joining of head and heart, where thoughts, feelings, and actions are in harmony, resulting in behavior that demonstrates the character of an individual who walks the talk of his or her belief system. Indeed, character *has* to be expressed through behavior. Integrity, responsibility, forgiveness, and compassion don't live inside us. Our behavior, especially as demonstrated through our relationships with others, is where our character comes to life. Which means that, despite the common wisdom, character *isn't* some hidden quality that no one can really know or assess. We reveal our character all the time through observable behaviors: in the way we treat other people. As we mature, these character-driven behaviors become automatic reflexes, the character habits that express our guiding principles and beliefs.

Beyond the way we internalize universal moral principles, therefore, the definition of character that informed our ROC research includes an understanding of how we demonstrate those principles in relationship to other people. Accordingly, we define character as *an individual's unique combination of internalized beliefs and moral habits that motivate and shape how that individual relates to others.*

While this definition offers some solid footing for our observations about human character, it doesn't pave over every gap in our understanding. Each of us constantly makes decisions about how to interact with other people, and each of those decisions has the potential to either harm or enhance the other person's well-being. So it would seem logical to assume that we are moral and have strength of character when our behavior enhances the well-being of others, and we are immoral and have less strength of character when our behavior harms or detracts from the well-being of others.

Of course, the real world is complex, and so is the nature of our character. Many of the choices we make, for example, may enhance the environment or outcomes of one person, while at the very same time wrecking the lives of others. Finding a balance, wherein our behaviors promote the *most* good for the *most* people, is the ongoing task of all principled people of strong character. Adam Smith, the widely quoted source of the "invisible hand," which has become shorthand for the notion that the unfettered and unregulated free market operates so that

everyone benefits, was not an economist but a moral philosopher.⁷ In fact, while *The Wealth of Nations* is currently widely quoted, it was Smith's other book, *The Theory of Moral Sentiments*, that was most popular in his day. Republished in 2013, the publisher has this to say: "Without Smith's essential prequel, *The Theory of Moral Sentiments*, the more famous *The Wealth of Nations* can easily be misunderstood, twisted, or dismissed . . . Smith's capitalism is far from a callous, insensitive, greed-motivated, love-of-profits-at-any-cost approach to the marketplace, when seen in the context of his *Moral Sentiments*."⁸

In general, since the days of Adam Smith, our society has recognized that honoring universal moral principles such as integrity, responsibility, forgiveness, and compassion leads to a higher standard of behavior and a safer and more secure world (which, by the way, is good for business, as the ROC research data has shown). The ROC definition of character is woven around those principles, which became the foundation for KRW's work in assessing leadership character and calculating the value it brings to business results—and to our world.

Profiling the CEO Character

With the definition of character brought into clear focus, the research team's next task was to use that definition to help create a means for assessing leadership character. Step 1 involved designing a character profile that encompassed the universal principles that supported our definition, along with the fundamental behaviors that demonstrate those principles.

In figure 1-1, you see the ROC Matrix, which illustrates the profile. This matrix includes the four universal principles of integrity, responsibility, forgiveness, and compassion, each accompanied by a list of the behaviors that express them.

Because the habitual demonstration of these universal principles supports and promotes all other behaviors and habits that express human character, we refer to these four universal principles as *Keystone Character Habits*. As the matrix indicates, the habits of integrity and responsibility are dominated by our intellect (our "head"); the other two, forgiveness and compassion, are most often expressions

FIGURE 1-1

The ROC Matrix

HEAD	HEART
<p data-bbox="453 358 595 384">INTEGRITY</p> <p data-bbox="442 398 595 425">Telling the truth</p> <p data-bbox="239 430 595 481">Acting consistently with principles, values, and beliefs (walking the talk)</p> <p data-bbox="315 486 595 513">Standing up for what is right</p> <p data-bbox="418 518 595 543">Keeping promises</p>	<p data-bbox="645 358 836 384">FORGIVENESS</p> <p data-bbox="645 398 924 425">Letting go of one's mistakes</p> <p data-bbox="645 430 941 456">Letting go of others' mistakes</p> <p data-bbox="645 462 956 513">Focusing on what's right versus what's wrong</p>
<p data-bbox="373 571 595 597">RESPONSIBILITY</p> <p data-bbox="291 612 595 638">Owning one's personal choices</p> <p data-bbox="281 643 595 670">Admitting mistakes and failures</p> <p data-bbox="348 675 595 719">Expressing a concern for the common good</p>	<p data-bbox="645 571 830 597">COMPASSION</p> <p data-bbox="645 612 883 638">Empathizing with others</p> <p data-bbox="645 643 839 670">Empowering others</p> <p data-bbox="645 675 894 702">Actively caring for others</p> <p data-bbox="645 707 863 751">Committing to others' development</p>

of our emotions, or the “heart.” (We talk more about this “head and heart” connection in chapter 3.)

The behaviors associated with each Keystone Character Habit represent a person’s *default* response or reflex behavior when dealing with other people. Together, the habits and their behaviors contained in the ROC Matrix form a strong framework for a principled approach to leadership. As such, they also form the basis of the ROC survey we created to assess leadership character.

Plotting the Character Curve

The KRW research team created a survey of sixty-four questions targeted at revealing how CEOs demonstrated behaviors that express the four Keystone Character Habits, along with a similar survey that explored the behavior of executive teams. (See appendix A for details on all of the research surveys.) In the surveys, we asked randomly chosen employees to use ratings ranging from “always” to “never” to tell us how often their CEOs and executive teams demonstrated such character-defining behaviors as telling the truth, owning up to their own mistakes and failures, allowing others to make and recover from

their mistakes, demonstrating concern for the goals and well-being of others in the workforce, and following through on commitments.

Using the data from our surveys, we were able to calculate a character score for each CEO in our study and a separate score for his or her executive team. We determined that a CEO's character score would accurately reflect the employee ratings for the questions covering all four Keystone Character Habits. Then we plotted each score along a curve, which we labeled the Character Curve, to show how the CEOs ranked as a group.

Figure 1-2 shows the complete ROC Character Curve. Each dot on the graph represents one CEO and executive team in our study. At the top end of the curve, you see the ten individuals we identified as *Virtuoso CEOs* in our survey, as a result of the strong character habits they demonstrate in the workplace. To be considered a Virtuoso, not only must the CEO have ratings that would place him or her near the top of the Character Curve, but his or her executive team ratings had to rank equally high. One high-scoring CEO was excluded from the study because he failed to have a high-ranking executive team.

At the other end of the curve are the CEOs whose employees gave them the lowest character ratings. We chose to call the ten members of this group *Self-Focused CEOs*, since in nearly every case their employee responses described individuals of weak character who were out to help themselves, no matter what the cost to others.

In both cases, we limited our selection for the two groups to the CEOs who had given us complete financial data. All of the top-scoring CEOs provided financial data, but some of the lowest-scoring CEOs failed to do so. For that reason, we excluded seven of the lowest-scoring CEOs and replaced them with the next-highest-scoring CEOs in the Character Curve for whom we had financial data, until we arrived at a group of ten CEOs who met the criteria for the Self-Focused group.

Putting a Face on the Virtuoso and Self-Focused Character Categories

Each of the dots on the Character Curve, wherever they fall, represents an individual leader and the team he or she relies on to help execute

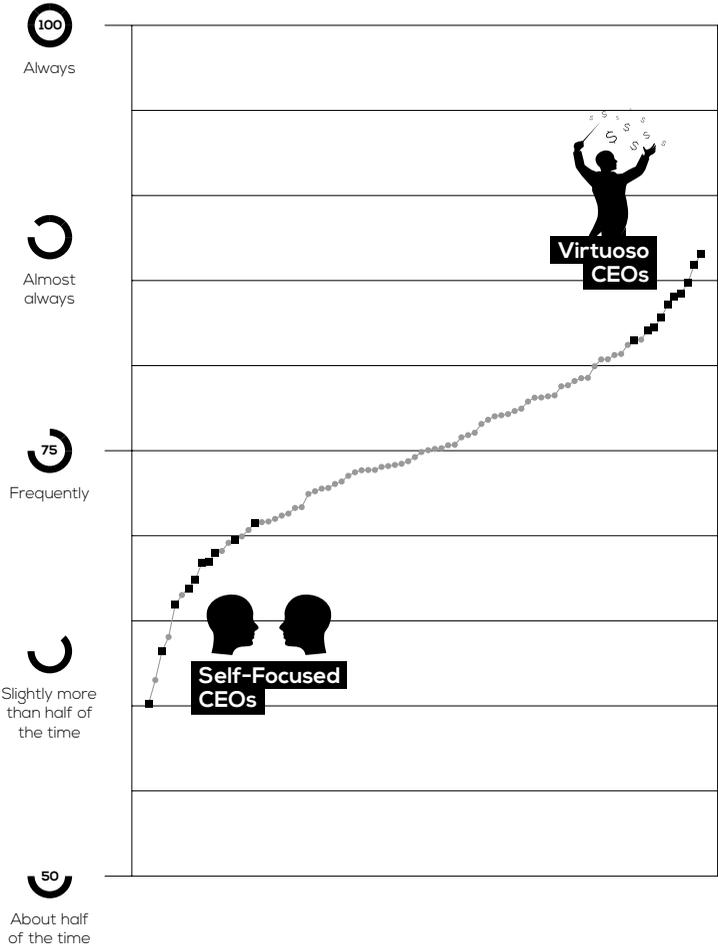
FIGURE 1-2

The ROC Character Curve

Return on
Character
score

CEO
research
subjects

The CEO and senior team
demonstrate these behaviors:



their organization's business plan. In our research, we focused on the groups that made up the "highs" and "lows" of the Character Curve: the Virtuoso and Self-Focused CEOs. But to understand what those categories mean in terms of character, we need to take a closer look at these groups and the people in them.

Although the term *virtuoso* typically describes a person who possesses outstanding technical ability at singing or playing a musical instrument, it applies very well to the act of leadership. Not only is leadership based on performance, but it is an art that requires disciplined practice as well as ability. The Virtuoso CEOs in our research truly are masters of the art of leadership.

Of course, every member of the Virtuoso CEO group is an individual; they all differ from each other in many ways, including age, gender, education, personal background, and the size and kind of business they lead. But all of the Virtuoso CEOs identified in our research share three common characteristics:

1. *They are skilled businesspeople.* All Virtuoso CEOs know how to create a vision, maintain a strategic focus, demand performance, and hold people accountable—and they create great value for all stakeholders.
2. *Their employees consider them to be individuals of strong character.* In each case, employee survey ratings ranked these CEOs at the top of the Character Curve by indicating that they consistently demonstrate the four Keystone Character Habits.
3. *They each have selected and lead an executive team of strong character.* No CEO was a Virtuoso if his or her executive team failed to achieve that same rank.

The Virtuoso CEOs and senior leaders in our group are also real people with their own, unique personal history. The group includes:

- *Dale Larson*, who became a CEO at age twenty-nine, when his father died of cancer and Larson found himself charged with the responsibility of running the family business. That was several decades ago, when the small company had just thirty or forty employees. Today, Larson's business employs over fifteen

hundred people and dominates the storm door industry in North America with a market share of 55 percent.

- *Sally Jewell*, who in 2005 became CEO of REI, a consumer cooperative and America's largest and most successful outdoor retailer, with over 120 retail stores across the United States. Jewell had a successful career as a banker before joining the REI board in 1996. In 2000, Jewell became the company's chief operating officer (COO). She remained on the executive team for five years before taking on the role of CEO.
- *Charles Sorenson*, who began his career as a surgeon. His employer, Intermountain Healthcare, in Utah, underwent rapid growth, and in 1998 Sorenson advanced into a management role. Eighteen months before I interviewed him in 2010, he was named CEO of this large health-care delivery system. Intermountain Healthcare's growth has continued; at the time of this writing, the company owns and operates twenty-two hospitals and clinics with over thirty-three thousand employees.

As Virtuoso CEOs, Larson, Jewell, and Sorenson all represent outstanding examples of leaders whose behavior clearly expresses their commitment to the Keystone Character Habits. But what about the folks at the other end of the curve?

While the Virtuoso CEOs can accurately be characterized as putting the success and welfare of people ahead of their own concerns, the Self-Focused CEOs place their own welfare and success squarely at the top of their priorities list. Employees aren't blind to this, and they gave these CEOs and the executive teams they lead low ratings on the character survey. Employees of Self-Focused CEOs agree that these leaders tell the truth "slightly more than half the time." In other words, these CEOs and their team members *lie* to their employees almost half the time. Likewise, the Self-Focused CEOs:

- Can't be trusted to keep promises.
- Often pass off blame to others.
- Frequently punish well-intentioned people for making mistakes.
- Are especially poor at caring for people.

As we discovered in the course of our analysis, the Self-Focused CEOs create far less value for all involved: a lower return on assets for investors and less workplace satisfaction and engagement among their workforce. They appear to be most concerned about their own success and financial security.

Later in the book, we'll examine the "everyone for themselves" environment that this kind of leadership fosters, and the effect these CEOs have on their organizations' results. Among this group are these leaders (with pseudonyms, for obvious reasons):

- *Brian*, the CEO of a public high-tech manufacturing firm with thousands of employees.
- *James*, the CEO of a global nonprofit nongovernmental organization with thousands of employees operating in many countries.
- *Robert*, an entrepreneur in his mid-forties who headed up a professional services firm with offices in three US cities and around 150 employees. At the time of our interview, Robert's business was flying high, but it has since struggled and closed at least one of its branches.

In figure 1-3, you can see how the employee ratings of the Virtuoso CEOs and Self-Focused CEOs compare, in terms of their demonstration of the four Keystone Character Habits. The Self-Focused group's low scores in compassion are particularly noteworthy. The survey data shows very clearly that employees know where they stand with these CEOs—as "production units," not people.

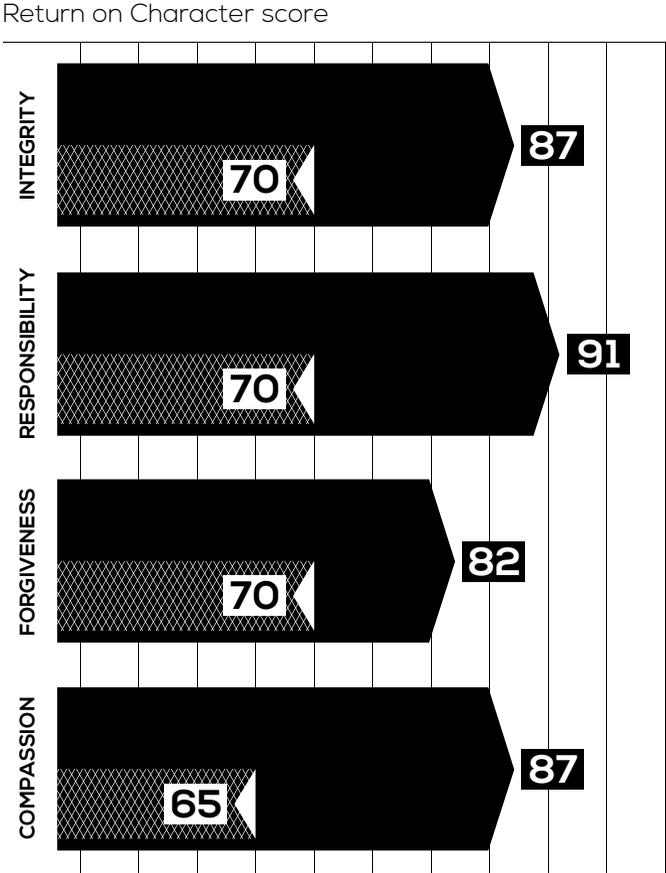
Although in the total sample of CEOs we found a few who rated highly on one Keystone Character Habit (integrity, for example) but were rated low on one or more of the others, all Virtuoso CEOs received high ratings on all four habits.

When we asked the employees of our three Virtuoso CEOs, Larson, Jewell, and Sorenson, why they had rated their leaders so highly in these four areas of behavior, here's what some of them said:

Dale's [Larson's] integrity, his level of caring about employees and the responsibility he feels for the success of the company

FIGURE 1-3

Employee ratings of CEOs' character-based behaviors



The CEO and senior team demonstrate these behaviors:

- 50 About half of the time
- Slightly more than half of the time
- 75 Frequently
- Almost always
- 100 Always

Self-Focused CEOs Virtuoso CEOs

are obvious in the way he conducts himself, whether in formal meetings or in a casual hallway conversation. For forgiveness, Dale wants people to run their own areas and he understands mistakes can happen. He allows this and allows people time to correct and recover. He does not allow ongoing errors that are detrimental to the company, which is appropriate and good.

Sally Jewell is considered extremely trustworthy and is well respected. Having worked for several major corporations before joining REI, I can honestly say I am thrilled to have her in charge and she is as good as it gets in corporate management.

[Sorenson] is very caring and open with employees and I truly believe he always wants to do the right thing for the right reason. I do not work directly with him, but he is very accessible to employees and follows through on issues and concerns. Anytime I have met with Charles, he has treated me as a valued, equal associate. There has never been a barrier between him and those under him.

When we asked the same question of employees of the three Self-Focused CEOs, Brian, James, and Robert, their responses were:

I was working on a large project which never seemed to get complete support from my CEO. [Brian] would say he supports it but his actions never seemed to match. In the end the project was canceled. Honesty would have been preferred.

There is a widespread feeling that executive management [referring to James] cares more about their own advancement and the public perception of the agency than they do about our mission. At the same time, middle-level managers and rank-and-file care about our work . . . despite the lack of soul at the top.

Right now our CEO [Robert] is having a personal relationship with someone at work. They have created a little “team” that empowers her to treat others poorly. Her success is not based on her talent,

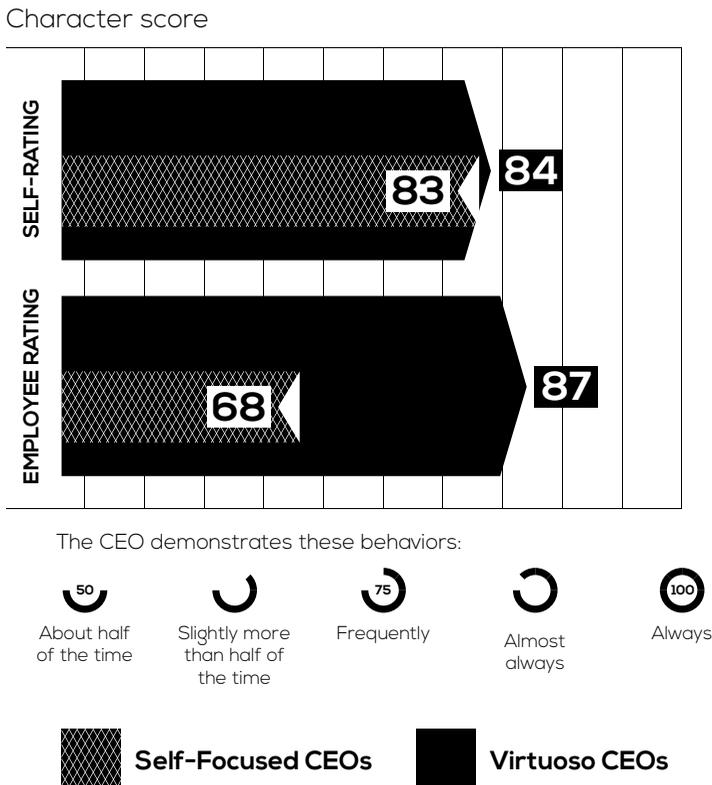
but on her relationship with him. It's disappointing to see and makes others distrust him personally and professionally.

Our research also revealed some interesting differences in the way CEOs in both categories see themselves. We asked the CEOs to rate themselves on the same set of survey questions we had given to their employees.

For the most part, it appears that the Virtuosos are relatively accurate in their self-awareness, with a few humbly underrating themselves. The majority of the Self-Focused CEOs, however, rate themselves as highly as the Virtuosos. Figure 1-4 shows, in hard numbers, how these two ratings compare.

FIGURE 1-4

Comparison of CEOs' and employees' ratings



All other differences aside, it is obvious that these two groups of CEOs differ a good deal in how they behave at work. One group is perceived by employees to be honest, accessible, and concerned about the welfare of others. Members of the other group reveal themselves to employees as dishonest, arrogant, and more concerned about themselves than others. What is not so immediately obvious, however, is why the character of the CEO and senior leadership matters.

In a bottom-line-driven economy (which means, just about every economy in the Western world), what role does CEO character play in organizational success? Do we really care how forgiving or compassionate—or even *honest*—our business leaders are, as long as they continue to deliver the goods? To trace the connection between *who* a CEO is and *what* that CEO does, and to thereby reveal the Return on Character, our researchers had to take a closer look at just what a CEO brings to the table.

Connecting the Links in the ROC Value Chain

Just about every business has its own value chain—a series of raw materials or products or processes and other activities that combine to create the overall value of the organization’s marketable product or service. That value chain plays a big role in determining the organization’s business results.

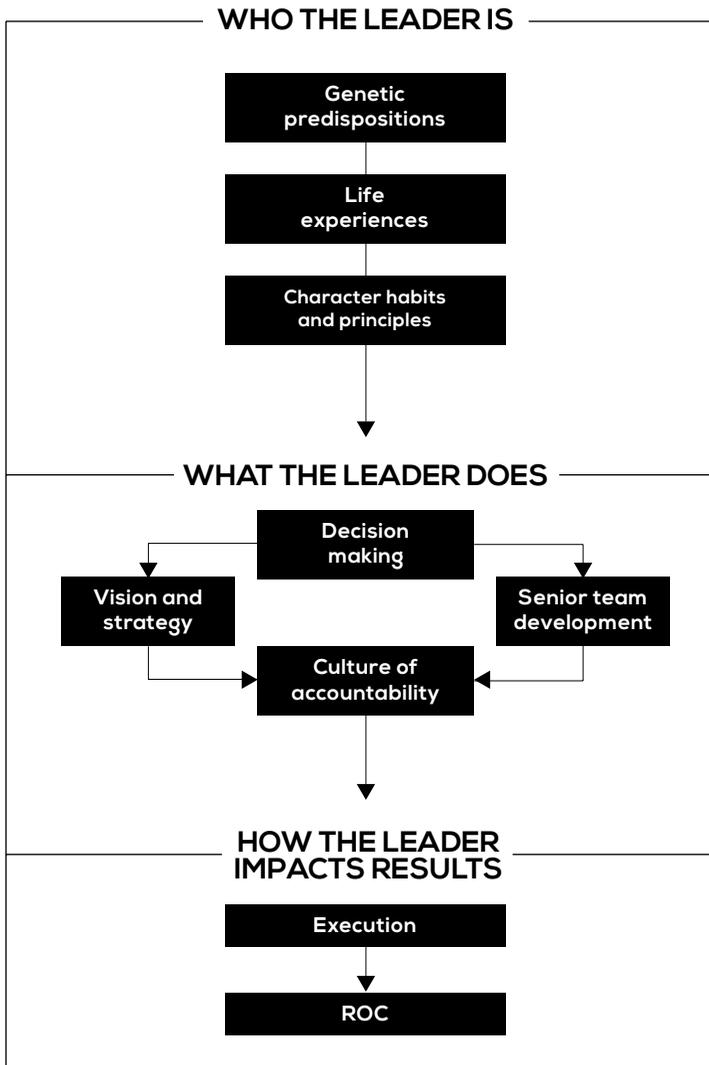
All CEOs have an impact on business results by virtue of sitting in the corner office. Those CEOs—along with leaders at every level throughout the organization—also have their own type of value chain made up of:

- The various principles, beliefs, and experiences that shape their character.
- The actions that express that character.
- The individual’s talent and skills in decision making, forming and leading a strong team, establishing and maintaining a culture of accountability, strategizing, and so on.

All of those elements combine to determine just what value any leader brings to the organization, and business results are a key measure of that value. The ROC Value Chain, shown in figure 1-5, illustrates how the combined effect of senior leadership character and skill sets impacts business results. (We'll take a closer look at

FIGURE 1-5

The ROC Value Chain



each of these elements and the research that supports them in subsequent chapters.)

The ROC Value Chain identifies the elements of a CEO's or other leader's magic formula for creating value. Let's review it step-by-step:

Genetic predispositions and life experiences. While I don't endorse the "great leaders are born" concept, neither do I accept that people begin life with a blank slate. Genetic endowment sets the stage for how we will view life and approach its challenges, but then early home life and developmental experiences determine how we make decisions and deal with people. (We examine what current research tells us about the genetic foundations of leadership character in chapter 2, "The Human Nature of Leadership.")

Character habits and beliefs. All of us are guided by our subconscious minds—perhaps more than we think. Character habits, acquired during our early years and modified throughout our lifetime, are a large part of our inner world, even though they operate mostly at a subconscious level. As we saw earlier, many moral actions that define and express our character are the result of automatic response patterns that bypass rational thought. These character habits often appear as our reflexive response to a given situation—the unfiltered expression of our beliefs. Character habits, in combination with a leader's beliefs—especially his or her aspirational beliefs for the organization—directly influence the individual's decision-making skills and other leadership activities. For that reason, a leader's character habits and moral beliefs matter a lot when it comes to value creation and business results. (In chapter 3, "The Journey from Cradle to Corner Office," we examine what the research has to tell us about how life experiences shape leadership character.)

Decision-making skills. Leadership decisions are a key element of the ROC Value Chain. No successful CEO ever reached the corner office without learning some basic leadership and business skills along the way, such as forming a vision for the future of the business, maintaining a strategic focus, creating a culture

of accountability, and creating and leading a senior team. These skills all rest on the foundation of a leader's decision-making process, which results in both people decisions (who to have on the senior team, how to grow and develop talent, and so on) and business decisions (for example, when to make changes in the business model or how much risk to assume). While leaders make some business and people decisions intuitively rather than through conscious thought, successful leaders follow a disciplined decision-making process where intuition is combined with reflective analysis. (Chapter 4, "ROC Leadership in Action," describes what the ROC data reveals about the way character influences a leader's abilities in disciplined decision making and other Keystone Leadership Skills.)

Readiness to execute the business plan. The CEO and other senior executive leaders accomplish nothing unless the organization is well structured and the workforce is engaged, focused on the business strategy, and ready to execute the business plan. The executive team's character and leadership skills, therefore, are an extension of the CEO's influence in the ROC Value Chain. (In chapter 5, "The Executive Team and ROC," we explore what research has to tell us about the role of the executive team in more detail.)

Return on Character. The business results produced by this equation are, in fact, the organization's ROC. When the links in the ROC Value Chain are operating at an optimum level, they create great value—not only for investors, but also for customers, employees, vendors (or others external to the company who provide critical products or services), the communities in which the company operates, and, finally, the environment.

The ROC Value Chain ties together all of the elements that contribute to the business results that any leader brings to the organization. But to truly calculate and understand those returns, we need to examine more closely the individual elements of this formula—a process we'll undertake in the next few chapters.

In this chapter, we've walked through the framework of the ROC calculation. We've established just what the term *character* means and how we express our character through our behavior and relationships with others. We've also had our first look into the results of the ROC research, as we examined the Character Curve created by employee assessments of their leaders' workplace behavior—and, as we've noted, how dramatically their assessment can differ from the self-assessment of the CEOs in question.

Before we move on to our in-depth exploration of how CEO character shapes business results and how individuals and even organizations can build stronger “muscle memory” in their own character, we need to better understand how character is formed. In the next chapter, therefore, we'll take a brief tour of human nature and the way our minds work to form the morals, motivations, and personality woven throughout our character.

ROC TAKEAWAYS

Character Defined

1. **Character is an individual's unique combination of beliefs and character habits that motivate and shape how he or she relates to others.** Our character is defined by our behavior—the way we treat other people is our character in action.
2. **Character and solid leadership skills are the basis for distinguishing the Virtuoso CEOs from the Self-Focused CEOs in the ROC study.**
3. **The four Keystone Character Habits of Virtuoso leadership are integrity, responsibility, forgiveness, and compassion.**
4. **To be considered a Virtuoso CEO in the ROC research, employees must rank the CEO *and executive team* as demonstrating the Keystone Character Habits most of the time.** According to their employees, Virtuosos demonstrate these habits “almost always.”

5. **Leaders identified as Self-Focused demonstrate the Keystone Character Habits only slightly more than half the time.** They score particularly low on compassion.

6. **The value a leader brings to his or her organization is determined by the individual's character (genetic predispositions, experiences, and character habits) combined with his or her business skill sets (decision making, vision, focus, accountability, executive team development).** The business results achieved through this combination represent the organization's Return on Character.