GLOBAL LEADERS:
From Charisma to Character

Charismatic leadership has lost its charm of late with the general public. **Nandani Lynton**,
*drawing on her extensive experience of working with leaders in the US, Europe and Asia, examines
how a more rational, character-based model is proving to be the way forward for businesses*

Every day someone falls foul of
financial or business misdoings, sexual
involvements, addiction or abuse. The
social costs translate directly into a net
negative wealth effect for society.

Individual leaders are crucial as role models,
guides and guardians of cultural and corporate
values for others in their organisations.
Scandals in the early 21st century, such as
Enron, Tyco International or more recently

Bernard L. Madoff Investment Securities
illustrate what can happen when leaders feel
they can outsmart accepted rules or create
instruments outside the spirit of the rules.
There have been many approaches to looking
at the impact individual leaders have on large
organisations. Jim Collins has consistently
followed this theme as evidenced in his
*Good-to-Great: Why Some Companies Make
the Leap… and Others Don't* (2001) and *Level 5
Leadership* (2005). Using extensive data from

interviews with leaders and subordinates in
a range of organisations, Collins tracks the
crucial role of good leadership in building
and running strong organisations. In *How
the Mighty Fall* (2009), Collins explores
the other side of the coin, describing how
leadership that becomes too convinced
of its own good judgment can slowly turn
inwards, closing out contradiction and
external feedback until it can no longer
see past groupthink or serve the market.

Kiel and Lennick (2005) causally link principled leaders and the good business results of their companies. This research makes the case that a leader's main role is to hold and communicate the vision for the organisation. Leaders must be visible models for how to act and what to strive for. If they communicate a clear vision, then others in the organisation can choose to align with their principles or leave. Significantly, the upcoming leadership generation responds to good character. My research using surveys and in-depth interviews of 600 urban and educated members of Generation Y in China, South Africa and Chile show that even in these dynamic markets characterised by change, growing materialism and corruption, the younger generation attaches great importance to ethics and integrity. They rate purpose – individually and in organisations – highly, and they seek role models at work.

In China especially, young people will respect a boss who lives strong values equally at work and in their private life, and they leave companies that do not live up to these expectations (Lynton 2011). This attitude is similar to that recorded in the literature on Generation Y in the West, which emphasises its commitment to community and therefore to selecting employers based on their Corporate Social Responsibility programmes (e.g. Fritzson, Howell & Zakheim 2008; Hewlett, Sherbin & Sumberg 2009).

The 20th century executive macho is out. Based on changes in media reporting, it seems the public tolerance for misdoing is shifting. My research on Generation Y shows that they do not accept these 'privileges' of power (Lynton 2011). The youth are not just idealistic; rather, they judge that bad behaviour is simply not 'cool'. It is increasingly seen as a sign of immaturity and a lack of self-control. Such behaviour shows the person did not calculate the costs of a choice. Why would you be so stupid?

SHADES OF GREY

Business leaders are not supposed to be angels: they are there to do business and make a profit. But there seems to be an increasing emphasis on values. Research in China shows that Western and Chinese leaders develop their ethical senses differently: Westerners use self-reflection to create mindfulness while Chinese leaders identify with group values and draw on images of nature and traditional philosophy to enhance their awareness.

The 20th century executive macho is out

Conversations and interviews with Chinese businessmen suggest they see that compliance based on law alone is not enough. A member of the Shanghai government said: "Unless the leaders of a company have morals and love, they will not be able to answer questions that companies must ask: How should we act? How should we treat people?"

Following on from scandals about a lack of attention to safety, business people are saying they need to be honest to earn the public's trust, which is capital for sustainable development. In other words, no moral credit, no trust, no cooperation, no business.

As reflection is the main path to ethical awareness in the West, leaders are responsible for reflecting on their behaviour, for being aware of their weaknesses, for spending time securing feedback, and for working on their danger areas. There are assessments of potential derailers; there are coaches and books and friends that can help. Fast et al. (2009) write: "One way people in power can guard against this [overestimation of themselves] is to place themselves into a deliberative mindset, focusing on the pros and cons. This takes a great deal of discipline, however, as the tendency after taking power is to move straight to action".

So leaders should be encouraged to do moral health checks. In turn, organisations need to provide support through tools such as regular 360° reviews and post-project debriefings. These should apply to everyone.

Increasingly there are voices helping leaders with the quest to be authentic, whole persons. Friedman (2008) lays out steps he uses with executives to aid them in balancing their personal and professional lives. Schwartz and McCarthy (2007) encourage executives to raise their overall life productivity by paying attention to the four domains of physical, mental, emotional and spiritual energies. There has been a move to focus on leaders' authenticity, as researchers note that leaders must bring their whole person to the table in order to be perceived as sincere (e.g. George & Sims, 2007).

The business environment today is complex, diverse, interconnected and rapidly changing. In this context, it takes clarity about core principles to work effectively and reach good decisions. Leaders are important role models who set the tone for the organisation; this means they need to walk the talk, demonstrating congruence in their personal and private life more than ever.

Choosing leaders because of their strong personalities and charisma was accepted in the past. It is no longer sustainable in the future.

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