The character that takes command in moments of crucial choices has already been determined by a thousand other choices made earlier in seemingly unimportant moments. It has been determined by all the "little" choices of years past – by all those times when the voice of conscience was at war with the voice of temptation, [which was] whispering the lie that "it really doesn’t matter." It has been determined by all the day-to-day decisions made when life seemed far away – the decisions that, piece by piece, bit by bit, developed habits of discipline or of laziness; habits of self-sacrifice or self-indulgence; habits of duty and honor and integrity – or dishonor and shame.

Ronald Reagan, 1993

In a time when few leaders can face the scrutiny of in-depth investigation into their personal lives, the recognition that the profile of a healthy individual includes an examination of character is critical. It is not enough to be physically, psychologically, and spiritually sound. To complete the package, one must examine one's character in order to ensure the optimal use of life. The final piece of the four-dimensional model, our character, can be developed and improved, just as our physical or psychological health can.

As we have gone through our lives, we have each faced decisions that have become turning points in our lives. These decisions loom large in our memories. They either bring about a sense of pride and contentment for a choice well made or they remind us of our failures, e.g., a time when we should have given more consideration to the needs of others or perhaps should have taken a different perspective. What both of these kinds of memories have in common is that they contribute to the persons we are. Our character, however, is created and developed by more than just these defining moments of critical choice. Our character is molded and changed each day by the small, seemingly inconsequential decisions we make in every area of our lives. It is
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upon these small choices that we build the strength to face the large decisions that define our lives.

Personal integrity

The definition of character has received much attention in the literature. Some see character as the opposite of personality (Kupperman, 1991). Personal integrity is what we show the external world, whereas character is who we really are on the inside. Others see character and personality as virtually interchangeable, with the exception of the morality connotation that character brings to mind. For our purposes, we define ethical character as personal integrity. Integrity is defined as "the state of being unimpaired; soundness or the quality or condition of being whole or undivided; completeness." The individual is undivided in his or her fundamental beliefs and attitudes, presenting those values to everyone.

In A Better Way To Think About Business, Robert Solomon delves into the idea of personal integrity. Solomon describes how integrity is often misunderstood as simply resisting temptation. In reality, someone with personal integrity is often required to take action against an issue that seems unjust or inequitable (1999). The person cannot simply refuse to participate in the behaviors. A person with true integrity must stand up for what he or she believes.

Likewise, people of integrity are often thought of as inflexible and not team players. Refusing to participate in an activity that goes beyond the limits of one's personal values and beliefs does not indicate that the person is not a team player. Rather, this quality that is perceived as inflexibility demonstrates a personal level of commitment to ideals that are not open to negotiation. It is a pledge to the wholeness of oneself that is inflexible, not the person.

A perfect example of commitment to one's personal integrity is Admiral Jeremy Michael Boorda (Thomas and Barry, 1996). At the age of fifty-six Admiral Boorda took his own life, on 15 May 1996 in response to news of an investigation into his eligibility to the tiny bronze "V" on the medals on his uniform. Many felt that the Admiral had every right to wear the medals and could have survived the investigation, but personal integrity was so important to Boorda that he could not face even the mere suggestion of deception on his part.

Admiral Boorda was the first man to ever rise through the ranks of the navy from enlisted man to the navy's top commander. He was well liked, and many referred to him as a "sailor's sailor." He believed in accepting personal responsibility for himself and all who served under him. Shortly before his death, in a speech to the midshipmen of Annapolis, Boorda stated that: "Every single person in the navy should have one leader they can look to and say, 'That person is responsible and accountable for me.'" Boorda believed that person to be himself.

In true navy tradition, he believed that a captain in battle always goes down with the ship. As the "captain" of the navy, he perceived himself as responsible for everything that went on in the navy, whether he was at fault or not. Boorda set himself up as the example to his men and could not tolerate even the slightest question of his integrity.

Today, the rules governing the awarding of combat "Vs" are very clear. In 1965, the rules were ambiguous and simply stated that "V" pins were authorized for "direct participation in combat operations." Some high ranking navy officials concluded that he had every right to wear the "V" insignia for valor. Even Arizona Senator John McCain, a former Vietnam prisoner, stated that wearing the decorations "could have been an honest mistake" and that "For someone to allege that he somehow deliberately distorted what was a superb record to me is patently unfair" (Priddy, 1999).

Attempts finally to put the matter to rest for the family of Admiral Boorda and the navy, US Navy Secretary John Dalton signed a memo in which he cited a letter from retired Admiral E.R. Zumwalt, chief of navy operations during Vietnam. In this letter Admiral Zumwalt wrote that Boorda was "clearly authorized" to wear the medals and that wearing them was "appropriate, justified and proper."

In the end, Admiral Boorda did what he felt was right for himself, his family and the navy. A suicide note left by Boorda to the navy or "my sailors," as he called the entire fleet, explained that he "did not wish to be a burden, one more blow to [the navy's] honor." Boorda choose death rather than have his integrity or that of the navy challenged.

Personality integration

The idea of personality integration is fundamentally relevant to personal integrity. Personality integration is the development of a balanced personality, one having sufficient autonomy, sound principles, and the
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10 Ethical character

Ethical character

Character is not defined simply as an unchangeable aspect of one's personality; rather, it is a more encompassing view that considers one's entire being. Character is the degree to which an individual has the ability to act upon his or her values. It is the strength and conviction to stand your ground and make the morally right decision even when it is difficult. Strength of character means the person has the ability to consider the needs of all involved, not just his or her own needs, and to project those needs into the future, not just to patch together a quick fix for today.

Making decisions regarding an issue that has a clear right answer and a clear wrong answer is easy for anyone. The difficult decisions are the ones in which there is no clear right or wrong answer and in which any decision made will leave someone disappointed or worse. These situations are where individuals with character make the better decisions. They have the ability to evaluate the situation and make the tough choice when necessary, even when that decision proves to have immediate negative outcomes.

Foundations of character

There are several different ethical foundations upon which a person can develop his or her ethical beliefs. The first is known as rule-based ethics, rooted in the work of Immanuel Kant (Kant, 1964). The work of Kant focuses on the rights and duties of the individual. It states, in broad simplistic terms, that men must lead moral lives and the requirements of morality are always more important than any and all other reasons for doing something when the two contradict each other. Kant required man to follow the universal imperative that states that man must always be prepared to do whatever moral duty requires regardless of the consequences.

The second foundation is called consequence-based ethics and was developed from the writings of such well-known philosophers such as John S. Mill (Mill, 1910) and Jeremy Bentham (Bentham, 1948). This ethical model directs one's primary focus to the consequences of one's actions. Chosen actions should produce the greatest good for the greatest number and should focus on the end result of actions, not just the obligation to one's duty.
Corporation’

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John Goolsby served the Howard Hughes Corporation for eighteen years, the last ten as President and eight as CEO. During that period, the corporation was engaged in significant real estate contracts and financial deals. Contexts such as this present executives and leaders with ethical dilemmas and it was here that Mr. Goolsby refined his thinking about ethical leadership. His early mentors helped him to develop a keen sense of what constituted ethical conduct and how to be aware of pitfalls. Executives often face numerous and continuing issues involving actions by the other parties to improve their chances of being successful in business decisions related to goods and services. While outright bribes breach an ethical standard, other inducements are more subtle, and much more common in attempting to influence a decision. These may include lavish entertainment, paid trips with no bearing on the decision, entertaining family members or others not involved with the product or service, personal residence enhancements, unrelated business opportunities, or suggestions of future employment. For Mr. Goolsby, the keys to dealing with these types of ethical dilemmas or breaches include leadership by example and clear direction with respect to expectations. At the Hughes Corporation, he was aided by a board absolutely committed to conducting business in the most ethical manner. Together, they developed a written ethical policy that gave clear guidelines, including specific examples, for all employees to use as guidance. Each employee was required to sign an acknowledgement of his understanding and adherence to the policy annually. An overriding principal in the Hughes ethical policy that was developed was that any action taken by an employee should be for the sole benefit of the company, not the individual. A key question all employees must answer is: Did the inducement offered to me in any way, directly or indirectly, affect the decision? One of his early mentors told Goolsby that a good guide to use in making any business decision is to assume that whatever action you take was going to be the headlines in tomorrow’s newspaper. How would you feel? Now serving on various boards of directors himself, Mr. Goolsby makes it a standard practice to ensure that the company has an ethical policy much like that forged at the Howard Hughes Corporation.

These two ethical frameworks share a common goal in deciding, “What is to be done?” They differ, however, on how to resolve this issue. The consequence-based ethics models purports that “What is good?” must be answered before you can address the question of “What is to be done?” By answering, “What is good?” the individual can then discover the best way to attain the “good.” Rule-based ethics states that what is to be done is directed by morality. For example, while a consequence-based ethicist may believe abortion is wrong but in order to save the life of the mother it is acceptable, the Kantian or rule-based ethicist could not accept the termination of the pregnancy even if the life of the mother were lost.

These two ethical models give individuals the foundation for the minimal required actions to which they must adhere. However, they fall short of the third model, virtue ethics, in offering guidance as to how to be a better person and thereby a better member of the organization. Recognizing this, many moral philosophers began to return to the Aristotelian view of ethics, which first addresses the individual and then addresses the individual as a member of an organization. In other words, we cannot create ethical organizations by writing policies and procedures. To make the organization ethical, first we must develop ethical employees; then, the organization, as a whole, will naturally follow.

Many people have attempted to define this multifaceted concept of character. In a 1998 sermon, Dr. Stephen Murray defined character as “Who you are when no one is watching.” Kennedy (1995–96) states that one can define his or her character by asking two questions: first, “What is the right thing to do in this situation?” followed by, “What sort of person must I become to be able to do the right thing?” Newman and associates offer that an individual’s character is found through answering the question, “Who shall I be?” (Newman, Gray, and Fuqua, 1996). Closely related to Newman’s findings is Badaracco’s (1997) suggestion that we ask ourselves “Who am I?” to get at the root of our own character. What all of these definitions have in common is that they describe character as the product of a conscious decision and a commitment to live out the actions of that decision; the ethical decision to be intrinsically connected to the individual’s essence. Aristotle offered a very simple opinion; he saw the person, or rather the character of the person, as the sum of all of his or her previous decisions.
The “good person” and the “good life”

Aristotle was among the first philosophers to directly address the issue of character in the form of virtue-based ethics. In *Nicomachean Ethics*, Aristotle looked at virtue ethics as the guiding force for defining who we are as people (Aristotle, 1998). He stated that we, as individuals, should strive to achieve the “good life” by being the “good person.” For Aristotle, the “good life” was achieved by striving to attain the ultimate end. That end for Aristotle was happiness. He felt that happiness was the only thing man desired in and of itself. We do not desire happiness to lead to any other end. We want happiness for its sake alone. All other desires are simply means to other ends. Happiness leads to nothing greater; it is the ultimate end to the good life.

The “good person” for Aristotle was the person who lived the appropriate life to achieve the desired end of happiness. He saw this path to be paved by the virtues. They guided the person in deciding which behaviors would be most beneficial both to the individual’s achievement of his or her goals and to the betterment of the community as a whole. By allowing the virtues to set the direction of one’s life, Aristotle felt that the person would always have the guidelines by which to evaluate a situation and do the right thing – that which would lead to the “good life.”

Aristotle included many character traits under the umbrella of virtues. The many virtues which Aristotle enumerated could be summed into two basic categories. Some virtues were “intellectual,” including such elements as wisdom or understanding. These virtues could be taught. They could be demonstrated and cultivated over time. The second category of virtues was “moral,” including generosity and self-control. Moral virtues cannot be taught, but rather are formed by habit. They can be observed and imitated. When we see virtuous acts, we learn what virtuous acts are, and, if we choose, we begin incorporating these acts into our lives. We become just by performing just acts, and courageous by performing acts of courage.

An important element of Aristotelian virtue-based ethics is that no trait is ultimately good or bad. Each trait ranges between two extremes. On one end of the continuum is the excess of the trait, and on the other is its deficit. A virtuous person always strives for the appropriate amount of a trait, given the evaluation of a situation. The virtuous choice is somewhere in the middle, one that is neither excessive nor deficient, but the appropriate amount of the trait for the current situation. To be courageous, one must evaluate the situation and display the right amount of courage. Showing too little courage moves one to the deficit, so that the person becomes a coward running from everything. Showing too much courage for the situation moves one to the excess, so that the person becomes reckless and needlessly endangered.

Aristotle’s purpose was clear in defining the virtues and their proper use. He wanted others to understand them in order to use them appropriately in striving to achieve the “good life.” Each time we correctly evaluate a situation and make the right judgment, we strengthen character and move a little closer to being the “good person.” Each new, correct decision strengthens the character we are trying to build.

Others have seen the development of our character in similar veins (Simmons and Simmons, 1997). Badaracco explains the development of character through the “defining moments” of our lives. As Badaracco explains: “Defining moments challenge us to choose between two or more ideals in which we deeply believe. We form our character in defining moments because we commit to irreversible courses of action that shape our personal and professional lives.” Simmons sees our character development as a process of new decisions. We need to eliminate the decisions that move us away from our ultimate goals and add new decisions what move us in the right direction.

Decision making

Seeing and understanding that the “good” for me is the same as the “good” for the community is often difficult in the self-centered environment in which we often live. Once again, we are confronted with the dilemma that the apparent solution for the individual and the community may not be the same in the short run, but it is the same when the long run is examined. It is only with the most skillful evaluation of the situation that the individual can see that the individual and the community travels the same road to the ultimate end. By building a community of ethical citizens, we ensure an ethical environment for all.

Understanding the relationship between ethical individuals and ethical communities leads us to the next logical step, extending this concept to organizations. Looking at developing ethical organizations from this perspective forces us to re-evaluate how some of the time, effort, and money that companies are spending on ethics officers and programs
might be better spent on the ethical development of the employees. By helping individual members of the organization recognize their personal responsibilities to an ethical environment, we may help move the organization well along the path to achieving this goal.

**Making the right decisions**

A perfect example of seeing the personal need or even the organizational need is the position that The Home Depot took in Florida after Hurricane Andrew. After the destruction left behind by Hurricane Andrew, the home repair companies in southern Florida were charging highly inflated prices for supplies that were needed to make emergency repairs to the homes that remained standing. The devastation was so severe that companies could get almost any price they asked and were taking full advantage of the crisis. The Home Depot made a different choice. They decided to forego the immediate inflated profits, preferring instead to show their customers and neighbors that they were more interested in helping them than making higher profits. The company decided to address the needs of all, instead of capitalizing on the moment.

The example of The Home Depot demonstrates not only the need to consider the needs of all involved in its decision-making processes, but also the benefits of a long-term perspective as opposed to a short-term one. When the executives of The Home Depot chose integrity instead of profit, they also created a loyalty within their customers that would create more profit over time than would the temporarily inflated prices of their competitors. The company's decision was not only the right thing to do in the moment for the people of south Florida, but it was also the right thing for everyone in the long run.

The Home Depot has continued its focus on making good decisions that enhance its image and position as a good corporate citizen. During 2005, approximately 50,000 of the company's 325,000 employees donated two million hours of community work (Grow, Hamm, and Lee, 2006). It has also begun incorporating sustainability into its supplier decisions. When price and quality are equal, sustainability has become the deciding factor in The Home Depot's supplier decisions (Stoiber, 2006).

It is often hard to see that certain decisions can be good for everyone. In most cases, any alternative outcome seems to leave a winner and a loser. In many instances, however, this is only the situation when outcomes are considered in the present, and a more future-oriented approach is ignored. One situation in which only a long-term perspective was considered was that of the Union Carbide explosion in Bhopal, India (Shrivastava, 1987). CEO Warren Anderson took immediate action when the disaster happened and straight away flew to Bhopal. He took a stand as figurehead for the company, taking personal responsibility for the tragedy. This decision cost him greatly in the few days following the explosion. Anderson was put in jail in India, but was willing to endure the short-term difficulties in order to find a long-term solution that satisfied everyone in the end.

Sometimes it is hard to have the conviction of men like Warren Anderson and hold firm to one's values and beliefs. However, when a person is able to do that, the outcome is better for everyone. Paul Meyer, like Anderson, was willing to stand behind his company and his beliefs. Meyer, CEO of the Success Motivation Institute in Waco, Texas, achieved financial success early in life. By the time he was twenty-seven years of age, Paul was a millionaire from selling insurance, having developed a sales force of over 800 people (Meyer, 1986).

Within a short period of time, Meyer's company had sold so much insurance that Paul was advised by legal counsel that the company did not have enough surplus to cover the amount insured. At the same time it was discovered that his partner was squandering company funds. The lawyer explained that Paul was not directly liable for the problems and that he could simply walk away with his fortune intact. Paul felt, however, that he owed something to the people who had trusted him, so he quickly decided to stay and deal with the crisis. Paul used his personal fortune to pay off the company's creditors. The end result of his decision to stay took two years of Paul's life, cost him his personal wealth, and left him $89,000 dollars in debt. Instead of feeling sorry for himself, however, he believed that he survived with the most important assets he possessed, his integrity and his good name.

**Making the wrong decisions**

There are also times when making the right decision holds a higher price than one is willing to pay. Other individuals simply want something so badly that they are willing to do anything to obtain the desired outcome. One such example is Joseph P. Kennedy. Kennedy wanted
certain things so badly that he was willing to take the easy road rather than risk failure. Kennedy believed that winning was the only thing that was really important. How you won did not matter, as long as you were in the winner’s circle when the competition was over. He also clearly conveyed this message to his children. When Kennedy’s eldest son, Joe Jr, wanted to letter in baseball at Harvard, Joseph Sr bribed the coach to allow his son to be sent into the game long enough to qualify for the letter (Kessler, 1997). There was no concern that the honor meant nothing because it had not been earned. It was simply what he wanted, so his dad bought it for him.

Kennedy demonstrated his lack of concern for making the morally right decision on many occasions. During one of his son John Kennedy’s earliest bids for office, Joseph Kennedy used his money and power to buy votes to ensure that John would be successful in his political aspirations. Although at the time Joseph Kennedy tampered with the vote, there was no evidence that John would lose the election, Joseph Kennedy was not going to take the chance of failure.

The lack of character that Joseph Kennedy modeled and eventually passed on to his sons had devastating affects on the family. One of the most devastating was the death of the eldest Kennedy. Joe Jr lost his life as a direct result of his learned inability to accept defeat. During a visit home from the war, Joe Jr was present for a large celebration during which brother John received a hero’s welcome for his role in saving his men when his boat, the PT 109, sank. Taking second seat to his brother did not set well with Joe Jr, and he vowed to return to the war and do something greater than John.

Once back in the war, when an opportunity came to fly a very dangerous mission over enemy territory, Joe volunteered. Certain that this mission would gain him greater bravery accolades that John had received, Joe took the mission willingly. He never considered the possibility that he would fail. He had never failed before. Joe Sr had made sure of that. Unfortunately, the senior Kennedy encountered something he could not buy or control. Joe Jr died on that dangerous mission. He died trying to win the attention of his father and the rest of his circle of family and friends at home.

Joseph Kennedy is not alone in his willingness to do anything to win. Unfortunately, the world is full of people like him. Thankfully, however, there are many individuals who are willing to take the more difficult path and make the difficult decisions that will ultimately lead to the best outcome for all. Winston Churchill demonstrated such character during World War II.

At the height of World War II, one of the main missions of the allied forces was to break the code of the German troops. English spies were successful in doing this and went to Churchill with the decoded message. The translation told a terrible story of a planned bombing of a small town. The military officers wanted to act upon this information immediately. But Churchill decided to remain silent about cracking the code. While he realized that taking action would save the lives of those in the targeted village, Churchill also recognized that saving the village meant revealing the fact that agents had successfully broken the code. Revealing this information would save a few hundred lives but would prevent the Allies from gaining greater information and, it was hoped, ending the war. Although a difficult decision, Churchill was willing to live with the emotional burden of choosing to let the villagers die in order to save more lives in the long run.

Many philosophers and theologians would consider this a perfect example of “dirty hands.” The concept of dirty hands holds that in certain cases a person must dirty their hands a little in order to do something of greater value. In this case, Churchill was willing to sacrifice a few hundred lives in order to end the war and save many thousands of lives. It is hard to imagine the emotional and psychological impact a decision such as this may cause an individual. We are all better off because Churchill had the strength of character to make such a difficult decision.

Character and the organization

Many organizations express their commitment to ethical character through published mission statements, policies, or credos. Johnson & Johnson is one such company. Johnson & Johnson has made its credo a central focus of the company and a standard by which everyone should live and work (Lath, 2006). The credo states in part that the company’s first responsibility is to the medical professionals and families who use its products and services. It states that the company must be responsible to its employees and the communities in which it operates. Finally, the credo states that the company must also be responsible to its stockholders and make a fair profit. This credo states in detail the responsibility the company has to all it touches. This credo has been at the
foundation of everything that Johnson & Johnson has done since Robert Wood Johnson wrote it in the mid-1940s.

One of the most documented cases of Johnson & Johnson walking the walk of its credo occurred in 1982, when seven people died from cyanide-laced Tylenol. Unlike other companies that delay until the last possible moment to recall a product, Johnson & Johnson immediately recalled all Tylenol from retail shelves. The company also used the media to inform the public about the crisis. Company officials offered to exchange all Tylenol capsules that had already been purchased for Tylenol tablets. It was estimated that due to the product tampering, Johnson & Johnson suffered a $1.24 billion decline in wealth. This was estimated to be approximately 14 per cent of the forecasted value of the company, a decline from which many predicted the company would never recover.

In the early fall of 1982 at the time of the tampering, Tylenol enjoyed 37 per cent of the market for over-the-counter painkillers. Stock price and market share fell drastically following the October crisis. By the end of the year, however, Tylenol held a 24 per cent share. Tylenol continued to gain market share through the winter and by spring had regained its original position. When asked why Johnson & Johnson was willing to take such a strong position in response to the tampering, company president David R. Clare said: “It was the credo that prompted the decisions that enabled us to make the right early decisions that eventually led to the comeback phase” (Foster, 1983). Lawrence Foster, Vice President of Johnson & Johnson at the time of the poisonings, explained that Robert Johnson had outlined for his company some forty years earlier in the credo, the company has responsibility to: “consumers and medical professionals using its products, employees, the communities where its people work and live, and its stockholders.” Johnson believed that if his company stayed true to these responsibilities, his business would flourish in the long run. The credo he wrote was not only moral, but profitable as well.

For a company’s credo to be more than just words, the company and its leadership must live the credo not just give it lip service. Johnson & Johnson proved its credo to be more than rhetoric with the manner in which it handled the Tylenol disaster. The leadership of Johnson & Johnson lived their credo when, without hesitation, they removed Tylenol from the shelf. There was no delay to evaluate the cost of removing the product versus lawsuits for loss of life as the Ford
Motor Corporation did with the Pinto automobile (Gioia, 1992). The first and only concern for the management of Johnson & Johnson was the lives of its customers.

Conclusion

As we have seen, personal character goes well beyond the benefit to self. An executive or manager possessing strong character can be an asset to all around him or her. In addition to character touching the lives of those in our immediate personal and professional environments, men and women of character running our organizations will create a better world for everyone.

While character and personal integrity are important for everyone to possess, it is especially important for those individuals who affect the lives of others: the men and women who manage our organizations and become role models for the people who work for them. With people of true integrity running the major corporations, the world can only become a better place in which to live.

Chapter 10 in a nutshell

There are five basic points that we explored through the chapter:

1. Integrity is having the personal character to behave in a manner consistent with who the person claims to be.
2. Our character develops from taking personal responsibility for our decisions and the actions brought about by those decisions.
3. Decision making is directed by the ethical foundation in which we believe. Does the person follow the rules, evaluate the consequences or make his or her decision based on the determination of the best course of action given the entire context of the situation?
4. Character increases in strength each time we make a difficult decision and stand by it.
5. The stronger we build our character the easier it is to make the difficult decision.