

Virtuous LEADERS & Organizations

Mark Brooker • Jeffrey W. Boyce



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orld business leaders have emerged as the first global citizens. Engaged in commerce, business leaders understand the interdependence of nations, and that the health of society and the preservation of our earth are important to the future prosperity of the business enterprise. Business fosters economic and cultural interdependence and has helped to create the awareness of one humanity, on one planet, all sharing a common fate. And, as the dominant institution on the planet, business holds the key to the transformation of our global society, away from intractable problems, and toward a world that works for everyone.

Around the globe we are witnessing a fundamental questioning, both individual and institutional, of our most basic assumptions about who we are, the world we live in, and what is ultimately important. Increasingly, the leading thinkers of our day are describing this phenomenon as being driven by an emerging new paradigm—a new understanding of reality—which is shaking our traditional assumptions and intuitions to the roots. The World Business Academy (<http://worldbusiness.org/>) arose out of the conviction that the shape of the future is our choice, and that business, if it adopts a new tradition of responsibility for the whole, can be the major contributor to a future that is economically, socially, and ecologically viable for all.

Yet the question remains as to how and to whom businesses will be held accountable. Secularists respond that the answer is clearly government. Yet the Christian knows that governments, despite their God appointed role, are made of people, and absent the influence of God, are just as vulnerable to sin, corruption, and oppression as any business (1 Chronicles 14:7).

The answer to the question then lies in recognizing that businesses and business leaders are ultimately answerable to God, not man and that He calls us to lead our organizations in an ethical and virtuous manner that glorifies and honors both God and man.

WHY VIRTUOUS BUSINESS?

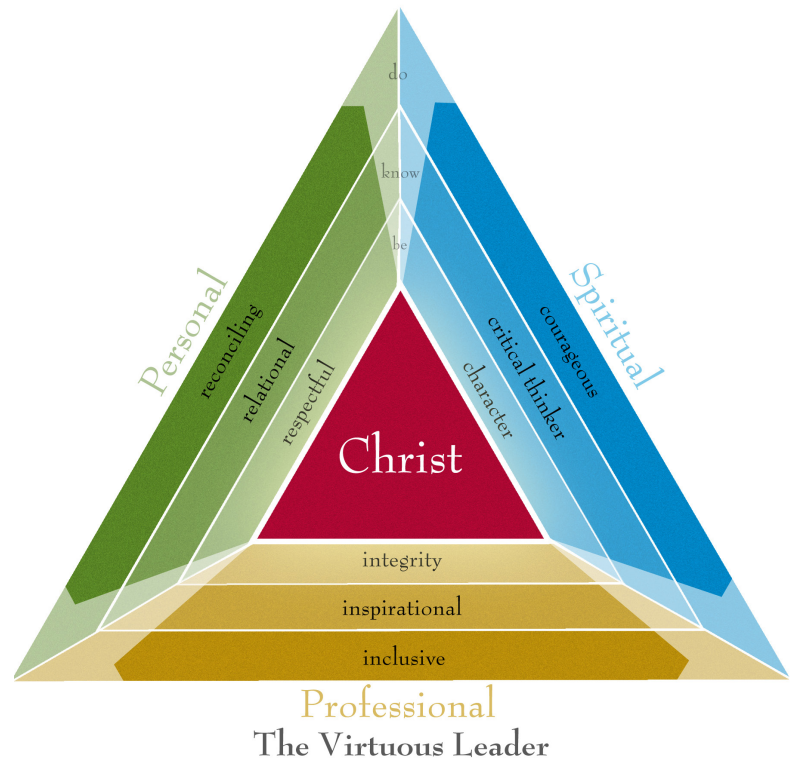
Recently, there has been a lot of debate about the actual objective of “the organization.” In the Western World, the prevalent view over the last decades has been that its objective was maximizing shareholder value above any other consideration. In other words, the HOW, (whether or not a company is virtuous in accomplishing objectives), did not matter. As such, employees, managers and society were simply considered as means to reach this “superior” objective. Virtues were off the corporate radar, and business ethics were, at most, something to comply with.

But more recently, research is now recognizing that the HOW does matter. Pawar (2016) showed a relationship between workplace spirituality and employee performance. Caldwell and Hayes (2016) argued that values-based leaders were more effective, and Yaacoub (2016) demonstrated a relationship between values and long-term sustainability. Business ethics is now a required subject in business programs (ACBSP, 2016) and business is under increasing scrutiny from both the marketplace and governments. Character, it seems, does count.

Numerous leadership models have been developed to help promote leadership and organizational effectiveness. First on the scene in leadership history was the Great Man Theory which viewed great leaders to be men of greatness. Trait theory came into being when birthright was questioned as being the only source for great leaders. The next leadership theory to happen on the historical scene was behavioral theory. Contingency theory holds that the leader needs to alter his or her approach, calling upon a particular leadership style to fit the situation. Transactional theory provides that people are motivated by punishment and reward and that central authority, power, and decision making resides with the leader. Lastly, transformational theory seeks to bring balance to the power relationship between the leader and those who follow. Community and cooperation are hallmarks of this leadership theory (Northouse, 2016).

A major disadvantage of these models is that they do not have a Christian perspective inherent in its framework. Many of these models identify excellent means for developing ethical leaders based on the concepts of character, competence, and actions, but without first having a central focus on God, such models and theories—no matter how good—fall short of God’s ideal aim for us. For without God as our central focus, “all our righteous acts are like permanently stained rags” (Isaiah 64:6 GW).

In addition, static models driven by rules tend to be less effective in fast changing times. Models that are based on principles, particularly the timeless principals of scripture, provide tools that can then be applied to the changing environments business experience today.



The DeVoe School of Business saw a need to merge the best secular leadership theories and models with the wisdom of Scripture and has developed the Virtuous Business Model to aid in kingdom-based leadership and organizational effectiveness development. The model describes both the virtuous leader and the virtuous organization; its value’s based approach works even in the tumultuous times facing business today.

WHAT IS VIRTUE?

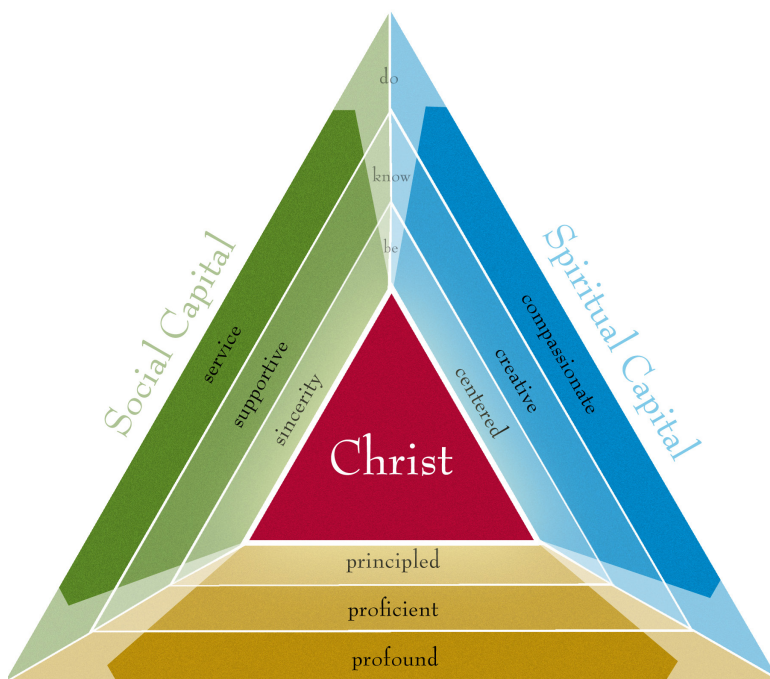
Virtue, by definition, is the moral excellence of a person. A morally excellent person has a character made-up of virtues valued as good. He or she is honest, respectful, courageous, forgiving, and kind, for example. Because of these virtues or positive character traits, he or she is committed to doing the right thing no matter what the personal cost, and does not bend to impulses, urges or desires, but acts according to values and principles. Some might say that good qualities are innate and developed through good parenting, which they are, but we are not perfect. Virtues need to be cultivated to become more prevalent and habitual in daily life. With the habit of being more virtuous, we take the helm of our own life, redirecting its course towards greater fulfillment, peace, and joy. For the Christian leader, Christ is at the center of all that is done, and one’s will seeks to align with God’s—to prayerfully live out the words, “Thy will be done.” Living virtuously is more than “living the good life”; it is seeking to achieve an “on-earth-as-it-is-in-heaven” way of living here and now (Comte-Sponville, 1996/trans. 2001).

THE DEVOE MODEL OF VIRTUOUS BUSINESS

The DeVoe Model of Virtuous Business is based upon the “Be-Know-Do” (BKD) model of leadership development, which has been used by the US Army for more than 50 years. The holistic notion of BKD is grasped and intuitively recognizable by Christians because of its similar construct with Scripture references to body, mind, and soul. “Love the Lord your God with all your heart, with all your soul, and with all your strength” (Deuteronomy 6:5 GNT).

The model recognizes that we not only have three aspects of virtue (being, knowing, and doing), but also three domains in which we interact with the world around us. The virtuous leader interacts in the spiritual, personal, and professional domains; the virtuous organization interacts by building spiritual, social, and economic capital.

The center of all things, and particularly any model of virtue, is Jesus Christ. Jesus is the example of virtuous leadership and an understanding of virtue comes from studying the characteristics of Jesus in Scripture. Scripture also explains that just as God is three in one, mankind has been created with mind, body, and soul. The corresponding domains with the virtuous leader model are personal, professional, and spiritual.



Economic Capital
The Virtuous Organization

SPIRITUAL DOMAIN – CHARACTER, CRITICAL THINKER, COURAGEOUS

The spiritual domain fulfills the same role in the virtuous leader that our soul does to the tri-part man. It provides our connection to both God and man and from the perspective of eternity, represents true currency that can be stored up in heaven. The three characteristics of the virtuous leader in the spiritual domain are character (be), critical thinker (know), and courageous (do). Character is developed by becoming Christ-like; critical thinking is learned by study and practice; and courage by stepping out in faith into the unknown.

PERSONAL DOMAIN – RESPECTFUL, RELATIONAL, RECONCILING

The personal domain corresponds with our mind and to what we know. It also speaks to our mental attributes. The three characteristics of the virtuous leader in the personal domain are respectful (be), relational (know), and reconciling (do). Respect begins with the fear and knowledge of God, but includes respecting all people as created in the image of God. Relational is the product of valuing people above all other things; and reconciling is the ministry to which God has called all believers; that is, reconciling God to man, man to each other, and man to God’s creation.

PROFESSIONAL DOMAIN – INTEGRITY, INSPIRATIONAL, INCLUSIVE

The professional domain corresponds with our body and to how we act towards others. The three characteristics of the virtuous leader in the professional domain are integrity (be), inspirational (know), and inclusive (do). Leaders above all must have integrity, be able to inspire, and seek to include all of God’s creative masterwork, the human race, in the work of business.

Organizations are groups of individuals collaborating to accomplish tasks that could not be accomplished individually. While virtuous leadership is essential for the virtuous organization, a lack of understanding of the role of business in God’s Word can lead to organizations that are not kingdom building. The virtuous organization is one that builds spiritual, social, and economic capital. Spiritual capital is built through being centered, creative, and compassionate. Social capital is about being sincere, supportive, and service orientated. Economic capital is built by being principled, proficient, and profound.

SPIRITUAL CAPITAL – CENTERED, CREATIVE, COMPASSIONATE

Spiritual capital is about having the right priorities; it is not about profit, it is about people. While profit is necessary to survive, the purpose is about people and includes a clear

sense of corporate values, providing comfort and strength in meeting the challenges of life. Virtuous organizations are as dedicated to building spiritual capital as they are to social and economic capital. The three characteristics of the virtuous organization related to building spiritual capital are being centered on Christ (be), creative in problem solving (know), and compassionate to those in need (do).

SOCIAL CAPITAL – SINCERE, SYNERGETIC, AND SERVICE

Social capital is about authenticity, synergy, and meeting needs. The virtuous organization is transparent, unites individual peoples and skills in ways that promote creativity and innovation, and serves the people of its marketplace. The three characteristics of the virtuous organization related to building social capital are being sincere (be), synergistic (know), and service oriented (do).

ECONOMIC CAPITAL - PRINCIPLED, PROFICIENT, PROFOUND

Economic capital is built through operating with principles centered on Christ, be proficient in what they do to be a faithful steward of their resources, and do only what is profound; that is what is right, good, and proper in the eyes of God. Not everything that can be done, should be done; virtuous organizations know the difference and act accordingly.

CONCLUSION

The repeated moral failures of businesses in the 2000's, and government in the 2010's demonstrates the folly of removing God from the marketplace. In contrast, leaders and organizations that honor God through virtuous behavior build the kingdom and increase value for the company and stakeholder. The next step in the development of the model is to incorporate it into the curriculum of DSB and using it to teach virtues-based business. ▼

NOTES

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(2) Thank you to Amanda Cass for helping to create the Virtuous Business Models.

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