WILLIAM C. MILLER

Responsible Leadership

You might think that the world is just not ready for spiritual-based leadership, even if it is practical, but the evidence is compelling.

People everywhere are starving for leadership—starving to connect with leaders who are believable, trustworthy, and capable of actualizing constructive changes. We need leaders who can transform the character of organizations and curtail the exploitation of people and natural resources, inequalities of educational and economic access, and stress from an impossible pursuit of happiness through unlimited desires and acquisitiveness.

People are looking for business leaders to exercise true leadership. We expect more than high quality products and services from corporations. We are concerned about the environment. We worry about the gulf between the have's and the have not's. We want corporations to demonstrate higher values.

This is more than a call for "visionary" leaders. True leaders must inspire courage, integrity, trust, and personal brilliance in their colleagues. Their leadership must be based on their personal character, and must build integrity and character throughout the organization.

The benefits of high-integrity and high-responsibility business fall into three arenas: 1) At the individual level, it is simply soul-satisfying, an exercise of our inherently spiritual nature; 2) At the corporate level, it leads to attracting more investors, more business, and more talented people; and 3) At the society level, it increases our confidence and competence in the power of goodness.

For example, high-integrity business attracts investors. Socially responsible investing has surged impressively. The assets in screened portfolios—portfolios that exclude, for instance, tobacco and weapons companies or firms that are criticized for their labor practices—rose 227 percent in two years, from $162 billion to $529 billion. That's impressive, considering that during the same period the overall market grew only 84 percent.

For example, Charles Schwab saw that Wall Street brokers were in an untenable conflict of interest: they were supposed to look out for their customers' investment interests, yet they made more commissions by convincing customers to make more trades. So, he set up a transaction company for informed investors. Its reputation for integrity attracts both customers who seek trustworthiness and employees who value character.

Spiritually Based Leadership

I believe that business is ready for spiritually based leadership. When I worked with Motorola, chairman Bob Galvin described the primary job of leaders as "inspiring acts of faith, meaning things are do-able that are not provable, spreading hope, and building trust."

Peter Drucker has stated, "Leaders should lead not only through knowledge and skill but through courage, responsibility, and integrity." A study by the Stanford Research Institute concluded: Only 12 percent of effective leadership is based on knowledge and vision; the other 88 percent is dealing with people!

Character impacts the leader's effectiveness with both vision and people. Character expands our horizons to include the interests of those beyond ourselves; thus, it can illumine knowledge and convert it into wiser, more compelling visions. Character also creates resonance between the leader and others; by this the leader moves beyond "compliance" and inspires inner commitment. A true leader inspires people to take the initiative, based on their own intrinsic values, to implement a noble vision.

Can leaders of character succeed in the business world? William George, CEO of Medtronic, states: "If we serve our customers well, provide products and services of unsurpassed quality, and empower our employees to fulfill themselves and the company's mission, we will provide an outstanding return for our shareholders." Their stock has gained more than a 25 percent annual, compounded growth over 40 years.

We are all spiritual beings. Unleashing the whole capability of the individual—mind, body, and spirit—gives enormous power to the organization. Spirituality unlocks the real significance of the organization's purpose. People of many faiths, or no faith at all, can join together in a common cause of service to others through their work.

High-Integrity Reputations

Spirituality evokes or expresses divine love—love that is fearless, unconditional, and selfless. Love is the basis for all other spiritual values and for character. For example, love in speech is truth, love in behavior is right, responsible action, love in thought is inner peace, and love in wisdom is non-violence. These core values, found in all spiritual traditions, are "built in" to our spiritual nature and may be expressed on an individual and organizational level.

Individually a person would do his or her best work, even if no one were

watching. A professional would tell the truth about errors or delays, even if it meant a reprimand. An executive would find creative new ways to deliver goods faster, without costly delays to customers. A sales person would neither over-promise nor overcharge. A manager would seek to serve people.

Demonstrating the impact of these values on organizations is an ongoing study of the "100 Best Companies to Work For." *Fortune* magazine assesses corporations based on five dimensions: credibility / trustworthiness, respect, fairness, meaning of work, sense of family and community. These 100 companies that adhere to high-integrity character have an average growth rate more than 50 percent higher than their industries! Love, and related values, can be synonymous, and synchronous, with business success. Indeed, the reputations for living by noble values help attract top talent, who then contribute to outstanding growth and performance.

By living these values, we gain the moral authority to bring people, even divisive factions, together to heal conflict and enrich community. We find the spiritual common ground amid the diversity.

Spirituality is essential to health, trust, creativity, commitment, ethical behavior, and productivity. Spirituality tends to ground us in a greater good beyond the self, helps us value other people, and creates in us more depth and sensitivity.

Any company that successfully integrates performance and responsibility will thrive. When leadership is firmly grounded in spiritual principles, business skills are applied with excellence, and people strive to apply high values to products, communications, and internal management practices—then the brands of that company take on an allure to anyone interested in high integrity. That reputation will return multiple dividends in terms of greater investment, greater growth, and greater talent. And we all gain greater confidence in the power of love and character to provide for our material as well as spiritual well-being.

When we exercise leadership based on spiritual values, we build the character and reputation required for growth. EE

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Excellence in Action: *Assess how well you are living up to proclaimed spiritual values. Then take action to bring values and practices into alignment.*

JOHN HAWKINS

Four Boundaries

Leaders must adopt behavioral boundaries to lead with honor. By constraining themselves, they affirm the value of their constituents.

JACK WELCH, CHAIRMAN AND CEO of General Electric, has for 20 years led his company in becoming "boundaryless." He believes that for GE to be profitable and competitive, it must remove bureaucratic boundaries.

But in some areas, leaders need strong visible boundaries. For example, in demonstrating the virtue of honor, boundaries are essential. Persons of honor choose to live within boundaries that constrain them to demonstrate the character, honesty, and loyalty that they know is right, but from which they often are drawn away.

Leaders must learn the discipline of honorable boundaries.

These four boundaries set clear guidelines for leaders:

1. Respect and dignity. Gaining and maintaining the respect of one's constituents is essential for long-term leadership. Respectability exacts hard work, selflessness, and focus. In return, it yields balanced, significant accomplishments. Legendary leaders affirm the dignity of the position that they hold. Rather than denigrate or violate their position through shady decisions or self-serving purposes, they constrain themselves through honorable actions to dignify their position. They treat their constituents with respect and dignity to build a culture where people are empowered to make major contributions.

2. Responsible use of resources. Leaders have control or influence over many resources, including personnel, money, opportunity, reputation, network, persuasion, and focus. The leader can use these resources in balanced ways that support the mission, vision, and values—or in wasteful ways that are shortsighted, misguided, or self-serving. Honorable leaders use resources wisely and strategically. As resources are used honorably, they remind all involved that leaders are seriously committed to the mission, vision, and values. In the responsible use of resources, leaders help ensure the future and integrity of their organizations.

3. Truth. Every violation of truth by leaders damages their leadership. The boundary of truth reminds leaders that truth is not theirs to manipulate. Truth stands on its own and must be respectfully transmitted intact. Manipulators of the truth use half-truths and other forms of deceit. They have to tell more lies to cover up. They lose credibility and sometimes digress to the point of not being able to grasp reality—they are no longer sure what the truth is. Persons of honor live subject to the truth and work aggressively within its boundary. Rather than being stifled by the limits of truthfulness, they have freedom to lead confidently and daringly. Their wisdom, strength, and security fuel great accomplishments within the boundary of truth.

4. Accountability. Three sources of accountability positively focus the leader's speech and actions: 1) the religious beliefs to which the leader submits; 2) the mission, vision, and values of the organization; and 3) the interpersonal relationships that the leader values and purposes to honor. The leader's accountability to mission, vision, values, and people focuses him in accomplishing honorable ends using honorable means.

Commitment to accountability ensures future success. By yielding to the boundary of accountability, leaders exemplify trust and balanced accomplishment. They also teach daily lessons on essential qualities of great team members.

Leaders must learn the non-negotiable discipline of honorable boundaries. In so doing, they help build a great culture that will be ready for future competition. EE

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