How to develop the character of leaders is a challenging question pursued by managers, psychologists, and consultants. To address this question, the authors introduce a developmental model for character growth. The model proposes that the integration of the leader’s core values and beliefs into the self-identity is at the heart of character development. The supporting character strengths of agency, self-awareness, self-regulation, self-motivation, and social awareness and connection to others assist in the internalization and integration of core values, beliefs, and moral standards into leaders’ identities and also ensure consistent moral and ethical behavior. The authors then introduce the spiritual leadership model and discuss how it can be used to develop character in the workplace. Implications for theory, research, and practice of character development through spiritual leadership are discussed.

Keywords: core values, identity, character development, spiritual leadership

Good character is more to be praised than outstanding talent. Most talents are to some extent a gift. Good character, by contrast, is not given to us. We have to build it piece by piece—by thought, choice, courage, and determination.—John Luther

Most of us have experienced the positive effects of working for, serving with, or being in a relationship with a leader of good character. Have you ever wondered how this leader built the strength of character that inspires people to give and be their best? The purpose of this article is to answer this perplexing question. In order to do so, we first offer a definition of leader character based on reviews of the leadership and psychological literatures. Next, we introduce a developmental model for character based on the main character dimension of West Point’s Leader Development System (Sweeney, Hannah, & Snider, 2007; United States Military Academy, 2010). This model provides readers with one way to view character. We then discuss how the spiritual leadership model (Fry, 2003, 2008; Fry, Matherly, & Ouimet, 2010) provides a process to develop and live the components of the character development model. Finally, implications for theory, research, and practice of character development through spiritual leadership are discussed.
Defining Character

A review of the leadership and psychological literatures yields several themes regarding the definition of character. First, character is manifested through leaders’ consistent moral and ethical behavior across all situations (Bass & Bass, 2008; Leonard, 1997; Peterson, 2006; Sperry, 1999). Consistency of behavior, regardless of context, suggests that enduring cognitive structures, such as a leader’s self-schema or self-identity and heritable temperament, play significant roles in the formation of character (Blasi, 1993; Cloninger, Svrakic, & Przybeck, 1993; Hannah & Avolio, 2010; Leonard, 1997).

Second, people use leaders’ actions to infer underlying values and beliefs and to determine the leaders’ intentions underlying the behavior. Inferences of good character are made if followers perceive that their leaders are engaging in moral and ethical behaviors with the intention of being consistent with their own and the organization’s values (Bass & Bass, 2008; Pfaff, 2003; Marrella, 2009; Sosik & Cameron, 2010). Consistency of leaders’ behavior across contexts, especially if they must incur cost, increases the likelihood that subordinates would attribute the behavior to internal, dispositional characteristics such as strong values (Kelley & Thibaut, 1978).

Third, leaders’ systems of beliefs about virtues and values influence their perceptions and judgments in moral and ethical issues, create intentions to behave in accordance with own and organization’s values, and underlie moral and ethical actions (Avolio, 2005; Hannah & Avolio, 2010; Peterson, 2006; Rest, 1994). People use moral and/or religious values as the basis for defining goals and establishing rules for how they should live their lives. Some of the values used to define leader character in the literature are: respect, fairness, caring, loyalty, integrity, humility, and service to others (Bass & Steidlmeier, 1999; Peterson & Seligman, 2004; Riggio, Zhu, Reina, & Maroosis, 2010). Leaders’ values influence their attention, perception, judgment, and, most importantly, behavior (Jones & George, 1998; Sweeney et al., 2007).

Fourth, character development is a continuous process through which leaders increasingly integrate their values and beliefs into their self-identities (Avolio, 2005; Bergman, 2002; Damon, 1984; Deci & Ryan, 2000; Leonard, 1997; Peterson, 2006). The more central leaders’ values and beliefs are to their self-identities, the greater the likelihood of moral and ethical actions (Colby & Damon, 1993). The centrality of values and beliefs to leaders’ identities creates powerful internal motivational forces for them to behave morally and to maintain consistency with their self-concepts. Thus, the integration of leaders’ value and belief systems with their identities shifts from external motivational forces to behave in moral and ethical ways, to internal, which tends to close the gap between intentions and actions (Damon, 1984; Deci & Ryan, 2000).

Fifth, character involves the development of strengths that facilitate congruence between leaders’ values and beliefs and their actions. Some of these important enabling character strengths contained in the literatures include self-regulation, agency, humanity, transcendence, wisdom, justice, and courage, which bolster the likelihood that leaders will behave in accordance with their moral and ethical belief systems (Cloninger et al., 1993; Klann, 2007; Leonard, 1997; Peterson & Seligman, 2004; Riggio et al., 2010). Leaders use strengths to develop, sustain, and communicate their character (Peterson & Seligman, 2004).

Finally, society and organizations shape the character of their members to promote the common good of the collective and facilitate individual development (Aristotle, 1998; Solomon, 1999). Society defines the rules for behavior (ethics) and the principles to determine right and wrong (morals) to influence its members to transcend self-interest and behave in a cooperative and caring manner, so that all benefit. Selfless service to others seems to support both psychological growth and general well-being (Rogers, 1961). A review of the philosophical, religious, and psychological literature indicated that most societies share six universal virtues that promote both individual and collective well-being (Peterson & Seligman, 2004). Thus, a definition of character needs to capture the social function it serves (Solomon, 1999).

In the recent special issue of Consulting Psychology Journal: Practice and Research on character in leadership, a diversity of definitions of what leader character entailed were offered (Conger & Hollenbeck, 2010; Thompson & Riggio, 2010). Some scholars defined leader character...
As integrity, which entails honesty and consistency in words and deeds (Grahek, Thompson, & Toliver, 2010; Kaiser & Hogan, 2010). Others sought to define leaders’ character by the guiding principles that influence their behavior, such as prudence, temperance, justice, fortitude, wisdom, courage, and humanity (Grahek et al., 2010; Riggio et al., 2010; Sosik & Cameron, 2010). Still others focused on the psychological resources necessary to assist leaders in moving from guiding moral principles to moral action (Hannah & Avolio, 2010). In the past, researchers have defined a leader’s character in terms of aspects of personality (Leonard, 1997; Sperry, 1999); lessons learned from life experiences (Barlow, Jordan, & Hendrix, 2003); and enduring qualities such as core moral beliefs (Hollenbeck, 2009). The plethora of definitions of leader character shows that theory development on this concept still needs to mature, and the multiple approaches to studying leader character is assisting in this effort (Conger & Hollenbeck, 2010).

Analysis of the various definitions of leader character suggests that leader character entails core moral beliefs, actions consistent with these moral beliefs, and psychological strengths and states that allow leaders to move from beliefs and intentions to moral actions. What appears to be missing from the various definitions of leader character is the nature or what is driving the leader’s consistent moral actions. We propose that leaders’ actions that are internally motivated to maintain consistency with their core moral beliefs and identities and to promote the greater good for the community reflect their true character.

Therefore, we offer the following definition of a leader’s character: consistent moral and ethical actions for the purposes of maintaining congruence with one’s own and the organization’s values and beliefs, and to serve the greater good of the community. This definition proposes that character has a behavior component (consistent moral and ethical action), a psychological component (desire to maintain consistency with the sense of self), and a social component (engaging in virtuous behavior to promote the common good). The definition also clearly highlights that it is the leaders’ intentions underlying their virtuous behaviors that reflect the true nature of their character. If leaders are behaving in moral and ethical ways to maintain internal consistency with their values and beliefs and to promote good for the collective, they are demonstrating good character. Two major assumptions entailed in this definition of character are the assumptions that a leader’s moral and ethical actions are aligned with universal truths and values and that the actions are intended to promote the good of group members, the organization, and society. Thus, a leader who holds selfish values and behaves consistently with these values would not, by this definition, be considered to possess strong and/or good character. We recognize that this is not an all-encompassing definition of character; however, we will use it to describe the development of character in this paper.

**A Model for Character Development**

A leader’s character is a complex and dynamic psychological system. To understand character and the processes that shape it, the components must be analyzed. Breaking the character system down into its components not only facilitates a greater understanding of the concept, but also provides both leaders and leader developers with a common language and developmental targets. The model of character development, outlined below, is based on a holistic developmental model Sweeney et al., (2007) created to define the central character dimension of the West Point Leader Development System (United States Military Academy, 2010; see Figure 1).

**Core Values and Beliefs and Self-Identity**

The leadership and psychological literatures suggest that a leader’s core values and belief system is the foundation of character (Bass & Bass, 2008; Day, Harrison, & Halpin, 2009; Fry, 2005a; Marrella, 2009; Peterson & Seligman, 2004). Core values and beliefs are the cognitive structures that influence leaders’ awareness to moral and ethical issues, judgment, intentions, and moral and ethical behavior (Bergman, 2002; Colby & Damon, 1993; Hannah & Sweeney, 2007; Peterson, 2006; Sweeney et al., 2007). Followers use leaders’ behavior, over time, to infer the leaders’ underlying values and beliefs. Leaders who, through their actions, demonstrate the possession of
such universal values as honesty, integrity, courage, compassion, and humility are likely to earn attributions of good character from their followers (Fry, 2005a; Peterson & Seligman, 2004). Group members’ perceptions that leaders possess good character foster the development of trust, which leads to greater willingness to accept influence (Kelley & Thibaut, 1978; Peterson & Seligman, 2004).

Furthermore, developmental psychologists propose that the degree to which individuals integrate their core values and beliefs and moral and ethical standards into their self-identities will influence the consistency of their moral and ethical behavior (Blasi, 1993). This integration starts during adolescence and continues throughout one’s lifetime (Deci & Ryan, 2000). The integration of values into the leader’s self-identity tends to increase the differentiation, coherence, and complexity of an individual’s perspective, and also shifts motivational forces influencing behavior from external to internal sources (Damon, 1984; Ryan & Deci, 2003; Kegan, 1982). The more central leaders’ core values and beliefs are to their self-identities, the greater the moral awareness and the more complex the moral reasoning are, which then result in more consistent self-determined moral and ethical actions. Such leaders are internally motivated to behave in a moral and ethical manner because they believe it is the right thing to do and also to maintain consistency with their self-identities, to behave otherwise would violate their concept of self (Blasi, 1993; Ryan & Deci, 2003; Colby & Damon, 1993). Conversely, leaders who are in the early stages of this integration process are still highly susceptible to external sources of motivation, which influence the consistency of moral and ethical actions (Ryan & Deci, 2003). Therefore, the integration of leaders’ values and belief systems with their self-identities appears essential for character development and consistent moral and ethical behavior under all circumstances.

![Figure 1. A model of character development: A holistic model for character development designed for the West Point Leader Development System. From “Domain of the Human Spirit” by P. Sweeney, S. Hannah, and D. Snider, 2007, Forging the Warrior’s Character: Moral Precepts from the Cadet Prayer, p. 64. Jerico, LLC. Copyright 2007 by the Association of Graduates, United States Military Academy. Adapted with permission.](image-url)
World View Complexity and Moral Judgment

One’s world view or perspective is comprised of an individual’s most central values and beliefs concerning purpose and meaning in life, truths about the world, identity, and vision for realizing one’s full potential and purpose (Maslow, 1970; Sweeney et al., 2007). It is the lens through which the person views the world and makes sense of experiences (Kegan, 1982). This complex, dynamic cognitive framework determines what a person attends to, how one interprets events and experiences, which knowledge and experiences one seeks, and how one behaves (Fisk & Taylor, 1984).

A person’s moral judgment involves the ability to recognize a moral or ethical issue in a situation, to assess how possible responses impact others, and to determine what course of action would best uphold a moral ideal (Rest, 1984, 1994). Moral judgment is influenced by an individual’s developmental stage and moral knowledge. Regarding development, researchers have found that, as the complexity of one’s perspective develops, the individual’s capability to conduct moral reasoning at more complex levels also increases (Kegan, 1982; Kohlberg, 1984). The increase in cognitive complexity provides the individual a greater understanding of one’s internal world (e.g., values and beliefs, self, needs, motives, etc.). Interactions and interdependency with the social world result in greater capabilities of reasoning abstractly about moral and ethical issues (Hannah & Sweeney, 2007).

Moreover, knowledge about moral and ethical issues also contributes to a person’s ability to think more abstractly about these issues, and also to recognize, store, retrieve, process, and make meaning of moral information. An individual’s morals and ethical knowledge comes from education and experiences. Education that includes exposure to different perspectives and teaches one how to think, frame, and make moral and ethical decisions increases the complexity of a person’s mental schema for morality and self-efficacy (Hannah & Sweeney, 2007). Furthermore, role models and mentors also assist in building the complexity of a person’s moral schema through moral behavior, guided reflection, and assisting the individual in making meaning of moral dilemmas.

Once leaders determine what the right moral behavior is for a particular situation, they must act to resolve a given ethical dilemma. At times leaders know what the right behavior is but fail to implement the behavior to address the ethical issue. Hannah and Avolio (2010) proposed that the leaders’ moral potency accounts for the gap between knowing what is the right thing to do and creating the motivation to do the right thing. Moral potency is defined as a psychological state marked by leaders’ sense of ownership (agency) over the moral aspects of the environment, beliefs in their capabilities to perform the behavior (efficacy), and moral courage to act in the face of adversity. It provides leaders with the psychological resources to move from moral judgment to moral and ethical action (Hannah & Avolio, 2010).

Supporting Character Strengths

Character strengths are psychological traits that serve three major functions regarding sustaining, developing, and communicating character. First, leaders use their character strengths to facilitate the integration of core values and beliefs into their self identities. For instance, leaders who regularly reflect upon and assess the core values and beliefs they want to define them are using the character strength of self-awareness to further the integration of core values and beliefs with self-concepts.

Second, leaders use their character strengths to facilitate moral judgment and to ensure that their actions are consistent with the values and beliefs that define who they are (self-identity), thus both affirming the self and fostering continuous development (Bandura, 2001; Blasi, 1993; Peterson & Seligman, 2004). For example, a business leader who holds integrity as a core value has to make decisions regarding allocation of bonuses. To ensure that decisions are honestly and consistently applied, the leader is likely to use the character strength of self-regulation to check the impulse of greed and to ensure fair distribution. Also, the leader is likely to use social awareness to gauge group members’ probable reactions to the decisions. Thus, the leader uses two character strengths to ensure that bonus allocation decisions are congruent with the leader’s core value of justice.

Third, character strengths serve as means to demonstrate core values and beliefs to others (Peterson & Seligman, 2004). For instance, the combat leader who challenges a directive from
higher headquarters because it needlessly places soldiers’ lives at risk demonstrates the character
strength of bravery, but also communicates to others that the leader possesses the core value of
courage. Followers use leaders’ actions to make inferences about the content of their leaderships’
value systems (Kelley & Thibaut, 1978).

Outlined below are the supporting character strengths that facilitate the integration of core
values and beliefs into a leader’s self-identity, enhance moral judgments, and increase the consist-
tency of the leader’s moral and ethical behavior. These strengths are interdependent, thus activation
of one serves to activate the others in a synergistic manner (See Figure 1).

**Sense of agency.** Agency entails an individual’s assuming responsibility for personal char-
acter development, believing that one has the ability to guide this development (self-efficacy), and
making a commitment to living in accordance with one’s core values and beliefs (Bandura, 2001;
Cloninger et al., 1993; Maslow, 1970). Leaders with agency actively engage in the continuous
development of their character through reflection, study, and intentionally seeking out development
experiences that might broaden their perspectives. Agency provides leaders with a sense of control
over their own moral functioning and over environmental events (Bandura, 2001). Moreover,
agency is empowering in that it promotes psychological autonomy and self-efficacy, which are
critical for the integration of core values and beliefs and moral and ethical standards into self-
identity, and also the development of a more differentiated and coherent world view (Deci & Ryan,

Leaders have three modes they can use to exercise agency: personal, proxy, and collective
(Bandura, 2001). Personal agency involves the exercise of direct control of one’s own internal
processes and the external environment to produce moral and ethical behavior. Leaders exercise
proxy agency when they get others to exercise agency on their behalf to foster a climate that supports
moral and ethical behavior. Leaders resort to proxy agency when they cannot fully control the social
conditions and practices in the organization. In group settings, leaders can create a shared belief in
the groups’ abilities to produce a desired result, which leads to collective efficacy. Groups’
collective efficacy concerning the importance and ability to conduct operations in a moral and
ethical manner provides a powerful motivation force to do so (Bandura, 2001).

**Self-awareness.** Self-awareness is a process through which a person gains an understanding
of who one is in terms of values and beliefs, strengths, and weaknesses, what one wants to become,
how to determine truth and meaning, and how one should live life. An individual gains self-
awareness through a commitment to regular reflection and introspection regarding identity, core
values and beliefs, assumptions about the world, purpose, experiences, feedback from others, and
aspiration of who one wants to become (Avolio, 2005; Bandura, 2005; Maslow, 1970). Reflection
and introspection are essential for individuals to understand their experiences, self-author and to
integrate their core value and belief systems with their self-identities, and to self-regulate behavior.
The process of self-authoring provides a sense of psychological autonomy which serves to enhance
one’s sense of agency (Bandura, 2001; Ryan & Deci, 2003; Rogers, 1961). Furthermore, self-
awareness is also crucial for character development, because a thorough understanding of the self
is necessary to envision future desired end states (e.g., an authentic and moral leader), to assess the
gap between present state and end states, and to create feasible developmental plans to achieve
desired goals (Avolio, 2005; Avolio & Gardner, 2005). Through self-awareness, an individual
shapes and develops the core self, and gains an appreciation of how key values and beliefs influence
daily behavior and the pursuit of a fulfilling life (Williamson, 1965).

Another important aspect of self-awareness is mindfulness. Mindfulness entails a person’s
enhanced state of awareness of one’s thoughts and feelings when engaging in day-to-day activities
(Langer, 1989). This awareness of the present provides a person with the ability to engage in
reflection and introspection, both prior to and in the moment, on potential behavior responses and
to adjust behavioral responses in the situation (Langer, 1989). Thus, mindfulness enriches a person’s
self-awareness by providing a present and future orientation to self-knowledge versus insights
gained from post hoc reflection on past experiences. This metacognitive capacity to step back,
monitor and take a perspective on one’s thoughts, feelings, and desires, while acting in the present
provides the leader with psychological autonomy to regulate behavior (Bandura, 2001; Kegan, 1982; Rogers, 1961).

Moreover, self-awareness is important in establishing leaders’ developmental readiness or openness to continue to build their characters. Avolio and Hannah (2008) have identified five elements that enhance developmental readiness: learning goal orientation, self-concept clarity, metacognitive ability, efficacy, and self-complexity. Leaders who approach tasks as a means to learn are more likely to be open to development and tolerant of failures, versus leaders who take a performance-standard approach to tasks. Regarding self-concept clarity, leaders who know who they are will be less threatened by new experiences and have a firm foundation from which to adjust based on insights gained from the experiences. Leaders also need the metacognitive ability to reflect on the biases and assumptions they are making about themselves as moral and ethical leaders, and adjust their mental models as needed, based on experiences. The complexity of leaders’ self-identities enhances developmental readiness by providing a more stout system to interpret and make meaning out of experiences. Finally, leaders need to believe that they have the capability to successfully engage in activities to develop their character (Avolio & Hannah, 2008).

**Self-regulation.** Self-regulation involves the ability to understand and control one’s emotions, thoughts, and behaviors to achieve desired outcomes through self-directed influence (Bandura, 2001; Baumeister, Heatherton, & Tice, 1994; Goleman, 1995). Individuals reflect on their capabilities, emotions, the purpose of their pursuits, and the effectiveness of their thoughts and actions and make adjustments as needed to achieve desired outcomes (Bandura, 2005). Therefore, the strength of a leader’s self-regulation plays an important role in the production of moral and ethical behavior, exercising moral agency to influence external environments, and earning perceptions of integrity (Bandura, 1991, 2001; Blasi, 1993; Kegan, 1982; Rogers, 1961; Simons, 2002).

Social cognitive theory proposes that an individual’s ability to self-regulate is governed by a set of three self-referent functions: self-monitoring, performance comparison against a standard, and corrective self-reactions (Bandura, 2001, p. 8). Self-monitoring involves a person’s attending to patterns of behavior, thoughts and feelings associated with a desired outcome, as well as relevant contextual conditions that influence current behaviors and provide one with the awareness needed to affect future behavior. Next, the person compares behavior to personal goals and/or standards to determine its effectiveness in achieving the outcome. Behaviors that fall short of goals and/or standards prompt corrective self-reactions so that future behaviors to achieve the goal and/or meet the standard can be modified (Bandura, 2001, 2005).

According to social cognitive theory, a leader’s moral and ethical behaviors are primarily regulated by anticipatory self-sanctions (Bandura, 1991, p. 45). When leaders are making moral and ethical decisions, they assess the rightness and wrongness of proposed future actions by comparing the behavior with their values, internalized rules of conduct, and self-sanctions for not meeting personal standards (Bandura, 2001; Baumeister et al., 1994). The anticipated self-sanctions provide the motivation and mechanism for leaders to self-regulate and act congruously with their personal values and standards (Bandura, 1991, 2001). This is why behavior associated with important personal goals, core values, and/or one’s identity enhances self-corrective responses (Bandura, 2001). This process of monitoring, comparing to personal standards, of imposing self-sanctions associated with not meeting standards, and of using the comparison results to change future behavior, provides individuals with the ability to translate moral judgment into action, enhancing moral agency. Leaders’ moral agency increases their motivation to live and lead in a moral and ethical manner and inhibits moral disengagement, which can lead to inhumane behavior (Bandura, 1991, 1999, 2001, 2005).

On the other hand, self-determination theory proposes that an individual’s ability to self-regulate is determined by the degree to which he or she has internalized and integrated core values, core beliefs, and social standards into his or her own self-identity. People are continuously engaged in such internalization and integration processes, so as to meet the innate needs of competence, autonomy, and relatedness with others (Deci & Ryan, 2000; Ryan & Deci, 2003). Self-regulation styles of personally endorsed values and standards have three levels associated with internalization of social standards: introjection, identification, and integration. Introjection is the lowest form of
internalization and represents partial integration. Individuals take in external behavioral standards and values, but do not integrate them into their self-identities. People at this level of internalization regulate their behaviors by self-applying external consequences associated with specific behaviors resulting in feelings of guilt and shame. Because individuals at this level of internalization have not fully committed to the values and standards brought in, control of the behaviors rest with external consequences, which make the behaviors unstable over time (Deci & Ryan, 2000; Ryan & Deci, 2003).

The midlevel of internalization is known as identification. At this level, individuals accept and commit to underlying values associated with prescribed behaviors, and integrate them into a portion of their self-identities. People regulate a given behavior out of the desire to maintain consistency with their self-identities, which increases the stability of the behavior over time (Deci & Ryan, 2000; Ryan & Deci, 2003). The fullest level of internalization is integration. Here, individuals identify with the underlying values and importance of behavior and fully integrate these identifications in all aspects of their identities. The self-regulation mechanism at this level is the desire to stay true to the self. People behave consistently with their values, beliefs, and standards because that is who they are. An individual’s behavior is self-determined and autonomous and comes from his or her sense of self; thus behavior is stable over time (Deci, Eghrari, Patrick, & Leone, 1994; Deci & Ryan, 1995, 2000).

Moreover, moral potency provides leaders with the psychological resources to self-regulate to the extent that moral thought leads to moral action (Hannah & Avolio, 2010). To build moral potency, leaders need to assume ownership for both their own and their organizations’ moral and ethical conduct and make daily decisions to do the right thing to bolster self-confidence and moral courage to act in an ethical manner. High levels of moral ownership, efficacy, and moral courage assist leaders in moving from moral thoughts to moral actions (Hannah & Avolio, 2010).

Self-motivation. Self-motivation is a distinct character trait in this model, highlighting to leaders the importance of drawing motivation from internal sources to influence moral and ethical behavior. Leaders start to build their internal motivational resources by assuming ownership for the moral and ethical development and behavior, and taking agentic approaches to influencing the environments in which they work and live. A key to agency is self-efficacy. Leaders must believe they have the skills and abilities necessary to influence their development and the environment. A strong sense of efficacy and agency infuses leaders with the motivation to behave in a moral and ethical manner, and also to shape their external environments (Bandura, 1991, 2001).

Leaders’ internalization and integration of their core values and beliefs and society’s moral standards into their self-identities provides another powerful source of internal motivation. A leader is compelled to behave in a moral and ethical manner so as to maintain consistency with his or her sense of self. The more centrally integrated a person’s values and belief system are with self-identity, the stronger the intrinsic forces to act in congruence with the identity to preserve the concept of self (Bergman, 2002; Blasi, 1993). The intrinsic forces created during this integration process bolsters one’s consistency of moral and ethical behavior. Moral and ethical behavior is freely chosen so that self-sanctions can be avoided; moral and ethical behavior is also self-directed so that the true self can be expressed (Bandura, 2001; Deci & Ryan, 2000).

Optimism is another internal source of motivation leaders can draw on to act morally and ethically. An optimistic person believes and expects that future events will turn out in a positive manner. In terms of character, it is an individual’s belief that one will act morally and ethically in the future. The foundation for these positive future expectations rests with the individual’s attribution style for understanding his or her past moral and ethical behaviors (Seligman, 1998). If the person attributed past moral and ethical behaviors to internal, stable, and global characteristics, the individual is more likely to expect similar behavior in the future. High levels of optimism tend to promote high levels of motivation to engage in moral and ethical behavior (Seligman, 1998). Furthermore, this sense of optimism provides leaders the strength to live and lead in accordance with their values and beliefs, even when they must incur a cost to do so (Sweeney et al., 2007).

Social awareness and connection with others. Social awareness involves the realization that relationships with others play an important role in the development of one’s character and
self-identity and that one must possess certain social skills to build positive relationships with others (Bandura, 2005; Goleman, 1995). Uplifting relationships with significant others (i.e., family, friends, and mentors) assists a person in shaping values and beliefs, discovering and creating an identity, finding truth in the world, learning moral and ethical decision-making techniques, determining a direction and purpose in life, and realizing one’s potential (Baumeister, 2005; Pargament & Sweeney, 2011).

To harness the power of the developmental resources of relationships, an individual must possess the social skills necessary to establish and maintain positive relationships. This set of basic social skills includes respect, empathy, compassion, transcendence of self-interests, communication skills, and trust in others (Goleman, 1995; Sweeney et al., 2007). Showing respect for others’ world views validates others as humans on equal footing and opens the door to the development of relationships based on mutual trust (Roger, 1961). Empathy, the ability to see the world through another person’s lens, impacts one’s ability to demonstrate respect and also facilitates the establishment of cooperative relationships. Compassion, or being moved to assist others in reducing suffering and improving themselves by providing support, communicates care, which facilitates the establishment of positive relationships. An individual’s ability to transcend or step beyond self-interests to work cooperatively for the good of all in the relationship facilitates the development of trust. Finally, communication skills, especially listening, are very important in establishing positive relationships because they assist in clarifying expectations, intentions, goals, and reduce conflicts.

Positive connections with others are critical for one’s development, social resilience, and well-being (Cacioppo, Reis, & Zautra, 2011). Individuals may possess the necessary attributes to form positive relationships with others, but still not feel that one is connected with others. Feeling connected to others is an innate human need that serves as both a source of security and a developmental resource (Deci & Ryan, 2000; Maslow, 1970). Meeting this basic psychological need for belongingness is essential for psychological growth, integrity, self-esteem, and well-being (Deci & Ryan, 2000; Leary & Downs, 1995).

Social cognitive theory proposes that much of what people learn is through social modeling (Bandura, 2005). Thus, it is reasonable to assume that people learn their values, beliefs, and social morals by watching how significant role models, such as parents, leaders, mentors, family members, and friends, behave on a daily basis. They also learn how to identify and use moral and ethical reasoning by observing their role models navigate moral and ethical dilemmas.

Connection with others provides individuals with the strength of moral courage to behave consistently with their values, beliefs, and moral standards (Hannah & Avolio, 2010). Others modeling moral and ethical behavior create a social reality that communicates one is expected to behave in an honorable fashion. These role models also provide individuals with a source of social support to help them handle the adversities associated with making tough moral choices and making meaning out of their experiences (Cacioppo et al., 2011).

**Influence of Culture**

A person’s character development takes place in the social networks in which one is embedded. The cultures of the organizations (e.g., family, schools, sports teams, faith groups, clubs, etc.) to which a person belongs influences one’s values and beliefs, self-identity, attitudes about morality, augment or hinder the development of character strengths, provide social support for moral or immoral behavior, and may hold one accountable for moral and ethical actions (Bandura, 2001; Hogan & Sinclair, 1997; Klann, 2007; Peterson, 2006). Thus, to enhance the development of one’s character, a person should choose organizations whose values and beliefs are congruent with his or her own.

Moral and ethical organizations have cultures that clearly communicate vision, purpose, and values that define what they stand for and the future they seek to create. These organizations require members to make commitments to behave morally and ethically before joining, and they have policies and procedures in place to ensure all behave morally. In these organizations, the members support and encourage each other to live in moral ways. Thus, the shared values of an organization’s culture and policies serve as both support and social control mechanisms to ensure moral and ethical
behaviors by all members. To further bolster a moral and ethical culture, organizations should put in place systems to recognize and reinforce moral behavior and punish immoral behavior.

Furthermore, moral organizations have leaders who serve as role models to communicate their values and beliefs, and also who serve as coaches and mentors to support and assist group members in developing character. Through coaching and mentoring sessions and daily interactions, leaders shape meaning as to why moral and ethical behavior are important to the organization and to each group member’s identity. Providing group members with experiences (actual or case studies) that challenge their values and beliefs while giving them feedback and support, and then coaching them through the reflection on the experience is one of the most impactful means leaders can use to assist in shaping followers’ characters (Hannah & Sweeney, 2007; Van Velsor & McCauley, 2004).

To summarize, the model of character development outlined in Figure 1 adds to the literature by highlighting the components and processes that influence the development of a leader’s character. The model proposes that a key process to the development of leader character is the integration of an individual’s core values and beliefs into one’s identity. This integration enhances leaders’ moral judgment and shifts motivational forces to act in a moral and ethical manner from external to internal sources. The self is now involved in all moral and ethical decisions, which increases the leader’s attention to and motivation to resolve moral and ethical dilemmas congruent with values and beliefs to maintain consistency of the self. The model provides leaders with a common framework and language to view character growth, and a means to engage in purposeful developmental activities focused on specific targets. Next, the authors introduce spiritual leadership theory and discuss how it can be used to develop character.

**Spiritual Leadership Theory and Character Development**

Spiritual leadership theory can be viewed as an emerging paradigm that links spirituality and leadership (Fry, 2005b). “Spiritual” in this context relates to acknowledging and developing the essence or animating force that makes people human. Most of the theory that is offered in this area comes from the fields of religious theology and practice (Blackaby & Blackaby, 2001; McNeal, 2000; Sanders, 1986) and leadership ethics and values (Barrett, 2003; Fairholm, 1998; Greenleaf, 1977; Kanungo & Mendonca, 1996). Spiritual leadership involves motivating and inspiring both leaders and their followers to love and serve others. To date, the theory of spiritual leadership (Fry, 2003, 2005a, 2008, 2009) has been tested in a diverse array of organizations, including secondary schools, a university, military units, city governments, police, and for-profit organizations. Results from these studies indicate the spiritual leadership model positively influences employee life satisfaction, organizational commitment and productivity, various measures of work unit performance, and sales growth (Fry & Matherly, 2006; Fry & Slocum, 2008; Fry, Vitucci, & Cedillo, 2005; Fry et al., 2010; Fry, Hannah, Noel, & Walumba, 2011).

**Integration of Models**

The integration of components of the model for character development with the spiritual leadership model provides practitioners with a means and common framework for understanding the process of character development through spiritual leadership. Figure 2 portrays this integration and mapping of the components of the model for character development into the inner life and spiritual leadership components of the spiritual leadership model. This integrated model contributes to the literature by linking a theoretical model for character development to the empirically supported process model of spiritual leadership. Next, the authors briefly introduce each major component of the spiritual leadership model: inner life, spiritual leadership, spiritual well-being, and personal outcomes. We then discuss how these components contribute to character development and outline suggested best practices leaders can use to develop group members’ character in the workplace.
Inner Life and Character Development

Inner-life practices facilitate development of the core values and self-identity, self-awareness, sense of agency, and self-regulation components of character development. The source of spiritual leadership is an inner life practice that provides individuals insights into who they are, where they find meaning in life (purpose), their vision for creating a life that has impact, and the significance of the contributions they are making (Vail, 1998). Individuals can enrich their inner lives by engaging in activities such as spending time with nature, in prayer, meditation, reading inspirational literature, yoga, observing religious traditions, studying role models, journal writing, exercising and reflecting on experiences (Fry & Kriger, 2009).

Core values and self-identity. Inner-life practices, such as self-reflection, are, we argue, critical for developing the core values and the self-identity necessary for character grounded in love and service of others. Reflections on personal experiences, feedback from others, and observations of role models also provide individuals with insights into their identities. When people start to use core values to define who they are and to establish developmental goals, then core values and beliefs become integrated with self-identity. An enhanced understanding of their core values and self-identity then positively impacts their thoughts, motivation, and behavior (MacDonald, Sulsky, & Brown, 2008).

Sense of agency. Inner-life practices also enhance an individual’s sense of agency or commitment to strengthen his or her character and to live and lead based on sound core values that promote the common good. This requires people to assume ownership of their journeys to develop character and to have the courage to be open and honest with themselves. Individuals with agency actively engage in activities to bolster their character. Agency assists people moving from independent, self-focused identities to interdependent other-focused identities. This shift in defining oneself by serving others makes an individual more open to finding meaning or a calling in working to achieve higher purposes that serve the common good. Furthermore, the agency that is developed through inner-life practices assists individuals in making moral judgments and taking actions that are aligned with their core values and self-identity.

Self-awareness. Self-awareness is enhanced through inner-life practices because it bolsters people’s ability to monitor and control their thoughts, emotions, and behavior. This ability to monitor and understand their thoughts and sources of their feelings assists people in moving from intentions to behaving with good character. For example, mindfulness or the ability to pay attention to and be open to what is occurring in one’s immediate experience with care and discernment, gained through inner-life practices, enhances one’s self-awareness (Langer, 1989; Shapiro & Carlson, 2009). Through mindfulness, an individual becomes aware of self-imposed, inaccurate assumptions and constraints that hinder growth, and also gains insight to the true path that leads to
growth of potential and happiness. Self-awareness of one’s values and beliefs guides an individual’s moral and ethical decisions and actions.

**Self-regulation.** Inner-life practices also assist in developing individuals’ abilities to understand and control their thoughts, feelings, and, most importantly, their behavior. It is through reflection and mindfulness that one gains insights into their pattern of thoughts, sources of emotion, and intentions behind their behavior. These insights allow a person to gain more and more control to consistently align their thoughts and actions with their core values and self-identity, thus demonstrate character.

**Implementing inner-life practices.** To foster character development by supporting inner-life practices in the workplace, consultants and leaders can use a variety of techniques. These include: meditation with a focus on mindfulness, such as a simple breathing meditation or centering prayer (Kornfield, 2004; Bourgeault, 2004), facilitating employees to identify their core values and beliefs and compare these with the company’s core values during developmental counseling, encouraging employees to keep a developmental journal, providing employees with assessment measures such as personality, leadership style, character strengths, and leadership-competency inventories that promote self-awareness and with coaching to assist in finding meaning, encouraging members to seek mentors to assist with their development plans, and asking group members to create holistic development plans that increase both work-related competencies and personal insights. Other organizational level practices leaders can leverage include setting aside a room in the workplace for inner silence, providing a supporting context for employees to discuss deep issues relating to the human spirit, encouraging and supporting meditative practices, having spiritual leaders on call, facilitating the creation of support groups, and establishing a reading center where group members can access spiritual materials (Fry & Altman, in press; Fry & Nisiewicz, in press).

**Spiritual Leadership**

Spiritual leadership facilitates development of the social awareness, self motivation, and core values and self-identity components of character development. Spiritual leadership emerges from an interaction of a leader’s vision, deep caring for group members (altruistic love), and hope and faith. Leaders who form compelling visions based on serving a higher purpose while fulfilling organizational values provide group members direction, inspiration to achieve the worthy objective, and, most importantly, meaning to their work. Coupled with deep caring and concern for group members’ development and promoting their well-being, this helps leaders foster trust and enhance employee motivation to perform (Sweeney, 2007; Sweeney, Thompson, & Blanton, 2009). Finally, leaders who are optimistic and who provide group members with expectations of a brighter future for themselves and the organization enhance employees’ hope and faith. Individuals’ expectations of (hope) and the strong belief (faith) in a brighter future provides those with whom they work with the motivation to perform and transform themselves and also bolsters their commitment to the organization. The combination of a vision that inspires people to serve a higher purpose, the hope and faith the leader encourages in group members regarding professional and personal development, and a leader that creates an organizational climate characterized by caring ignites a deep motivational force within employees to better themselves and the organization. These higher-order influences on behaviors associated with spiritual leadership are very similar to the transformational leadership behaviors of inspirational motivation and individual consideration (Bass & Avolio, 1994).

**Vision and social awareness.** Vision plays an important role in leaders’ character development. A vision of leading and living in accordance with one’s values and beliefs and serving others provides leaders with a purpose that transcends self-interests and direction in their developmental pursuits (Avolio, 2005). A vision of authenticity and service to others requires leaders to develop social awareness and the skills necessary to establish positive relationships. Leaders realize that ability to positively connect with others provides them enhanced capacity to exercise influence and serve others. Through social awareness and connection with others, leaders are able to realize their...
purpose to serve others, gain a sense of coherence, and acquire greater insights into their identities. (Sweeney et al., 2007).

**Hope/faith and self-motivation.** Furthermore, a leader who inspires increased levels of hope and faith can encourage group members to imagine future selves with a stronger character which tends to increase their self-motivation to work toward realizing the future end-state of being people with good character. Thus, hope and faith are primary sources of self-motivation in character development. They provide people with the willpower to continue to work toward the goal of bolstering and behaving in accordance with their character even in the face of social pressures to do otherwise (Peterson & Byron, 2007; Snyder, 2000; Snyder, Irving, & Anderson, 1991; Youssef & Luthans, 2007). Besides playing an important role in character development, hope is also related to increased performance in the workplace (Adams et al., 2002; Luthans & Jensen, 2002; Peterson & Luthans, 2003).

**Altruistic love and core values and self-identity.** For spiritual leadership, altruistic love is defined as deep caring, concern, and appreciation for both self and others that produces a sense of wholeness, harmony, and well-being (Fry, 2003). Values that tend to foster altruistic love are honesty, integrity, humility, courage, and compassion. Leaders that integrate these values into their identities are more likely to lead in a way that expresses their deep care and concern for their people, which fosters a climate that promotes trust. An organizational climate based on care, concern, and appreciation (altruistic love) facilitates honesty and people taking risks to realize their full potential (Gibb, 1964; Sweeney, 2007). This deep level of care and concern is similar to what Carl Rogers (1961) called unconditional positive regard. People tend to thrive when leaders value them for who they are and encourage them to realize their full talents.

**Implementing spiritual leadership.** Consultants and leaders can use a variety of techniques to implement spiritual leadership to foster character development through hope/faith in a vision to serve others through altruistic love. The vision development process outlined by Collins and Porras (1996) is very helpful for making explicit an organization’s core values and purpose, providing a common understanding, and creating an inspiring future state. This process prompts group members to reflect on their own and the organization’s values and beliefs and identities. This reflection process encourages members to question why they hold those values and beliefs, who they are, and how core values and beliefs get manifested in the workplace. Also, the process of imagining a future end-state that is worthy of their efforts requires people to reflect on where they find purpose and meaning in life and how they can have impact. Organizations that use this process to clarify their core values, align employees’ understanding of them, and gain members’ commitment, are more likely to establish a climate that addresses people’s spiritual needs. A key to a successful vision development process is participation at all levels.

A natural extension is for leaders to have individuals use Collins and Porras’ process to create their life visions to be included in their individual development plans. Like an organizational vision, an individual’s vision can provide group members the direction to pursue that can help them realize their possible selves, the purpose for moving in that direction, and the motivation to continue to develop. At the heart of the vision is the quest to find purpose by stepping beyond self-interests to connect with and serve something greater that promotes the common good. This connection to something greater can include being a member of an organization that serves others or the common good. Or, depending on one’s beliefs, the connection to something greater than oneself can include an ultimate, sacred, and divine force or deity. This connection with a divine force or deity can provide people with purpose and meaning, prosocial values, rules to live by, and a source of strength and comfort during experiences of adversity (Peterson & Seligman, 2004).

Leaders can enhance employees’ hope and faith by being optimistic about the organization’s and individuals’ futures. They need to model optimistic behavior, take actions to develop both the organization and group members to prepare them for upcoming challenges, ensure all operations are performed in a moral and ethical manner, and communicate a compelling future (vision) for all members and the organization. Leaders who believe in the potential of their people, model good character, and invest in developing this potential enhance group members’ hope and faith that they will be better employees and people in the future. Furthermore, leaders can promote hope in
employees by having them set individual goals for their personal development plans. During periodic developmental counseling sessions, leaders review these developmental plans with employees to monitor progress, determine if and how the organization can provide additional support, develop contingency plans, and adjust goals as needed (Avey, Luthans, & Youssef, 2010). These positive behaviors demonstrate leaders’ faith in creating a better future which has the potential to enhance group members’ faith and hope, motivation, and resilience in pursuing future goals (Lynn, Naughton, & VanderVeen, 2009, 2011; MacArthur, 1998).

Leaders demonstrate altruistic love or deep caring for others through loyalty and selfless service. They look out for the best interest of their employees, support them when they make mistakes, and invest time in coaching and mentoring them to develop the whole person. Caring leaders conduct regular developmental counseling sessions that produce meaningful discussions and actionable development plans that the organization helps resource. Furthermore, they are accessible to their employees through leadership by walking around and open door policies. Caring leaders seek out group members’ feedback, empower them to take initiative, share information with them to promote transparency, and include them in the process of developing the strategic direction (Sweeney, Dirks, Sundberg, & Lester, 2011). Other means to demonstrate caring include: using hand-written notes to recognize achievements and to say thank you; visiting employees in the hospital; providing flexibility in the work schedule to meet family needs; providing different career tracks for employees with different family obligations; establishing a coaching program; creating a wellness team to provide input on how to improve the work environment; hosting periodic retreats and social events to enhance team relationships; encouraging and supporting community service on company time; assisting group members with family issues; ensuring policies and procedures are fair, transparent, and treat people with respect; supporting education by helping pay tuition or providing paid time to attend; encourage the development of support groups in each unit to help each other in times of need; and helping employees who depart the organization (Fry & Altman, in press; Fry & Nisiewicz, in press; Fry et al., 2010).

**Spiritual Well-Being**

Spiritual leadership promotes group members’ spiritual well-being in areas of meaning/calling and membership. Leaders who provide a captivating vision based on values and service to a higher purpose assist people in finding purpose in their work and potentially in their lives. To serve a higher purpose, individuals must transcend their self-interests to join the group effort to achieve something greater than themselves. Group members move from being ego-centered to other-centered to fulfill a higher purpose of serving the common good (Fry & Kriger, 2009; Keating, 1999; Tolle, 2004, 2005). This transcendence of self-interests and striving for a greater, common good can provide people with a sense of meaning and calling in their life. Similarly, the striving to achieve a higher purpose or superordinate goal bonds people together in a worthy pursuit. Combined with an organization culture based on values, caring, and acceptance, this can enhance peoples’ desire to be members of the organization. Group members feel they are part of something that will have a meaningful impact and that others accept them which meets their innate need for affiliation (Maslow, 1970).

In terms of character development, working in a values-based environment and serving a higher purpose has the potential to assist people in discovering meaning in their work and lives. Also, engaging in behaviors to achieve a higher purpose that promotes a greater good can impact individuals’ identities to the point that they start to perceive themselves as people who work to serve the good of others. Similarly, people’s strong desire to be part of a group makes them more likely to conform to the group’s values and norms. Thus, through social identity theory, an organization pursuing a higher purpose can positively influence members’ values and beliefs, identities, and world views (Tajfel & Turner, 1986).

After creating a compelling vision for their organizations, leaders need to continuously link their employees’ day-to-day actions to the larger purpose. This constant framing and meaning-making by leaders helps group members to see how their daily activities contribute to the organization and its
progress in achieving the greater purpose. Community, including national and international volunteer engagement supported by the organization, is another means leaders can use to promote meaning/calling and membership among its employees. Most people desire to be part of an organization that has a positive impact on the common good because it provides them meaning in their work and personal lives. To further enhance membership, leaders can use participative decision making, leverage team-building activities such as sports and games to enhance cohesion, create a peer-coaching program, recognize employees’ contributions to work and the community, host family events, and conduct periodic group meals with the sole purpose of strengthening relationships.

Personal Outcomes

The individual or personal outcomes associated with spiritual leadership, in addition to meaning and membership, include enhanced commitment to the organization, increased productivity, a greater sense of psychological well-being, and higher levels of life satisfaction (Fry & Matherly, 2006; Fry & Slocum, 2008; Fry et al., 2005; Fry, et al., 2010; Fry et al., 2011). Results from research clearly indicate that spiritual leadership enhances organizations and their members. The authors propose that spiritual leadership, in conjunction with the proposed model of character development (see Figure 1), is also an effective means to develop the character of group members.

Summary and Implications for Consulting Psychologists

Psychologists who consult with organizations have identified a growing need for research on the topic of character in leadership and its importance and relevance to consulting psychology (e.g., Hollenbeck, 2009; Leonard, 1997; Sperry, 1999; Thompson, Grahek, Phillips, & Fay, 2008). Sperry (1999) has suggested that research in this area “must begin with an integrative operational model of character and its components that can be systematically studied” (p. 215). However, to date, there are few models, tools, or processes—and therefore little empirical research and few application tools—for practitioners to draw upon when it comes to character development in leadership. The model of character development introduced in this paper provides leaders and consultants with a common framework and language to understand character development. The integration with the spiritual leadership model provides leaders and consultants with a set of practices to enhance character development in the workplace.

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