

TEMPTATION: THE TEST OF CHARACTER

“Do not think lightly of evil, saying, “It will not come to me.” By the constant fall of water drops, a pitcher is filled; likewise the unwise person, accumulating evil little by little, becomes full of evil.” Buddha, verse 121 of the Dhammapadaⁱ

*“The heart is deceitful above all things and is desperately wicked.”
Jeremiah 17: 9*

Once upon a time, Asian business leaders were subjected to American bashing, and accused of massive frauds and widespread corruption. But, with the collapse of Enron, Tyco, Arthur Anderson, American CEOs have become suspect too.

Today, we are witnessing the resurgence of the quality character in leadership. James Q. Wilson has argued that there is a “growing awareness that a variety of public problems can only be understood – and perhaps addressed – if they are seen as arising out of a defect in character formation.”ⁱⁱ

Character is especially critical in leadership. As Os Guinness writes, “Externally, character provides the point of trust that links leaders with followers; internally, character is the part-gyroscope, part-brake that provides the leaders’ strongest source of bearings and restraints. In many instances, the first prompting to do good and the last barrier against doing wrong are the same – character.”ⁱⁱⁱ

Why is character so important? Put it simply, temptation. And temptation is all around us.

The Tyranny of Quarterly Earnings

Dan Vasella, CEO of Novartis in an interview with FORTUNE,^{iv} calls it the ‘tyranny of quarterly earnings.’ He admits, “Failure, or the prospect of failure is what keeps CEOs up all night. But I would argue that there is another, less-talked about risk that may be more treacherous in the end. That is success. Or rather short-term success – what chief executives and Wall Street Analysts call ‘making the quarter.’ The idea of delivering quarterly results becomes an intoxicating one.”

It is this preoccupation with short-term success that can hamper long-term performance and can lead leaders to manipulation.

He asserts, “There is nothing inherently wrong with delivering results – quarter by quarter... but tyranny of the quarterly earnings is a slippery thing... Once you get under the domination of making the quarter – even unwittingly – you start to compromise on the gray areas, that wide swath of terrain between the top and bottom lines.”

Many of us sacrifice and compromise on the little things like incremental product refinement, development of staff, improving customer service, which are vital for long-term success.

The questions are: How much longer can we continue at this pace? Can we force ourselves to work even harder? Can we cut back on our material desires and still be happy? Especially as economic conditions yield less prosperity in the years ahead? The answer: It is getting tougher and tougher if leaders don't resort compromising. And this leads to yet another problem.

The Complexity of Being Truthful

It is increasingly harder to be truthful, especially with the pressure of quarterly performance. Exaggeration and raising unrealistic expectation may lead to falsehood and falsification. In fearless candor, Vasella puts it this way, "If we say exactly how much we will earn in the next quarter or the next three quarters – and then hit it each and every time – it means that we are playing with the numbers."^v

He confesses, "To me transparency means that I will communicate truthfully what I do and don't know about my company's performance and prospects, the doubts that I have, and the things that I don't doubt. The goal of transparency is to give the shareholder an opportunity to form an opinion about you, to make a judgment."

He continues, "That's not to say one has to be naïve and publicly share information that will harm your company from a competitive standpoint...it has to be transparent to a degree that allows fair judgment of both the company and the strength of the underlying business."^{vi}

Like Vasella, truth telling is the constant struggle of many CEOs.

The Corrupting Effect of Money and Materialism

Some of us are driven by money and materialism. Certainly, having money is not wrong. Being materialistic may be natural. But both money and materialism have a conditioning effect. The more we are used to the materialistic lifestyle, the more difficult it is for us to cope with less.

We cannot imagine not having a 40,000 sq ft bungalow, swimming pool, koi pond, a Beemer 745, first-class travel, etc., Unfortunately, as Vasella confesses, "The more money I made, the more I got preoccupied with money. It corrupts the mind."^{vii}

The Addiction of Looking Good

Obsession with reputation can make us a prisoner. Vasella recognizes, "You can find yourself in a situation where you worry more and more about your reputation and become its prisoner."

"One day the glitter will be gone anyway. Only once you are unencumbered by that will you become free to do the right things as leader of your company. Otherwise you'll always have to do what others expect of you. Or what you believe is expected of you. If you have a reputation as a consistent performer and you are worried about losing the status...you become a slave to the master of public opinion."^{viii}

In Asia, we call this face-saving. Sometimes, we do the wrong things to save our face. Or do the right things for the wrong reasons to save our face. If we care to be honest, leaders struggle with both motives and behaviors.

The Deception of Self-Deception

It is the pattern of delivering quarter-by-quarter results that make us celebrated CEOs. We then believe ourselves to be what Vasella describes: ‘the center of all the champagne-toasting is yourself!’

Vasella warns, “An individual can be corrupted by what’s going on around him, and if you’re not careful and suspicious of our own strength, then you will fail...If you want to cheat, you will always find a way. You might get caught, but many don’t. And every time they don’t, the tyranny of self-deception gets stronger.”

To sum it up, leadership is about character – character that will stand the test of these temptations. As Vasella asserts, “I truly believe my ability to keep shareholders’ faith in our company depends in the end not on whether I make the quarter but on who I am, what my guiding principles in life are, my behavior. **What counts is who you are personally.**”^{ix}

We have to constantly check our innermost hidden motives, what’s in our hearts. That has to do with character.

In short, character is the essential core that will help us stay our course and guard us against succumbing to temptation.

John Ng, *Ph.D*

President

Meta

Tel: (65) 6419 5255

Fax: (65) 6227 7170

Email: john@meta.com.sg

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ⁱ Leaf, C. *Temptation is all around.* Interview with Daniel Vasella, CEO of Novartis. Fortune, Nov 18, 2002.

ⁱⁱ Guinness, O. 1999. *Character Counts.* Baker Books, Grand Rapids, Michigan, USA.

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^{iv} Leaf, C. *Temptation is all around.* Interview with Daniel Vasella, CEO of Novartis. Fortune, Nov 18, 2002.

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