

NDIA Leadership Conference

National Defense Industrial Association



The Future of NDIA



Part 1: Honor the Past, Envision the Future

Directions:

1. Build the NDIA timeline by placing post-its along this continuum.
2. Post-its should identify one of four things:
 - Important milestones for NDIA
 - Important milestones for the industry
 - Important milestones for you as a member
 - Important milestones for society
3. Debrief



Existing Strategic Priorities

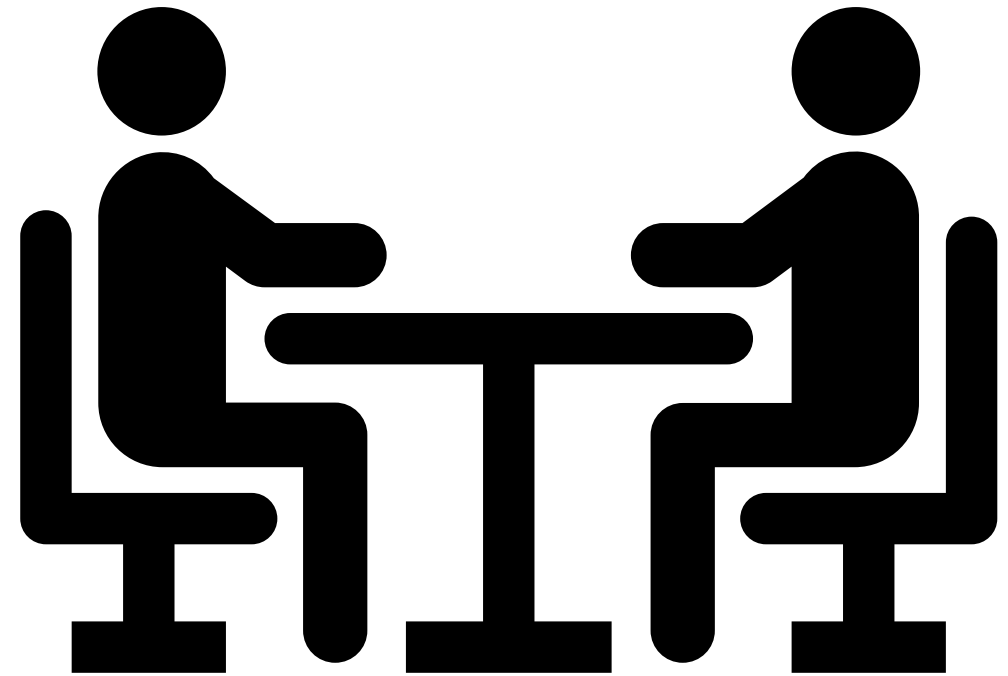
- ④ Advance Budget Stability
- ④ Expand International Security Cooperation and Interoperability
- ④ Gain Acquisition Agility and Regulatory Efficiency
- ④ Promote Innovation in Technology and Process
- ④ Foster Small Business Success
- ④ Strengthen the Defense Industrial Base and Workforce



Exercise Part 2: NDIA 2119

Part 3: Partner Share

**What is one action that will move you
closer to that vision?**



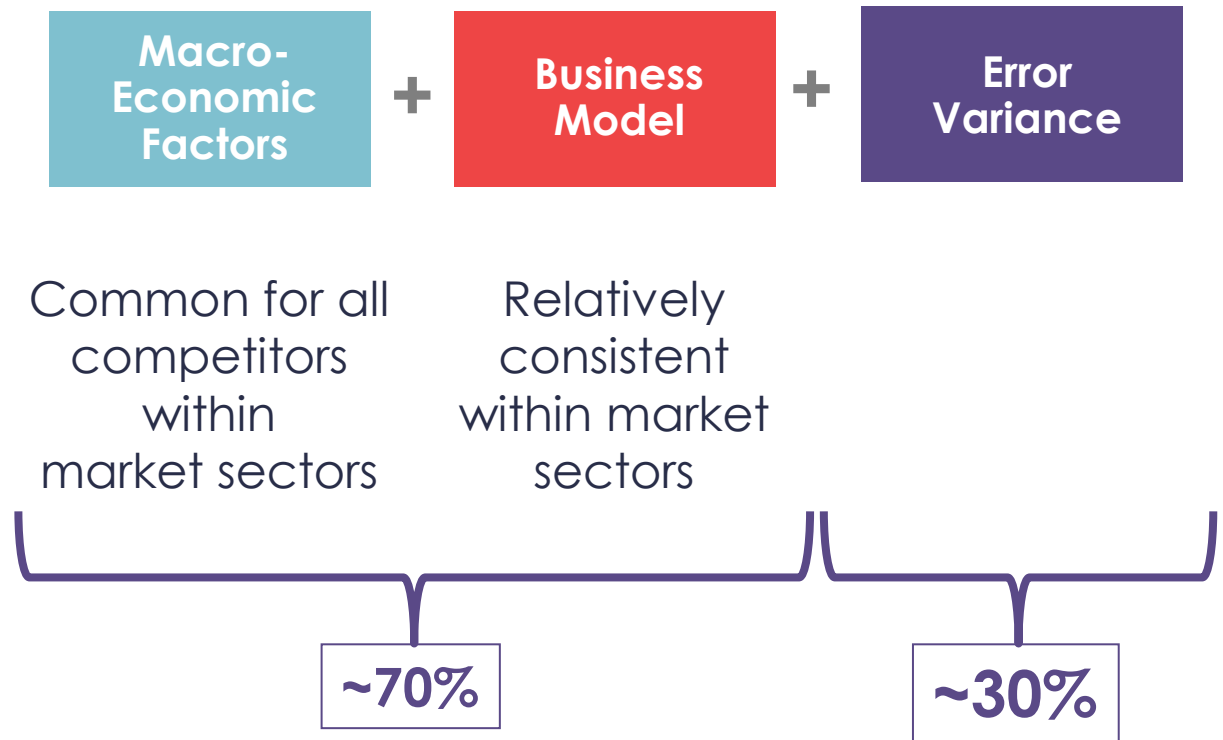
Leadership Character




Quick Partner Share

- ① Think of a high-character leader you have known
- ② How would you describe her/him in your own words? What kind of person? What kind of behaviors? What kind of words used? What was the impact he/she had on you personally, the organization, and the business overall?

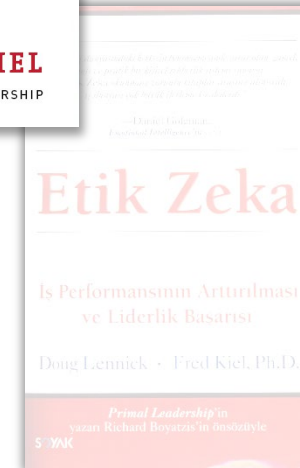
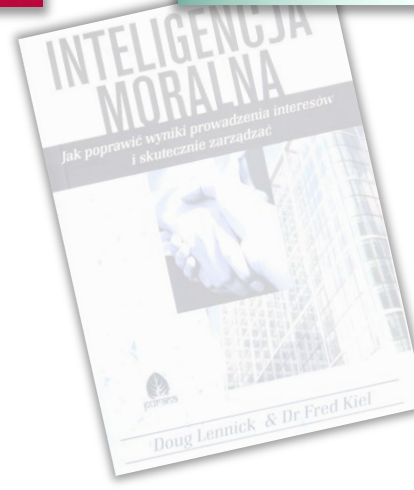
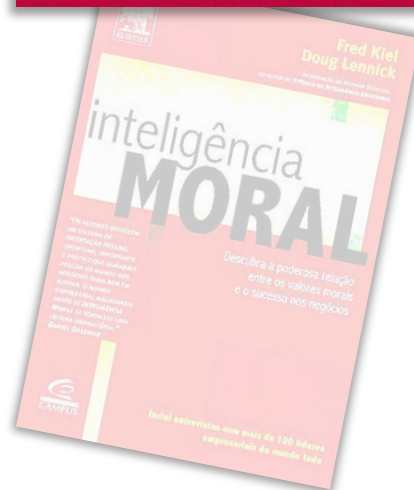
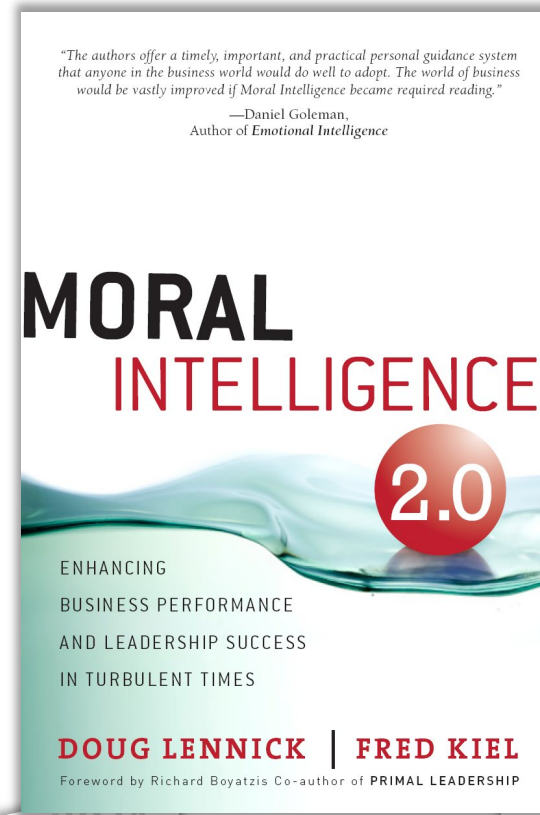
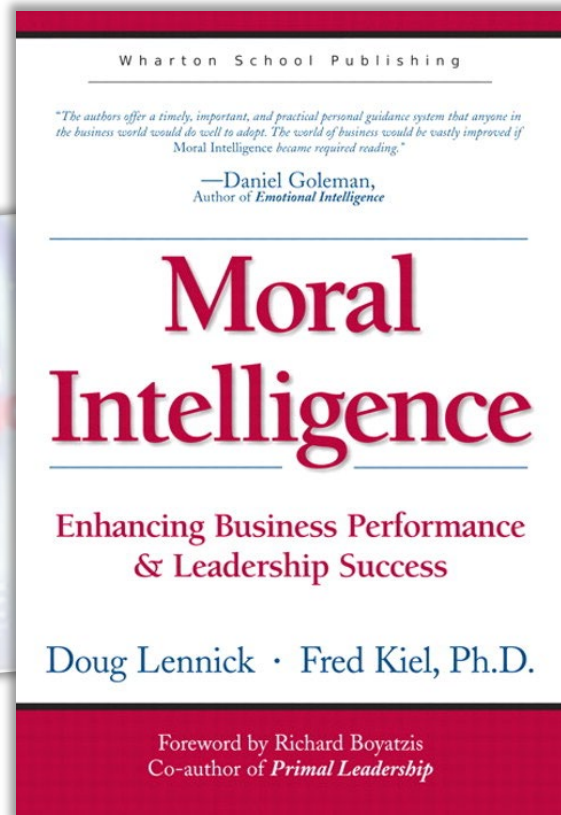
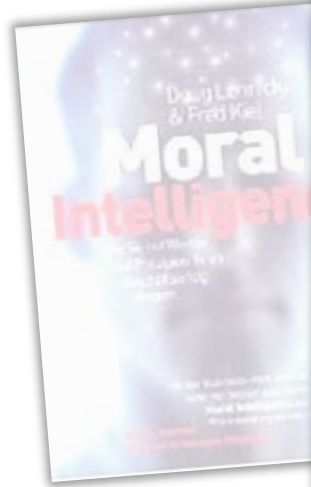
Where Business Results Come From





**Why do
executives
derail?**

Center for Creative Leadership Research

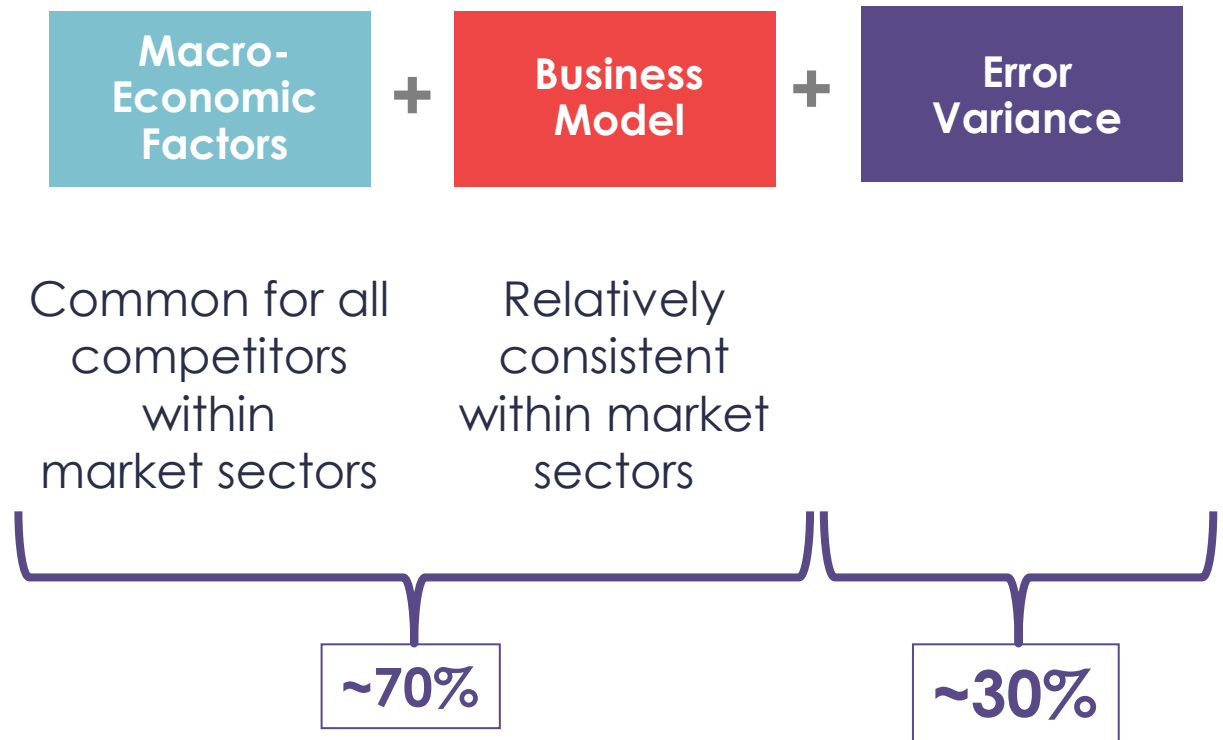




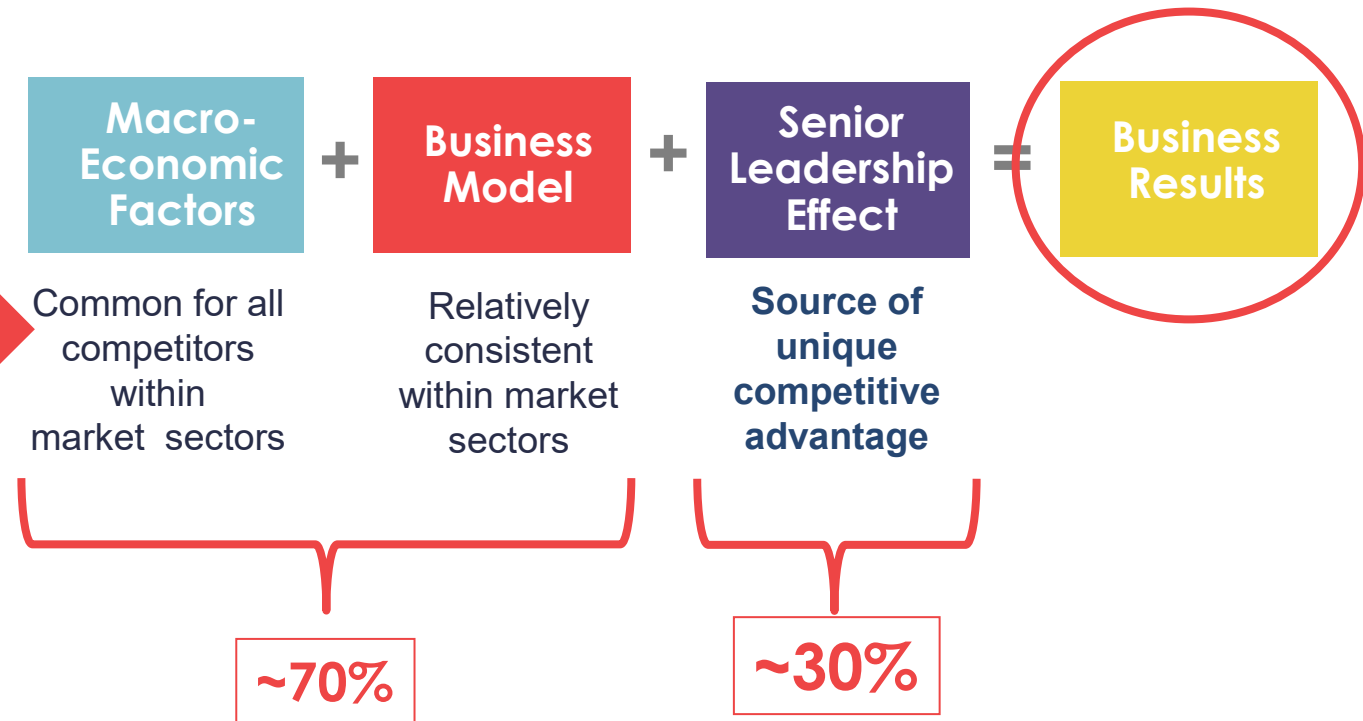
7-Year Return on Character (ROC) Research Study

- **2006 – 2013**
- 121 enrolled CEOs with 84 CEOs/senior teams, ~8,500+ randomly selected employees, yielding more than **1,000,000 data points**.
- **Duke Fuqua School of Management** Accounting Department independently analyzed and verified results and cross-correlated with their own CEO Integrity study.
- **Harvard Business Review** Press outbid 3 competitors for the rights to publish—cites ROC as the first and only data of its kind.
- The only executive leadership tool **validated** to organization ROA, engagement and risk.

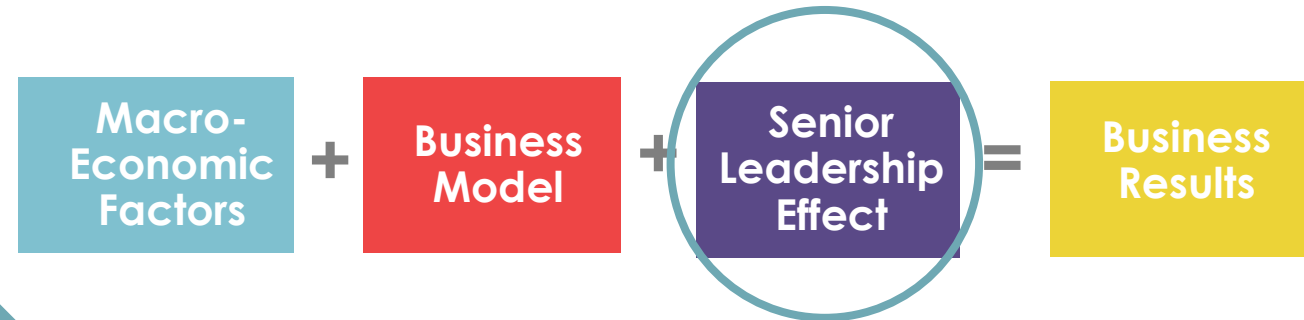
Where Business Results Come From



Discovery of the Senior Leadership Effect



What is the Senior Leadership Effect?

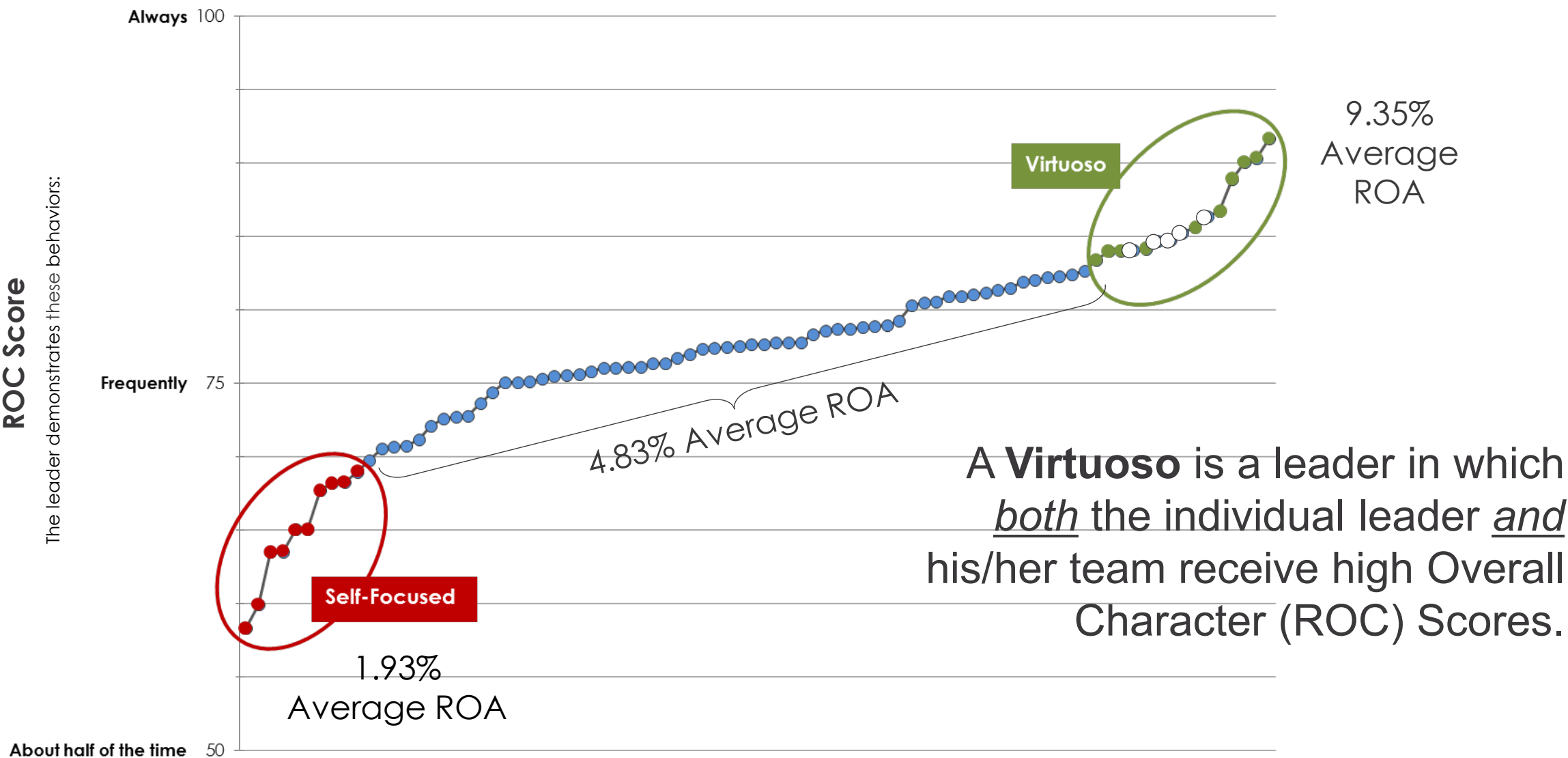


- Personality?
- Birth Order?
- Education?
- Work Experience/Skills?
- Military Experience?
- Network?

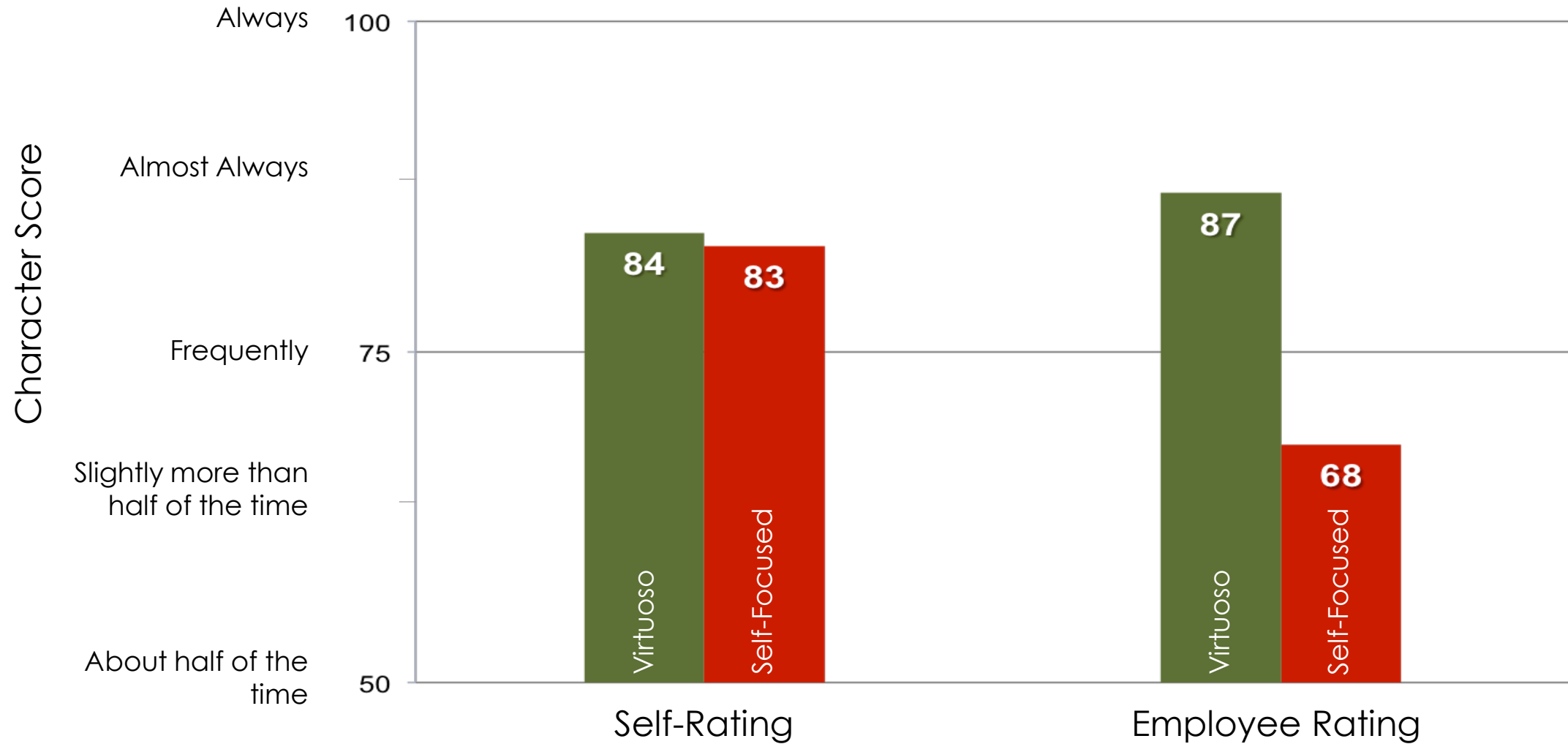
Which Leadership Factors Affect Results?

Factor	Tied to Increased ROA
Education	X
Tenure	X
Voting Record/Politics	X
Age	X
Career Path	X
Industry	X
Gender	X
Early Family History	X
Beliefs/Religion	X
Character Reputation for:	
Integrity	✓
Responsibility	✓
Forgiveness	✓
Compassion	✓

Character Curve: CEO vs. Leadership Team



Intent vs. Reputation



Character-led organizations

significantly out-performed organizations with self-focused leadership as measured by:

~5x

Greater
return on
assets

26%

Higher
workforce
engagement



Lower levels
of corporate
risk

18%

Stronger perceived
business and
leadership skills



Character is an individual's unique combination of values and habits that motivate and shape how he or she relates to others.



A man with short dark hair and a beard, wearing a blue sweater, is sitting at a desk and looking at a laptop screen. He is smiling and has his hands clasped in front of him. The background is a brick wall with warm, golden light coming from the left, creating a soft glow.

Intent

Reputation



HEAD

Integrity

Responsibility

Character

HEART

Forgiveness

Compassion



Integrity

Leads to a
Culture of Accountability

- Telling the truth
- Acting consistently with principles, values, and beliefs (walking the talk)
- Standing up for what is right
- Keeping promises



Responsibility

Leads to
Confidence in Management

- Taking responsibility for personal choices
- Admitting mistakes and failures
- Embracing responsibility for serving others: "leave the world a better place"



Forgiveness

Leads to
Innovation

- Letting go of one's mistakes
- Letting go of others' mistakes
- Focusing on what's right versus what's wrong



Compassion

Leads to
Collaboration

- Empathizing with others
- Asking for help
- Empowering others
- Actively caring for others
- Commitment to others' development

High Character Leadership Defined

CHARACTER
WHO

Consistently demonstrating:



AND



SKILLS
WHAT

Virtuoso Senior Team Practicing:

Vision &
Strategic Focus

Decision
Making

Accountability



Moving Up the Character Curve

- ④ Start by finding out where you are now → **Reputation**
- ④ Decide what you are willing to work on – and when → **Discover**
- ④ Practice, practice, practice → **Elevate**
 - Coaching
 - Skill building
 - Team sessions
 - Staff sessions
 - One on one conversations

Can character be taught?



Can you strengthen your character habits?

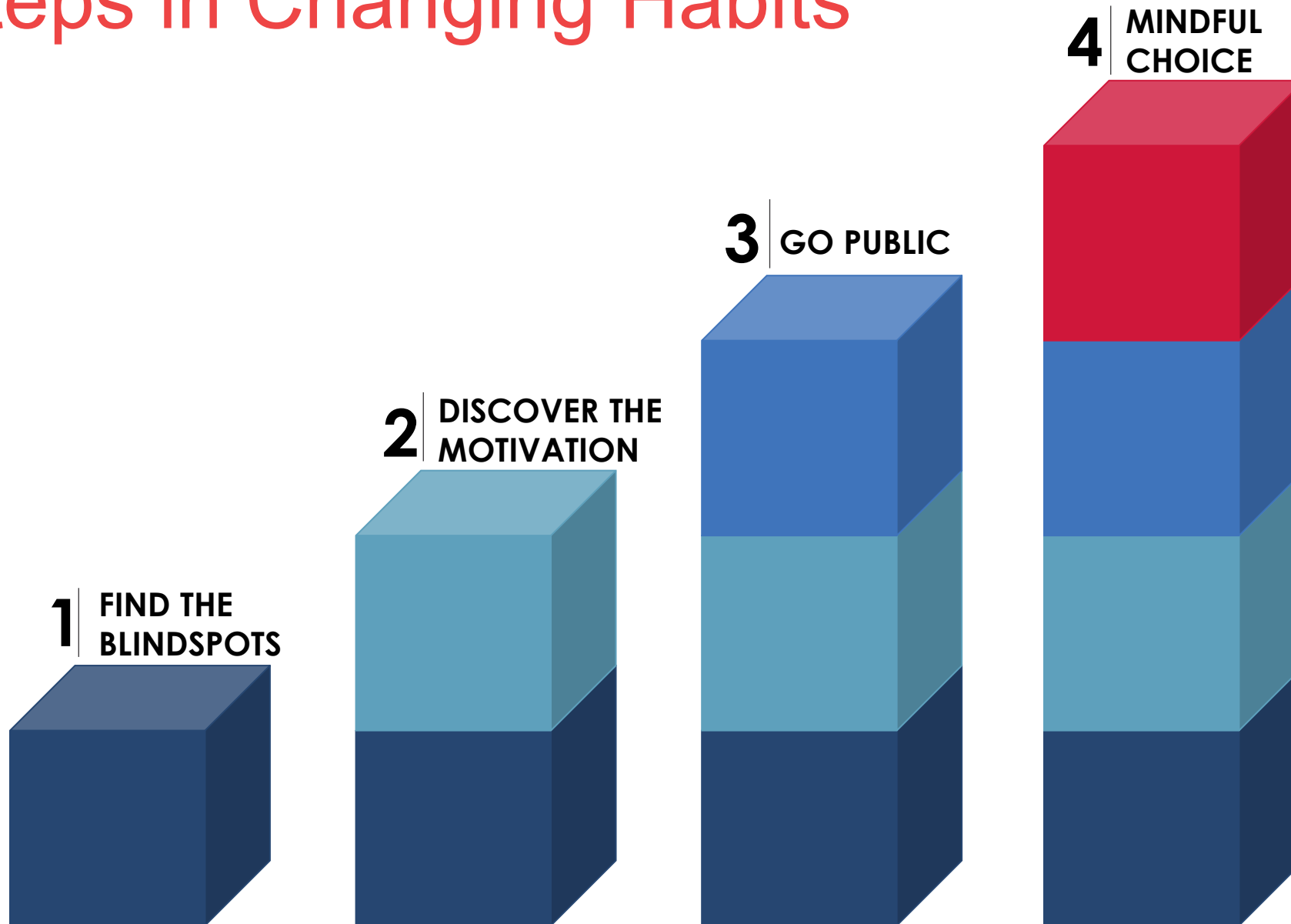


Character Habits

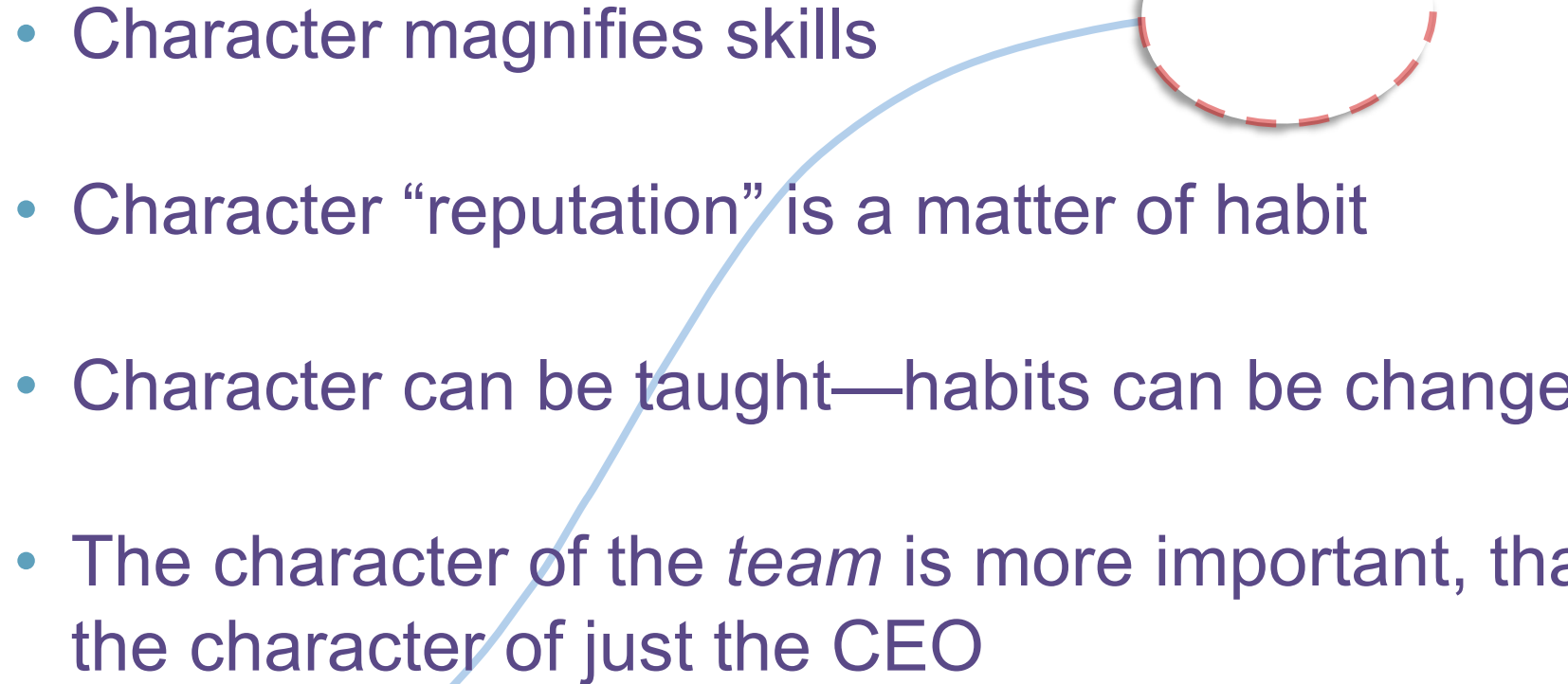
1. How you engage or *connect* with others is a matter of habit
2. Habits, by definition, operate below conscious awareness
3. Habits can be strengthened and replaced



Four Steps in Changing Habits



Conclusions

- Character magnifies skills
 - Character “reputation” is a matter of habit
 - Character can be taught—habits can be changed
 - The character of the *team* is more important, than the character of just the CEO
- 



Questions?



Thank You!

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A Case Study....

- Non-profit - \$30M annual budget
- ~180 employees
- Strained relationship between CEO and COO
- Donation funded – and they were falling
- 10% reduction in staff
- Worked intensively for a year – coaching, facilitated sessions, one on one conversations.
- 39% increase in their character score – Integrity, forgiveness, compassion, responsibility
- From 18% staff turnover to 2%
- From -.04 ROA to 10.5% ROA
- Not done – 60% of staff comments were positive – up a lot, but not to the 90% of virtuoso teams



Integrity

Leads to a **Culture of Accountability**

- Telling the truth
- Acting consistently with principles, values, and beliefs (walking the talk)
- Standing up for what is right
- Keeping promises





Responsibility

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Results Equation

