

THE
VIRTUE
PROPOSITION

*Five Virtues That Will
Transform Leadership,
Team Performance, and You*

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FOREWORD

The Virtue Proposition is not just another leadership book—it's a rallying cry for leaders of today and tomorrow to embrace a profound shift in their approach. Sig Berg's journey has been marked by a relentless pursuit of excellence and integrity, and his insights have the power to transform how you think about leadership.

Sig and I have been grappling with the same types of issues for decades. In our roles as leaders and coaches, we've encountered countless leaders who face the complicated challenge of creating teams and companies rooted in integrity, honesty, and ethics. It's not just about individual growth; it's about creating a culture of integrity that becomes the foundation for everything their company does.

Sig's journey, from a nuclear engineer to a pastor, has provided him with a unique perspective on leadership that goes beyond the superficial values-based leadership we encounter today. He has experienced the high-stakes world of nuclear reactors and the solemn responsibility that comes with it, where there are no casual do-overs. In such environments,

leadership on bald tires, rooted in values rather than virtues, is not an option—it's a recipe for disaster.

What sets Sig's work apart is his unwavering commitment to the idea that knowing why you, your team, and your organization pursue their goals is the key to realizing those goals and the difference they can make. This book insists that virtues lead the way, and it challenges the prevalent notion that values alone are enough. Sig emphasizes that before we can learn how to lead virtuously, we must understand why it matters. Only when leaders and teams fully grasp the purpose and performance that virtues bring, can they achieve and surpass their goals.

Leadership, as *The Virtue Proposition* underscores, is not just about achieving success; it's about leaving a lasting legacy of virtue and excellence. It's about making the world a better place through virtuous leadership, which combines transcendent virtues, emotional and virtue intelligence, and technical competence to enable organizations to reach their greatest potential as high performance teams.

I invite you to join this aspirational movement of virtuous leadership. As you delve into these pages, be prepared to reevaluate your understanding of leadership, to be inspired, and to embark on a collective pilgrimage toward performance excellence and a better world.

Dr. Marshall Goldsmith

Thinkers50 #1 Executive Coach and *New York Times*
bestselling author of *The Earned Life*, *Triggers*,
and *What Got You Here Won't Get You There*.

INTRODUCTION

CALLING ALL CHANGE-MAKERS

This book is for the inspired, the courageous, the change-makers.

These are the individuals who will deliver performance excellence, whether measured by return on investment, increased market share, rate of growth, employee retention, or any other metric. The promise of the book is this: virtuous leaders are the change-makers who inspire virtues-grounded teams that deliver consistent excellence. *The Virtue Proposition* explains how to achieve this. Know first that it will require courage. What is laid out here is not the path of traditional leadership, with its focus on the rules and rituals of boardrooms and c-suites. And it is not the path of iconoclastic leadership, which urges you to move fast and break things. Neither of these paths has, nor ever will, deliver consistent excellent performance. What is needed is a third way of leadership: virtue leadership.

What makes *The Virtue Proposition* transformational isn't just its how-to insights and strategies. *The Virtue Proposition* will

inspire you, your team, and your organization for the better because it insists that before you learn how, you must know why.

Only virtuous leaders of virtues-grounded teams know fully why their purpose and performance matters, which immediately informs how they will achieve and surpass their goals. For a small business this might mean surviving year one. For an established company, this might mean exceeding the prior quarter's safety, profit, and production records. For a hospital system, this might mean lower costs per discharge, lower readmission rates, lower mortality rates. Goals are bottom-line results that in order to be realized sometimes demand you know why it matters that you and your team seek excellence.

I was chief engineer of the nuclear submarine USS Sunfish when, during a training exercise, we had a fire in the auxiliary compartment just forward of the Engine Room. We were under a sheet of extremely thick ice. Surfacing to clear and clean the air was out of the question. Our chief electrician, chief machinist mate, and I passed through the watertight door into the compartment filling with smoke. For the safety of the remaining crew and the vessel, for the integrity of the mission we'd all been tasked with, that door was sealed behind us. Either we solved the problem and walked out, or we would be carried out. The bottom line was: save the ship, save the crew, and complete the mission.

Because all three men who entered that compartment were animated by a dedication to a higher calling that turned a virtuous code of conduct into peak excellent performance, I lived to write this book.

This book holds to the unwavering commitment that knowing why you, your team, and your organization pursues its goals

determines whether those goals are realized and, more importantly, the difference those goals will make. The greatest, most profound, and consequential difference you and your team can achieve requires letting virtues lead. Values matter, though how they matter depends entirely on what is being valued. When a team pursues a value proposition—a goal that promises to make a product, a company, an idea, or a person more appealing in the short term—they can discover that there are a thousand corners to cut, truths to bend, facts to ignore. When a team pursues a virtue proposition—a goal that promises to make a product, a company, an idea, or a person consistently better—they discover they have no such options.

To spy the difference ask yourself this: would you rather trust your family to a car designed and built by a team pursuing value propositions or virtue propositions? What about the building materials that go into your home, the ingredients that go into your food, the care that is provided at your nearest hospital?

Tragically, we live in a world filled with too many leaders, followers, and teams enthralled with short-term value propositions. And everywhere we look, we see the consequences.

It is appallingly apparent that there is a crisis among American leadership. It is a crisis of character. Lies, fraud, verbal coarseness, hypocrisy, greed, and affairs are both endemic and reaching epic proportions. Various forms of corruption are now expected behavior across every sphere of national life: politics, business, media, entertainment, sports, and religion. Something is terribly wrong. Paralleling this crisis is growing cynicism about leadership. The national news on cable TV is a daily soap opera of scandal. The pattern is to

deflect with personal attacks, pointing the finger at one's opponents, avoiding accountability. Honest observers conclude that this is not a problem of the left or the right but a society-wide crisis across every sphere of social life witnessed most acutely among the nation's—indeed the world's—leaders.

We long for nobility, virtue, character, and altruism, yet find its opposite. We also long for truth, dependability, accountability, and pride-in-performance from service industries, product manufacturers, and the world's leaders, yet all too often find its opposite.

It can change; it must. It requires the inspired, the courageous, the change-makers to embrace the virtue proposition. It requires leaders to have technical competence and solid relational skills. However, those two components must be integrated with a crucial third element, often missing today, *virtue intelligence* (VQ). This core component embraces five timeless and transcendent virtues: love, integrity, truth, excellence, relationships (LITER), all catalyzed by courage. Integrated with emotional intelligence, *virtue intelligence* serves as an internal compass guiding a leader's life, decisions, and behavior. These *virtuous leaders* will become the leaders of virtuous teams that are then able to deliver superior results.

Leadership books abound. Leadership training is a growth industry. Yet few such books and training programs assume that character is an essential aspect of successful leadership apart from lip service. When the technical aspects of leadership are prioritized, as is common today, character becomes less and less important. But when the relational and organizational aspects of leadership are prioritized, character becomes essential. But here a deeper problem emerges.

When leadership books discuss character, it is discussed in terms of values and not virtues. The distinction is critical. The difference between the two is the heart of this book. When character is discussed in terms of values, character is framed in a manner that has little traction under pressure. Value-based leadership promotes leadership that entertains the possibility of cutting corners, bending truths, ignoring the facts. I call it leadership on bald tires. Under the complex pressures of modern life these bald tires do not keep the car on the road. This is what we are witnessing today among America's senior leadership.

Like the passengers in a car on bald tires, the followers of our current leaders run the risk of suffering the consequences of the weaknesses of their leaders.

In the fall of 2022, Oxford University's Jubilee Centre for Character and Virtue held their 10th Anniversary conference at Oriel College on the theme "Integrating Research on Character and Virtue." At the final celebratory dinner, Dr. James Rahn of the Kern Family Foundation gave an address challenging the distinguished attendees that after ten years of focused effort their work was not sufficient.¹ History demonstrates, Rahn warned, that we "must take to heart the warning of University of Virginia sociologist James Davison Hunter, 'We want character but without unyielding convictions, we want strong morality but without the emotional burdens of guilt or shame, we want virtue but without moral justifications that invariably offend; we want good without having to name evil; we want decency without the authority to insist upon it; we want moral community without any limitations to personal freedom. In short, we want what we cannot possibly have on the terms that we want it.'"²

Eventually, what we want and what we need is not a matter of preference but a matter of essential performance. And when peak performance is essential, leaders and teams armed with technical competence and committed to the virtue proposition give rise to something remarkable: belief in a common commitment to a shared purpose that transcends any single individual.

When I first reported to the Sunfish, the captain ordered me to his stateroom where he was direct and transparent. Everything that happened on that ship was his responsibility, everything, which included me. But everything that fell under my responsibilities as chief engineer was mine. The message was plain. Screw ups under my watch were mine, and my screw ups became his. The captain then spelled out how he'd manage this. He would trust me to do my job, only occasionally "pulling the string, seeing what came up." Like a fisherman checking his lines, he'd pull a string, and if nothing came up, everything continued as usual. If something did come up—a personnel problem, a lapse in procedure, an ignored detail—it became his responsibility to step into my responsibilities. Unsaid was what every submariner knows: the integrity of the hull and nuclear reactor, the integrity of the mission, the integrity of each crew member's life depended on the personal integrity of all on board to do their job to the highest standards of excellence as possible.

Everyone on the Sunfish lived with daily reminders of the necessity of dependable character, and on some days were asked to demonstrate it to the extreme.

On entering that smoke-filling compartment, from the moment the chief electrician and the chief machinist mate and

I put on our emergency breathing masks until the moment we walked back out that once-sealed compartment, our training, our wordless familiarity with what had to happen and in what order, and our implicit trust in each other took over. We did our jobs as if we were one. The bottom-line results were lives saved: mission maintained.

So many today want character in leadership but without the constraint of virtue. You can't. It is not just that such virtue-less character is insufficient to the moral challenges of our time, such morality is insufficient for leadership. Effective team leadership demands more.

Few business leaders understand the distinction between values and virtues. In common parlance they are often used interchangeably. But they mean very different things and in practice lead to very different results. Many companies select a set of values which organize their work and define their brand, but these corporate values in turn need to be grounded in transcendent virtues. This happens when those virtues are demonstrated in the character and conduct of corporate leaders. Absent that, neither virtues nor values will ever gain sufficient leverage and traction within their organization.

Blurring the difference between values and virtues is a common and increasingly fatal error.

Values are moral sentiments rooted in expressive individualism. They are a choice that an individual makes about moral priorities based on their feelings. Three things are characteristic of values: they are the result of individual choice, they are based in the subjectivity of the self and feelings, and they are malleable over time and place. Values amount to little more than individual opinion. It is not uncommon for leadership

programs to encourage their participants to participate in exercises of value clarification where individuals are encouraged to reflect on what is important to them as a leader, to get in touch with their feelings. The source of authority for values is the individual self. Williams College professor James Nolan writes, “Where older moral orders looked to a transcendent being, to a covenantal community, to natural law, or to divine reason to provide the substantive basis for culture’s moral boundaries, the therapeutic ethos establishes the self as the ultimate object of allegiance. . . . Where once the self was to be surrendered, denied, sacrificed, and died to, now the self is to be esteemed, actualized, affirmed, and unfettered.”³

Almost all contemporary leadership discussions on character operate within core assumptions that are value-based and rooted in psychology—including positive psychology—rather than philosophy or religion. The goal of values-based leadership is authentic personal performance based on one’s own personal truth. No matter what kind of words are used within this contemporary ethical frame to describe morals or values, this frame reverses, and eventually perverts traditional morality, traditional understandings of character, and traditional assumptions about the requirements of leadership. And when you drill down to the foundational level of leaders and teams, where relational competence is essential, you discover values based moral behavior renders both leaders and teams ineffective. The virtue proposition assumes a different frame.

Virtues appeal to an older philosophic and religious tradition in which morals are based in a transcendent objective reality. They exist outside of the self. They are part of the structure of reality. They are how the world works. They function like

gravity, a universal objective reality that we deny at our own peril. They function like oxygen, a requisite for not just living a good life, but life itself. The virtue proposition acknowledges that there are objective moral criteria which, like gravity, like oxygen, impinge themselves on a person regardless of how he or she thinks or feels about them. They define the substance of character and are the standard by which the behavior of every leader is judged. When behavior—how one acts in a given circumstance—is aligned with virtues, we can speak of conduct: how one acts against transcendent moral criteria.

The goal of virtuous leadership is not personal authenticity but incremental alignment—alignment with reality, alignment to transcendent virtues. The goal of leadership development is not celebrating authentic performance but engaging in character formation, both the leader’s and his or her team’s. This involves habitually aligning one’s conduct with virtue through the accountability of mentorship and lessons learned from experience. Virtues establish a vertical dimension to leadership governed by moral authority, in which morality is based in the structures of reality, not personal whim.

This virtues-based approach to the practical work of organizational and team leadership is essential for long-term success. Embracing it, acting within it, requires courage. The higher you go on the social and educational ladder, the greater the resistance there will be to the virtue proposition. I make no apology for such a contrarian approach because pragmatic success in actual organizational experience demands it. The virtue proposition accepts that there is no effective leadership without a prior commitment to objective morals, ultimate authority, or what we describe as transcendent virtues. The strongest

case affirming the importance of the virtue proposition is the state of leadership among the world's contemporary leaders. It also stands atop millennia of ancient and current scholarship, globally shared religious tenets and practices, and the objective achievements by virtue-based leaders—from Buddha to Jesus, from Marcus Aurelius to Abraham Lincoln, from General Dwight Eisenhower to Dr. James Orbinsky (Doctors Without Borders)—across history.

I believe anyone who honestly reflects back on their life, on their participation with fellow students or colleagues, with teammates and within civic organizations, at your first or last job, among friends and family, will discover that more was accomplished—more good achieved—when character, virtues, and shared commitment to something greater than any individual guided their actions. This is a truism of my life.

Some learn it in a classroom or around a boardroom table. I learned it at the U.S. Naval Academy, on submarines, operating nuclear reactors, leading teams, serving as a parish pastor, succeeding and failing. I knew the people who met the challenges at Three Mile Island, Chernobyl, and Fukushima. Discussions of leadership in these settings are deadly serious. High performance teamwork is essential. There are no casual do-overs. Mistakes in these settings cost more than gold medals and quarterly revenue. Mistakes here can cost lives—something on the scope of Chernobyl. Conversely, leaders and teams animated by virtues-based decision and action will save lives. A commitment to the virtue proposition is why my path from nuclear engineer to pastor was short and straight.

This same level of concern followed me into retirement. I was haunted by the closing scene of *Schindler's List*. Oskar Schindler

stands in the rail yard at his factory in Germany. His employees have gathered under the cover of darkness to say goodbye. In those final moments, he is given a letter signed by every employee thanking him for what he has done for them—saving them from the horrors of the Holocaust. Then he is presented with a gold ring inscribed in Hebrew with these words from the Talmud: “Whoever saves one life, saves the world entire.”

The meaning is unmistakable: When a person shows humanity to another, he demonstrates the continuing existence of humanity in society. Schindler begins to weep and all he could say repeatedly is, “I could have gotten more out. I didn’t do enough.”⁴ It is too easily forgotten that before Schindler became a revered secular saint, he was an industrialist, owner of a factory, a leader. His path from member of the Nazi Party and its military intelligence service to the man who wept because he didn’t do enough to save the persecuted was not short or straight, but it was illuminated by virtues-based decisions and actions.

As I look back on my own life, the story of Oskar Schindler strikes a chord in me. I, too, could have done so much more. I cannot change the past, but I can work at shaping the future. I also know that if I am to make any kind of impact for the common good, I cannot do it alone. This was the genesis of the Severn Leadership Group.

The SLG is the crucible within which the insights, strategies, and practices explained in *The Virtue Proposition* were forged. Foundational to the Group is the belief that character matters to teams, and that teams are essential for effective organizations. The type of leadership that maximizes the effectiveness of teams is leadership of character based on transcendent virtues: the five virtues of love, integrity, truth, excellence, and relationships.

I believe a network of such teams will transform organizations—from small business to large complex companies—for the better. I believe that a network of such leaders across America will address the crisis of leadership we are experiencing. I also believe that such teams and leaders will foster superior organizational success through their honest alignment with human nature and reality. Finally, I believe that the measure of a leader is his ability to create a virtuous culture in which swing can be realized among their organizational team.

Swing Is

When the three of us entered that smoke-filling compartment, visibility dropped, our breathing masks made communication difficult, and training took over. Training and something else, something more encompassing than training. I was the senior officer, but the other two knew more about the sequence of tasks that had to be completed to identify the cause of the fire and extinguish it. I became a leader in service to a team that had to perform at peak excellence. We were seamless, efficient, utterly focused, and successful. For the minutes we were isolated in that compartment, we experienced swing.

Virtuous leaders of virtuous teams seek the ineffable: in rowing it's called "swing," that moment when divergent strength achieves the synchronized harmony of high performance. This is that moment when, to quote Aristotle, "a kind of a whole is beyond its parts."⁵ This is how an experienced oarsmen described swing:

Imagine that you are giving 110 percent effort to a task but because your fellow oarsmen are so much in synch that you can't feel any of their effort in any way that is different from yours. The result is feeling your own effort magnified by eight. The boat is moving powerfully but you can't differentiate between your effort and the effort of your teammates. The feeling is of power so much more than your own and it is amazing.⁶

Swing is the aspiration of all high performance teams—whether in a rowing shell, a submarine, a team, or an organization. This book is about developing leaders who create the conditions for swing. Swing is different from winning. Swing is the experience of pure teamwork realized while enduring the extremities of individual effort. Swing cannot be achieved by a lone rower in a single shell. That solitary rower might realize "flow," which is an individual experience. Swing is the result of totally aligned collective or team performance.

The skills needed to build a team are completely different from those which an already-functioning team calls on. Building that team first is a step that cannot be omitted, though we live and work in a world that routinely does. Over half of all workers are disengaged from their work. Large numbers engage in what has been called "quiet quitting." Not every collection of individuals, organization, or working group is a team. Teams require having shared performance results: a commitment to a compelling shared vision. But a shared vision is never enough. They must also have a mutual commitment to one another, most clearly evidenced through trust.

Jon Katzenbach and Douglas Smith describe a "team

performance curve” in their book, *The Wisdom of Teams: Creating the High-Performance Organization*. “Unlike teams,” they explain, “working groups rely on the sum of ‘individual bests’ for their performance. They pursue no collective work product requiring joint effort.” In contrast, a high performance team is evidenced by team members who are deeply committed to a common purpose as well as to one another. Katzenbach expands, “The best teams invest a tremendous amount of time and effort exploring, shaping, and agreeing on a purpose that belongs to them both collectively and individually.”⁷ The key to their success is a relational dynamic of mutuality, accountability, and trust. In rowing this creates the conditions for swing. It is the combination of a shared commitment to a compelling common cause coupled with the surrender of self to the benefit of other team members that creates high performance. Fostering leaders that create this environment is the aim of this book.

Rowing is the ultimate team sport. In a racing eight—a sixty-two-foot shell with eight oarsmen and one coxswain—eight powerfully fit individuals must harmonize the artistry of their stroke in a ballet of motion while individuals are experiencing their own individual hell. More than anything, rowing is mental resistance to pain while harmonizing one’s performance to the others in the shell. The slightest deviation under race conditions can cause a disaster. There is no other sport that requires the sacrifice of self in service to the whole more than rowing. Legendary rowing coach and boat builder George Pocock said, “Rowing is perhaps the toughest of sports. Once the race starts, there are no time-outs, no substitutions. It calls upon the limits of human endurance. The coach must therefore impart the secrets of the special kind of endurance that comes from

mind, heart, and body.”⁸ The sport demands the most of every individual. Author Daniel James Brown goes further, “No other sport demands and rewards the complete abandonment of the self the way that rowing does. . . . The team effort—the perfectly synchronized flow of muscle, oars, boat, and water; the single, whole, unified, and beautiful symphony that a crew in motion becomes—is all that matters. Not the individual, not the self.”⁹

While demanding the most of every individual, rowing also demands the total synchronization of the individual effort to the other individuals at the point of greatest individual pain.

Swing only happens when all eight oarsmen are rowing in such perfect unison that no single action by any one rower is out of sync with those of the other. Only then will the boat continue to run out fluidly and gracefully between the pulls of the oars. Swing is the elusive overdrive of rowing. It is most often spoken of in spiritual terms. George Pocock asks, “Where is the spiritual value of rowing? The losing of self entirely to the cooperative effort of the crew as a whole.”¹⁰ The mystical, spiritual, and elusive ideal of swing *becomes* possible only when there is the kind of collaborative leadership that *makes* it possible.

Just reading this book will not produce such leaders. It is written to serve as an on-ramp for a personal and organizational journey in preparation, instruction, mentorship, and implementation. Starting it and completing it is up to you.

To begin, there are certain attitudes that one must adopt. There is no personal transformation in a leader without a high degree of self-awareness. One must acknowledge the need to start on such a journey. In addition, one must strive to embody certain behaviors. True leadership is not based on values but virtues. It is not about matters of your own choosing, which

would be some form of values clarification, but rather aligning yourself to and embodying enduring transcendent virtues that are rooted in the structures of reality. A commitment to transcendent virtues is then filtered through a high level of emotional intelligence. Leadership is about being held accountable in practice to those virtues within the push and pull of everyday life. When a leader is capable of this, her conduct demonstrates her virtue intelligence, or VQ.

Clearly, there is no such thing as abstract accountability. The mark of a leader is only seen in application of character and skilled competence within an actual organization or a given team. It is not something that can be learned from a book or in a classroom. Its measure is actual lived reality with people under pressure. The combination of virtuous alignment, attitude, attributes, accountability, and application serve as the gristmill for the transformation of a difference-making leader. They change a leader's behavior and the culture of an organization.

Central in our journey together looms the figure of George Pocock. He is the legendary boat builder and rowing coach from the University of Washington. He serves as the philosophical Yoda of the rowing world. His insights on rowing serve as a direct metaphor on life. The story of nine Americans who won the gold medal at the 1936 Berlin Olympic games, a story told in Daniel James Brown's book, *The Boys in the Boat*, serves as this book's metaphorical backdrop. Pocock was a master team builder and the guru of swing. This concept serves as the master metaphor for this entire discussion about change-making leadership. Where this differs from other discussions of leadership is that, in this approach, the individual leader necessarily fades into the centrality of the team. This is a book

about leaders who serve high performing teams, not a book about high performing leaders.

Leadership begins with you, but it is not about you.

My mission, and that of the SLG, is to foster virtues-driven leaders of character with a keen sense of emotional intelligence able to harness the personalities, abilities, and experiences of other people working in cohesive and synchronized teams to serve something larger than themselves. These are virtuous leaders able to exercise virtue intelligence as evidenced by their relational conduct within a team. This book explains how this can become a reality in your life and in your organization.

You are invited to participate in this aspirational movement of virtuous leadership. Let's begin the collective pilgrimage toward performance excellence, while making the world a better place, by becoming virtuous leaders creating virtuous organizations. This is the virtue proposition: leadership based on transcendent virtues filtered through emotional and virtue intelligence, coupled with technical competence, enabling organizations to achieve their greatest potential as high performance teams.

Let's begin.