



May 14, 2014  
Youngstown State University

## YSU CPE Day

Dr. Peter Rea, Ph.D.  
Parker Hannifin

**Integrity is a Growth Market**

Session #004

### Upcoming Events

#### **Cleveland Spring CPE Conference – May 23, 2014– Course #46375**

*A whole new CPE season starts with the beginning of spring, and our annual Cleveland Spring CPE Day Conference is a fantastic way to get all the latest news you can use on a variety of topics important to you and your profession. There is so much happening with new regulations, the new health care law and the competitive environment continues to be a strain on all businesses, and with the ability to get information from virtually anywhere, it's hard trying to cut through it all to get to what you need to know. Join us at the Cleveland Spring CPE Day conference and let us help make that easier by providing you with the information you need, from the experts you know, and the industry leaders you trust. Plus it's a great time to network with your peers and satisfy your three-hour ethics requirement. Being close to home with great topics and great speakers this event has it all.*

#### **Akron Spring CPE Day– June 27, 2014 – Course #46391**

*Join OSCPA for one of the most popular CPE events in Northeast Ohio. The 2014 Akron Spring CPE Day conference is coming soon and it's the place to be to get information on just about anything, anytime from a variety of sources. At this conference we're going to help make that process easier by providing you with the information you need on the topics important to you and your industry. This is a great opportunity to learn from the experts and industry leaders you know and trust, plus you can satisfy your three-hour ethics requirement and network with your peers.*

· **Be sure to visit the Events Catalog at [store.ohioscpa.com](http://store.ohioscpa.com) for more continuing education opportunities.**

#### NOTICE TO READERS:

These course materials have been prepared solely for continuing education purposes. Since the subject matter has not been considered and acted upon by senior technical committees of The Ohio Society of CPAs, it does not represent an official position of the Society

# Integrity is a Growth Market

*YSU CPE Day*



Dr. Peter Rea, VP – Integrity and Ethics  
May 14, 2014



ENGINEERING YOUR SUCCESS.

## Winning with Integrity

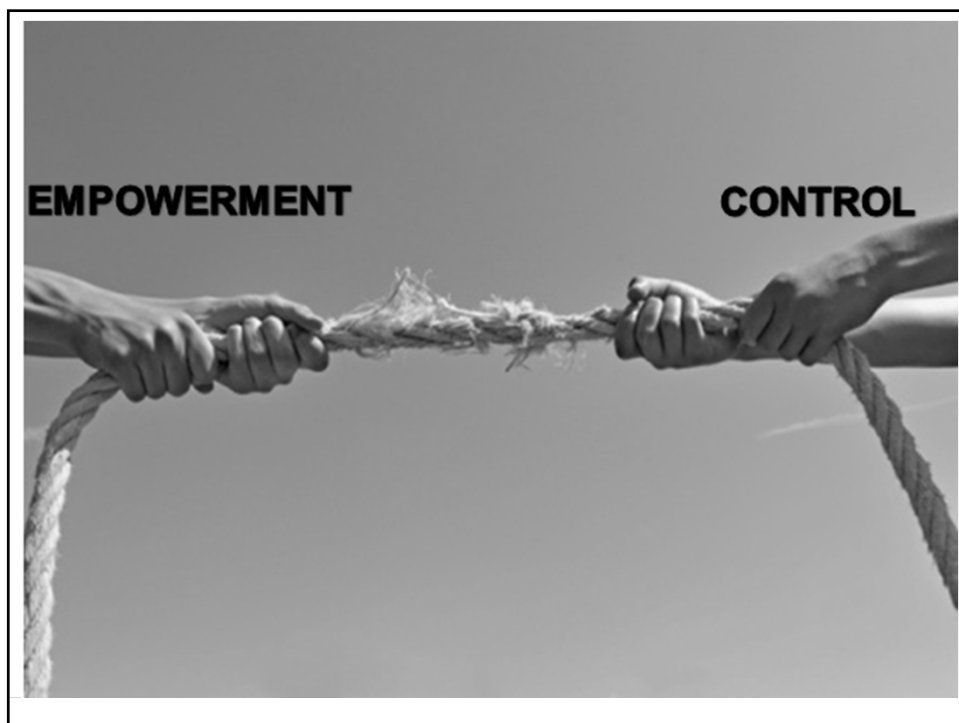
**Preserve Our Reputation**

**Protect Our Financial Strength**





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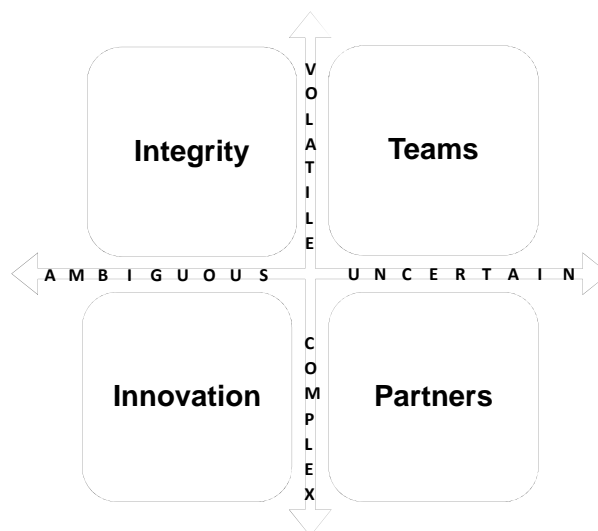
## The WHAT

- VUCA
- Character-Based Leadership & Culture

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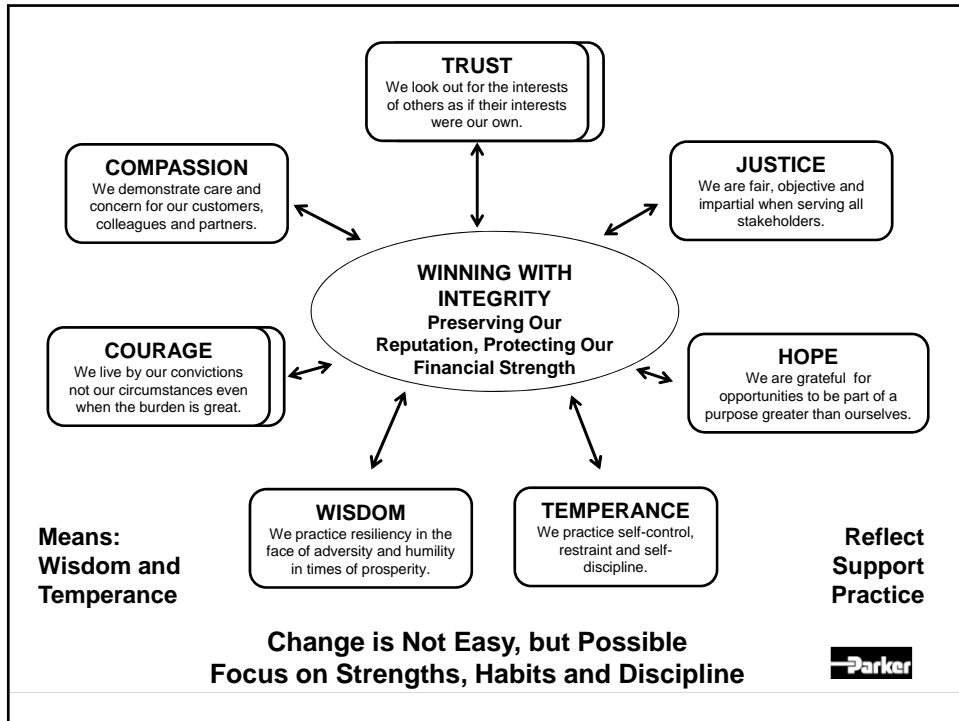


## Strategies for Operating in a VUCA Environment



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## Character Yields Commitment

**Purpose**  
**Mastery**  
**Empowerment**

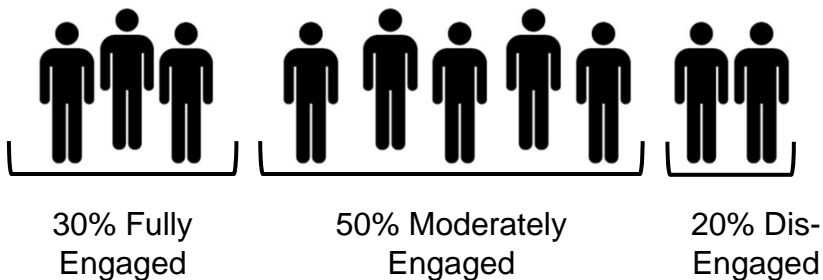


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## Character key to Engagement

Total Compensation Represents > 70% of Total Costs



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**ONLY 11% PASSIONATE**

Source: Gallup Poll & Deloitte





**Culture eats strategy for breakfast.**



## **Culture Defined**

How people think, feel and act

Culture impacts everything



## Consider this

"...the only thing of real importance that leaders do is to create and manage culture."

- corollary – "The unique talent of leaders is their ability to work with culture."

Edgar Schein

*Organizational Culture and Leadership*



**Parker**

## How Will You Compete?

- Price: **30 day** advantage
- Products/services: **2-3 year** advantage
- People/Culture: **7-10 year** advantage

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## Tangible Growth Depend on Intangible Virtues



### **Performance Drivers**

People, Purpose,  
Passion, Persistence

### **Character Habits**

Wisdom, Temperance

### **Character Enablers**

Courage & Hope

### **Trust Drivers**

Care & Fair



## The SO WHAT

- Strategically Smart, Better Way to Live
- Learned Not Inherited



## Strategically smart; better way to live

- Passion
  - 2X as likely to take on a challenge source: Deloitte
- Persistence
  - 2X as likely to succeed as IQ source: University of Penn
- People
  - 2X social capital: best predictor of who will innovate source: Harvard
- Coaching Innovators
  - 7X more likely to raise funds
  - 3.5X more likely to grow business source: MIT



Traits

Fixed

Talent

Growth  
Mindset

Virtue



## Growth Mindset

Do you have a  
**growth** or **fixed**  
mindset?

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## Agree or Disagree?

1. Your intelligence is something very basic about you that can't change very much.
2. You can learn new things, but can't really change how intelligent you are.
3. No matter a person's intelligence, you can always change it quite a bit.
4. You can always substantially change how intelligent you are. Source: Dweck, 2012

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Givers

Makers

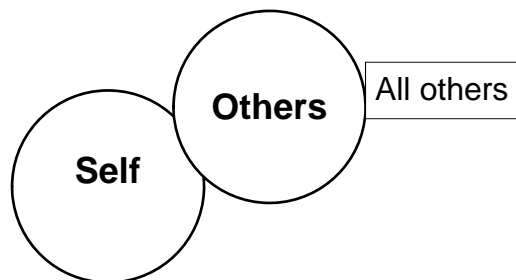
Takers

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Source: Adam Grant, 2013



**Our Ego is Not our Amigo**



Adapted from Robert Humphrey, Values for New Millennium, 2012



## The So What: Trusted Bulldogs with Friends Win in the End



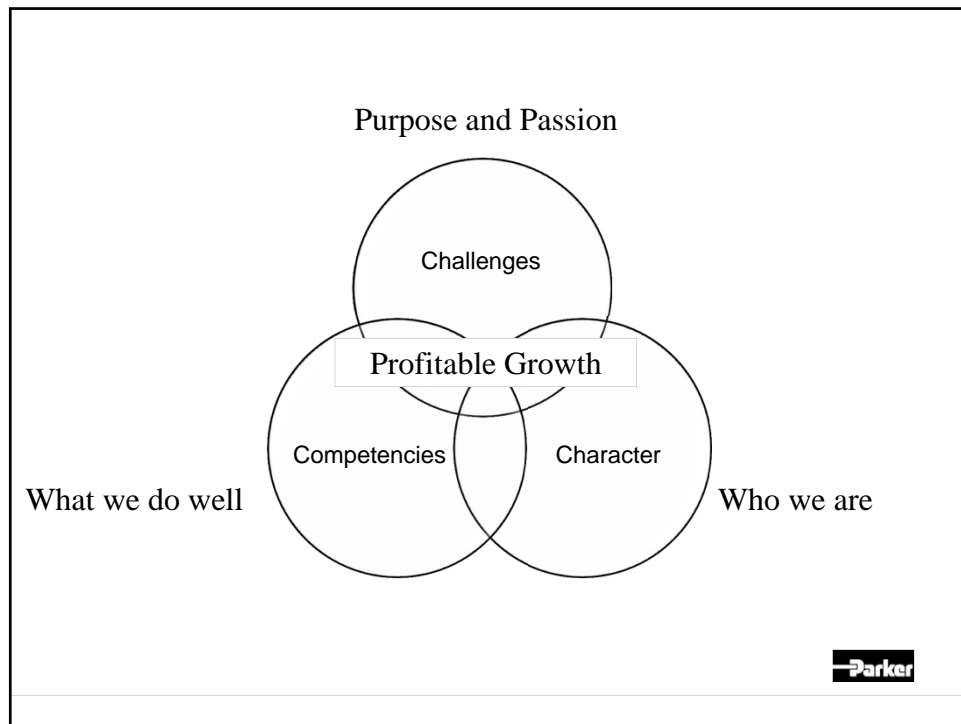
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## The NOW WHAT

- Strength Based
- Resiliency Overcomes Adversity

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## Deficit Based Cultures

### Level of Disengagement

40% When leader ignores people

22% When leader focuses on weaknesses

1% When leader focuses on strengths

Gallup Poll



## Quick and Dirty Cultural Assessment

### Affection, Authority, Adversity

#### **Affection: "Compassion or Care"**

- Do most people feel a sense of belonging?
- Do people feel like some of their colleagues are friends?
- How well aligned and committed are employees to "superior customer service?"

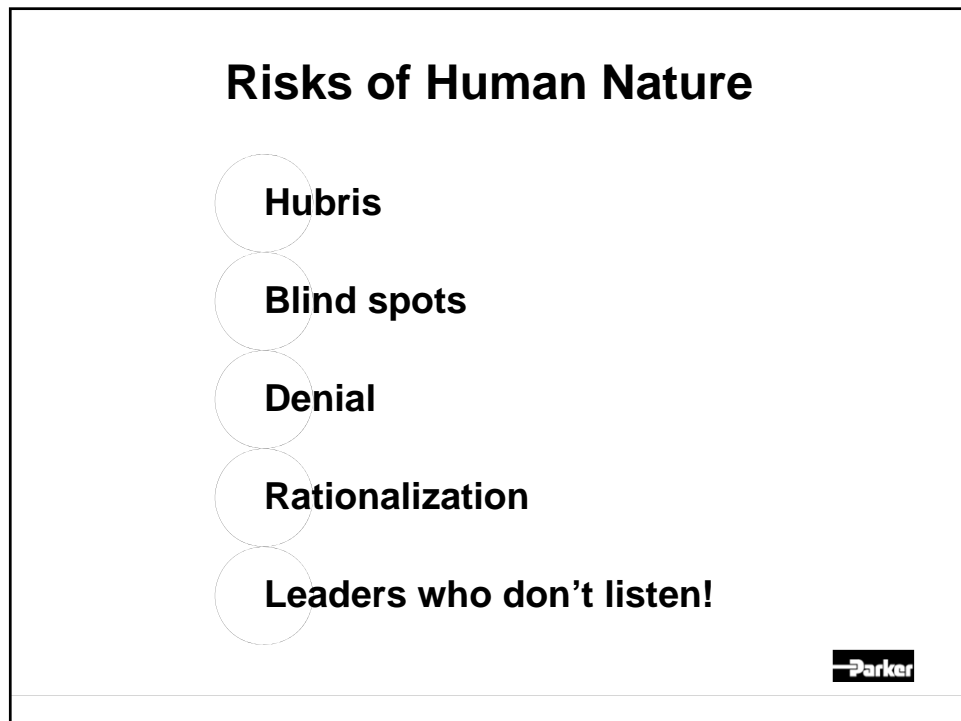
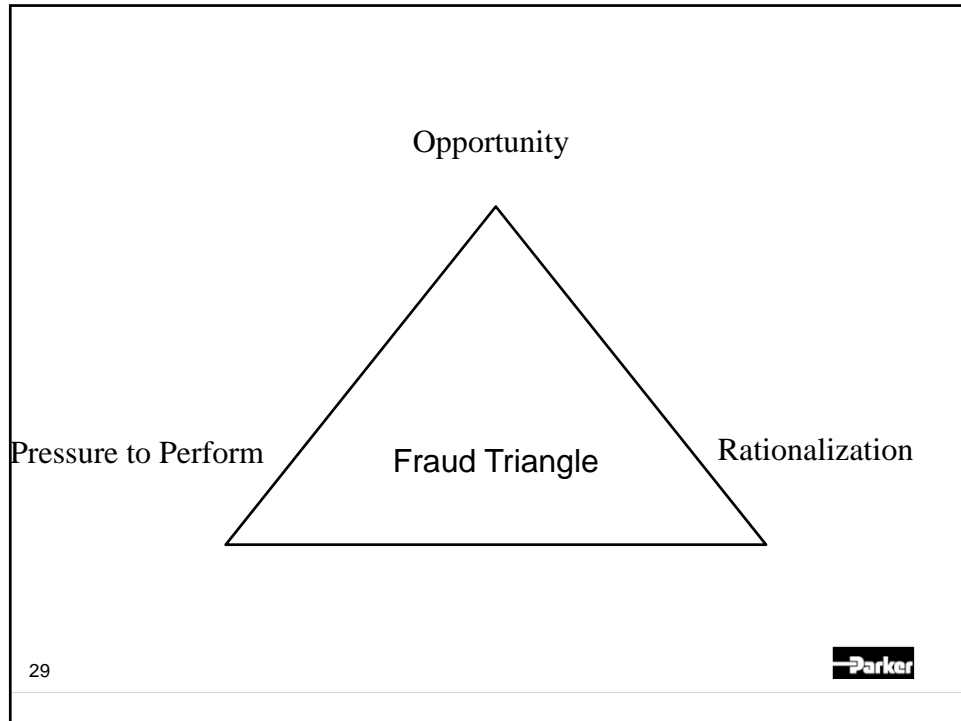
#### **Authority: "Morale or Fairness"**

- Why are people promoted?
- Why are people ignored, demoted or fired?
- What happens when someone speaks out to challenge authority?

#### **Adversity: "Trust and Hope"**

- How well do people trust leaders during difficult times?
- How well does the culture contribute to a better future guided by humility and confidence?
- How quickly does the culture adapt to changes such as shifting customer preferences, economic conditions or poor financial results?







## **Resiliency & Post Traumatic Growth**

- Optimism
- Humility
- Gratitude

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## **Key Take Aways Character-Based Leadership/Culture**

- VUCA strategy depends on character
- Engagement drives performance
  - People, Passion, Persistence, Purpose
- Strength-based cultures beat deficit cultures
- Gratitude/Optimism/Humility



