

Character and the Corporation

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Between 1969 and 1991, Bill O'Brien was marketing vice president and then CEO of Hanover Insurance in Worcester, Massachusetts. Over that period, Hanover rose from the bottom of the U.S. property and liability insurance business to the top quartile. Peter Senge of MIT describes O'Brien's work at Hanover as "the most dramatic, sustained corporate renewal I know of." In this book, O'Brien reflects on how he did it.

O'Brien loved business, not in an abstract way, but in the day-to-day practicalities of how to make a company work better and make money. Even more than that, he loved people – again, not in general, but one person at a time, warts and all. He once cautioned me: "You don't have to like someone in order to love them." O'Brien described himself as "a Christian and a capitalist, in that order." His book reflects these priorities.

O'Brien explains what he and his colleagues accomplished at Hanover in terms of how they thought about and worked with Hanover's people. He didn't put much stock in grand strategies. "At Hanover, we beat out competitors," he once told me, "because we worked at getting our people to do the basics better, and because we didn't get distracted by as many fads as our competitors did."

As a leader and manager (and as a parent, and as a friend), O'Brien focused his attention first and foremost on helping people grow. He thought a lot about how to support and foster the slow processes of individual and organizational maturation, upon which personal and business success rest and which cannot be rushed. At Hanover, he placed great emphasis on a set of values that he believed the company needed in order to be successful: localness, merit, openness, and leanness. But he placed even greater emphasis on employees choosing for themselves whether to adopt these values. "A value is only a value," he said, "if it freely chosen."

Is it possible to move an organization to a higher plane, where there is less of a gap between what we say and what we do? And can you cultivate an organization that liberates the individual, pursues truth, is just, acts with courage, acquires wisdom, practices virtue – and still earns a profit?

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I think it's easier to spot a leader's serious character weaknesses from the bottom than it is from the top, because aspiring pseudo leaders put a lot of energy into impressing higher echelons and less into putting integrity into their relationships with the people for whom they are responsible.

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In our Western world, the word "love" has deep connotations that we do not normally associate with business – romance, for example, or that special feeling among family members or close friends. But I'm not talking about these kinds of relationships. By "love" I mean a predisposition toward helping another person to become complete. This is our primary responsibility to everyone within our purview.

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O'Brien resigned from Hanover in 1991 after a disagreement with the company's controlling shareholder over a matter of principle. In his retirement, he stayed in his beloved world of business by coaching and mentoring a few businesspeople, including me. He died last August, one month after completing this book.

All leaders have a wake that impacts the people in their domain. Weak leaders leave little impact in their wake. Degenerative leaders create cultures that pull people down so that they become less and less of what they are capable of becoming. But generative leaders leave a wake that uplifts people and inspires them to grow and achieve that highest potential of which they are capable.