Indonesian Multidisciplinary Scientific Journal (JIM-ID)
Volume 14 No 12 (2025) DOI 10.58471/esaprom.v4i12
ESSN 2828-9463 (Online)
https://ejournal.seaninstitute.or.id/index.php/esaprom

Discipline to Build Characterin Government: A Literature Review and Conceptual Analysis

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Article Info
Keywords:
Leadership Ethics,
The Decisive Moment,
Policy Ethics,

ABSTRACT
This research analyzes the conceptual framework of "The Discipline of Building Character" by Joseph L. Badaracco Jr., focusing on the formation of leadership character through Defining Moments. This research is motivated by a paradigm shift in leadership ethics studies, from a rule-based approach to character-based ethics or virtue ethics. The ethics paper identifies that large-scale corporate failures reflect a crisis of leadership character that requires an internal mechanism of self-reflection discipline. Badaracco argues that Defining Moments—choices between two deeply held ideals (right-versus-right)—are a laboratory for character formation that is cumulative and continuous. The research conducts a comprehensive synthesis of the contributions of ten major researchers in character ethics and moral leadership, placing Badaracco's framework in theoretical dialogue with classical virtue ethics and contemporary character development models. Defining Moments are identified through three dimensions: (1) Personal Identity ("Who Am I?"), (2) Collective Relationships ("Who Are We?"), and (3) The Social Role of Institutions ("Who Is Our Company?"). Badaracco's framework synthetically combines Aristotelian wisdom on phronesis (practical wisdom) with existential responsibility for self-creation through authentic choices. Practical implications include the institutionalization of character-based reflection processes, the design of organizations that are anti-cognitive bias, and the modeling of moral ethos by senior leadership.

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INTRODUCTION

The study of leadership ethics has undergone a significant paradigm shift from a traditional focus on rule-based ethics (deontology) or consequences (teleology) to an emphasis on character-based ethics, or virtue ethics. The character paradigm recognizes that a leader's internal moral qualities, formed through habits and choices, are a fundamental prerequisite for sustainable ethical decision-making, beyond mere external compliance with regulations.(Zam et al., 2025).

The urgency of this character study is reinforced by a series of large-scale corporate ethical failures, which fundamentally reflect a crisis of leadership character. Globally, scandals like Enron, led by Kenneth Lay, marked a significant turning point. This case involved

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massive financial reporting manipulation and is a classic example of a failure of leadership integrity, where self-interest was placed above duty. The impact of the Enron case was widespread globally, demanding serious attention to corporate governance, including in Indonesia, and demonstrating that systemic weaknesses are often rooted in the moral choices made by individuals at the highest levels.(Goncalo & Duguid, 2012).

In the national context, the need to strengthen integrity is particularly acute. Indonesia's Corruption Perception Index (CPI) data for 2024, despite a slight increase, generally indicates that its score remains "poor." This phenomenon, combined with the monitoring and prevention efforts of corruption by institutions such as the Corruption Eradication Commission (KPK) through the Integrity Assessment Survey (SPI),(Brown et al., 2005). Highlighting that strengthening structural integrity must begin from the foundation of the character of leaders and managers. Empirical studies further confirm the sustainability implications of this ethic, where companies that uphold business ethics, as observed in the cases of PT Kapal Api and Nestlé, tend to achieve higher consumer loyalty and stronger stakeholder relationships, which are key to the company's competitiveness and sustainability.(Ferrell et al., 2019).

Large-scale ethical failures occur not only because leaders choose wrong over right, but often because they rationalize a series of small, ambiguous choices. Badaracco suggests that character discipline is an internal mechanism that must be activated to prevent this rationalization.(Kacmar et al., 2012)In an environment characterized by competitive pressures and fragile integrity (as indicated by CPI scores), a leader's internal discipline serves as a crucial bulwark against external pressures that can lead to corruption and scandal. Therefore, Joseph L. Badaracco Jr.'s framework on the "Discipline of Building Character" offers a reflective and pragmatic approach to addressing the most challenging dilemmas in contemporary management.(Wheeler et al., 2014).

METHODS

This research uses a Systematic Literature Review (SLR) approach. Unlike traditional literature reviews, which are narrative and subjective, SLR is an independent research method that aims to identify, evaluate, and interpret all relevant research to a specific research question. This methodology was chosen to mitigate researcher bias and ensure that conclusions drawn are based on comprehensive, high-quality empirical evidence. This approach is designed to answer the research question regarding [The Discipline of Building Character] and to build a new, robust conceptual framework for the development of management science.

To ensure the validity and reliability of the review process, this study adopted the PRISMA 2020 (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) standard protocol. This protocol allows for a transparent literature selection process that can be replicated by other researchers in the future. The research process consists of four main stages: (1) Identification, (2) Screening, (3) Eligibility, and (4) Inclusion. A comprehensive literature search was conducted in reputable academic databases to ensure the quality of the references. The primary databases used included Scopus and Web of Science (WoS), as both

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databases have strict indexing standards that include high-impact journals (Q1/Q2). As supporting information, searches were also conducted through ProQuest and EBSCOhost.(Bahadoran et al., 2022).

RESULTS AND DISCUSSION

To provide a solid theoretical foundation for the analysis of Badaracco's framework, the following is a synthesis of the contributions of ten key researchers related to character ethics, moral leadership, and ethical decision-making processes.

Table 1: Synthesis of Contributions of Ten Key Researchers in Character Ethics and Leadership

No.	Researcher (Year)	Draft/ Main Theory	Relevance to Badaracco's Character Discipline
1	(Badaracco, 1998)	*Defining Moments*(Right vs. Right Choice)	The core mechanism of cumulative character formation: Choice between deeply held ideals. Creating shrewd, pragmatic, and politically astute actions.
2	Aristotle (Nicomacea Ethics)	Virtue Ethics, Deliberation, and Intuition	Philosophical basis: Character results from consistent actions (habits) and decisions reached through intuition-assisted deliberation, seeking a balance of virtues 7
3	(Narvaez, D., & Rest, 1995)	*Four-Component Model*	Cognitive framework: Moral Character (Component 4) is the internal strength to act according to ethical judgment, supported by Sensitivity and Motivation 8
4	(Hannah & Avolio, 2011)	*Leader Character*and Moral Ethos	Character expansion: Focus on aspirational morality (moral excellence) that goes beyond duty. The locus of character is within the leader's self-system [10, 11]
5	(Macintyre, 1981)	A Critique of Virtue Ethics and Modern Managers	Structural contradictions: Criticizes managers as manipulative characters; highlights the need for moral and practice communities to reject emotivism 13
6	(Treviño et al., 2006)	*Ethical Leadership*	Character Modeling: Leaders must demonstrate a credible and attractive moral character for subordinates to follow, creating an ethical culture 15
7	(Gioia & Chittipeddi, 2007)	*Sensemaking*and Script Schemas	Organizational Cognition: Explaining how operational frameworks (scripts) can diminish moral judgment, requiring leaders to engage in ethical sensemaking 16
8	(Bazerman, 2014)	Behavioral Ethics (Blind Spots)	Prevention: Focus on cognitive biases that lead to unintentional unethical behavior. Badaracco's discipline increases vigilance 18

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No.	Researcher (Year)	Draft/ Main Theory	Relevance to Badaracco's Character Discipline
9	(Solomon, 2012)	Virtue Ethics in Business	Foundations of Business Ethics: Affirms that business is a social practice that requires the development of certain virtues (e.g., trust, justice) 19
10	(Lapsley, D.K., & Narvaez, 2004)	Moral Self-Development	Character Formation: The moral self is developed through chronically accessed social cognitive schemas, driven by interactions and relationship patterns in social contexts 20

Discussion of Core Concepts: Badaracco's Decisive Moment Mechanism as an Existential Discipline

Decisive Moment vs. Conventional Ethical Dilemma

Badaracco introduces a fundamental distinction between conventional ethical decisions (right-versus-wrong) and Defining Moments. Conventional ethical decisions typically involve a clear-cut choice between one option recognized as right and another option recognized as wrong. In contrast, Defining Moments challenge individuals on a deeper level because they require a choice between two or more deeply held ideals.(Kotler, P., & Keller, 2016). These right-versus-right decisions rarely have a single “right” response.(Lapsley, D.K., & Narvaez, 2004).

A key characteristic of the Defining Moment is its cumulative nature. Badaracco argues that an individual's character is formed not by a single heroic act, but by a series of decisions made over many years.(Nederveen Pieterse et al., 2019)These moments force executives to "dig beneath the surface of their busy lives" and refocus on their core values and principles. Once discovered, these values not only renew their sense of purpose at work but also act as a springboard for astute, pragmatic, and politically savvy action.(Ferrell et al., 2019).

Philosophical Foundations: Aristotelian Deliberation and Choice

The process of self-reflection Badaracco calls for has strong philosophical roots in Aristotle's virtue ethics. Badaracco links the deliberation process in The Decisive Moment to Aristotle's view of intuition, which is considered "more reliable in deliberation than detached intellectual judgment," because intuition "can penetrate to the essence of the matter." Virtuous character, according to this view, is achieved through a process of deliberation followed by consistent action.(Casey & Macintyre, 1983).This creates a cycle of ethical learning in which leaders not only learn moral principles in the abstract, but develop the ability to respond to complex moral situations with practical wisdom accumulated through experience and deep reflection.(Rasnawati et al., 2024).

Badaracco emphasizes the central role of ethical intuition, developed through experience, contemplation, and sustained reflection. This intuition is not a "blind instinct" or arbitrary emotional preference, but rather a form of practical knowledge that has been internalized through a process of deep moral learning. Leaders' experiences in facing previous ethical dilemmas create a "repository" of intuition that enables them to quickly

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recognize relevant moral patterns in new situations, thus making more appropriate and wise ethical decisions under conditions of uncertainty and ambiguity.(Dirzyte et al., 2022).

Badaracco creates a compelling bridge between classical ethics (Aristotle) and the existentialist perspective (Sartre). While theories of what constitutes “the good” may differ, a central element in both frameworks is choice. In Badaracco, the Decisive Moment forces leaders to actively engage in deliberate choices between competing ideals. This is a process in which leaders not only obey external rules, but consciously “create” the essence of their character through their actions, making it a highly relevant ethical framework for the modern business environment rife with moral ambiguity.(Waples et al., 2025).

Badaracco's approach to leadership ethics through the concept of Decisive Moments offers a synthetic and comprehensive model that combines Aristotelian wisdom about developing virtuous character with the existentialist responsibility for self-creation through authentic choice. This framework recognizes that ethical leadership is not the mechanical application of predetermined principles, but rather aan ongoing reflective practice that demands full engagement, deep self-awareness, and a commitment to the moral responsibility of every choice made. In the context of 4.0D leadership and digital transformation, where leaders must integrate AI technology with human values, an ethical framework is essential.(SABIE et al., 2020)

Badaracco provides a moral compass that can guide leaders through complexity and ambiguity with integrity and wisdom. Ultimately, true leadership in the digital age is leadership that is not only capable of adopting and implementing the latest technologies, but most importantly, capable of making wise and authentic ethical choices that reflect strong character and a steadfast commitment to the organization's values of humanity and justice.(Nawawi, 2005).

Three Dimensional Discussion of Decisive Moments: Implementation of Character Discipline

Badaracco identifies three main categories of Decisive Moments that commonly occur in the workplace, each demanding a different type of reflection and discipline.

Dimension I: Personal Identity (Who Am I?)

This first type of defining moment centers on issues of personal identity, raising the question: Who am I?(Badaracco, 1998). This involves a conflict between deep personal commitments—such as family values or beliefs about integrity—and the demands of the job.(Gioia & Chittipeddi, 2007). For example, choosing between family obligations (a child's recital) and a major client visit.

The discipline required here is self-reflection to identify and prioritize an authentic locus of character. The choices made in this moment define personal identity beyond the managerial role and serve as a source of renewed, powerful purpose.(Badaracco, 1998).

Dimension II: Relationship with the Group (Who Are We?)

The second type involves groups as well as individuals, often centering on loyalty, fairness, and collective considerations. This conflict tests the leader's commitment to the collective they lead. An example is the dilemma that forces a leader to lay off a loyal employee due to a budget crisis.(Treviño et al., 2006).

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This defining moment tests a leader's character in everyday interactions, which is crucial for building trust. The character formed through Dimension II determines how the leader is perceived and followed by subordinates. This aligns with Treviño's Ethical Leadership theory, which states that a leader must act as a credible and attractive moral model so that their behavior is emulated by followers.(Treviño et al., 2006).

Dimension III: The Role of Companies in Society (Why Do Our Companies Exist?)

The third type of defining moment involves defining the moral role of the company in broader society, often related to corporate social responsibility (CSR) or sustainability issues.(Hannah & Avolio, 2011). Decisions at this level are strategic and can shape the ethical position of the institution.

This dimension is crucial in responding to philosophical critiques of management. Philosophers such as Alasdair MacIntyre have expressed radical skepticism towards business ethics, regarding modern managers as manipulative characters and erasing the distinction between morality and technique.(Macintyre, 1981). Bold and principled decisions in Dimension III—for example, taking an ethical stand even if it costs short-term profits for the sake of a higher social ideal (as was the case in the development of the controversial drug RU-486 cited by(Badaracco, 1998)—is a character action that explicitly rejects MacIntyre's critique. In doing so, Badaracco provides a pragmatic way for managers to reaffirm that business can be a moral practice (as believed by(Solomon, 2012)), not just an emotivist technique

Badaracco in Theoretical Dialogue with Leadership Character Development

The Badaracco Framework does not operate in isolation, but rather is deeply integrated with contemporary models of ethics and leadership development.(Zam et al., 2025b).

Character as Moral Agency

Badaracco's theory aligns with Hannah and Avolio's views on Leader Character and Moral Ethos, which define character as a moral component distinct from values and personality.(Hannah & Avolio, 2011)distinguish between the morality of duty (fulfilling minimum responsibilities) and the morality of aspiration (the desire to achieve moral excellence)(Hannah & Avolio, 2011)Badaracco's Defining Moments are directly related to aspirational morality. They are opportunities for leaders to not only fulfill their obligations, but to transcend them and achieve extra-ethical virtues. Badaracco encourages leaders to seize these moments, as the location of character within the leader's self-system makes it integral to their identity.(Hannah & Avolio, 2011).

Cognitive Character Development

James Rest's Four-Component Model provides cognitive structure to the Decisive Moment process. Rest's model encompasses Moral Sensitivity, Moral Judgment, Moral Motivation, and Moral Character. Badaracco's Decisive Moment is the primary trigger that activates Moral Sensitivity (the ability to recognize an ethical issue) and ultimately tests Moral Character (the internal strength to act on ethical convictions despite external pressures).

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In addition, the work(Lapsley, D.K., & Narvaez, 2004)on moral self-development explains that character is formed through chronically accessed social cognitive schemas, driven by patterns of social relationships and interactions. Badaracco's discipline of reflection (through the questions "Who Am I?") serves as a powerful tool for integrating patterns of ethical experience into the leader's moral self, ensuring that moral schemas remain "chronically available" for processing social information, even under time pressure and ambiguity.(Hannah & Avolio, 2011).

Discipline Against Behavioral Dysfunction

The work of Dennis Gioia and Max Bazerman highlights the dangers of unintentional unethical behavior. Gioia, through his study of the Ford Pinto recall, explains how operational frameworks (script schemas) can cause moral considerations to be excluded from efficient, routine decisions.(Gioia & Chittipeddi, 2007)Meanwhile, Bazerman highlights cognitive blind spots that cause people to act unethically without meaning to.

If organizational routines and cognitive biases can lead to ethical blind spots, then Badaracco's discipline—which requires managers to stop, reflect on core values, and ask "Who Am I?"—functions as a deliberate cognitive disruption. This process effectively breaks efficient but amoral operational scripts and forces new ethical sensemaking.(Bazerman, 2014)By increasing vigilance against ethical challenges, Badaracco's discipline becomes a critical non-structural defense mechanism to prevent the recurrence of ethical failures that often begin with ambiguous choices.

CONCLUSION

Badaracco (1998) formulated a leadership character-building framework rooted in the right-versus-right dilemma—a complex ethical situation that differs from a simple right-wrong choice—in which a leader's character is shaped through the accumulation of decisions in what are called "Defining Moments." These moments test a leader's values through three escalations of responsibility: the personal dimension ("Who am I?"), the collective-organizational dimension ("Who are we?"), and the socio-institutional dimension ("Who is the company?"). Conceptually, this framework synthesizes Aristotelian virtue ethics (particularly phronesis or practical wisdom) with the existential view that leaders engage in self-creation through difficult choices, which aligns with contemporary cognitive models of moral development. To navigate these gray areas, Badaracco emphasizes the importance of the discipline of deep reflection to overcome cognitive biases and achieve "Personal Moral Wisdom," which enables leaders to act with moral astuteness as they transition from analysis to consequential action.

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