



HUMANISM IN BUSINESS SERIES

Humanistic Leadership Practices

Exemplary Cases from
Different Cultures

Edited by Pingping Fu

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Humanism in Business Series

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Furthermore the volumes in the series are an open invitation to join our efforts to make impact towards a more equitable and a more sustainable planet.

Pingping Fu
Editor

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Praise for *Humanistic Leadership Practices*

“‘Humanistic Leadership Practices Across Cultures’ is a refreshing read about an important topic that deserves renewed and urgent attention in both research and practice. In this fractured world where self-interest ideology dominates in both political and economic spheres, humanistic leadership can bring back the dignity, respect, and caring of both the human and the natural world. This book offers insights into humanistic leadership practices in different cultures, identifying common attributes across cultures and discover unique practices within cultures. The book offers both inspiration for future research and concrete suggestions for leaders who are looking for ways to lead with purpose, dignity, and respect – the most promising road toward a better world where harmony, integrity, and shared prosperity reign.”

—Anne S. Tsui, *Professor Emerita of International Management, Arizona State University, the 67th President of the Academy of Management, 14th Editor the Academy of Management Journal, Founding President of the International Association for Chinese Management Research and Founding Editor-in-Chief of Management and Organization Review; and co-founder of the Community for Responsible Research in Business and Management* (www.rrbm.network)

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Introduction

Pingping Fu

1 Introduction: Humanistic Leadership Practices Across Cultures

People's understanding of leadership has become more nuanced focusing on new styles of leadership around the world. Therefore, scholars worldwide have been trying to conduct leadership studies at a deeper level. In particular, studies have focused on the heart and mind of the leader to understand leaders' motives and purposes. This new focus has led to a deeper understanding of humanistic leadership.

This book exemplifies the characteristics and behaviors of humanistic leaders and their impact on their employees and companies, as well as societies, using examples from ten different societies on four continents (Africa, Asia, Europe, and North America). The leaders are mostly from business contexts, but a couple are from educational institutions. The

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chapters include individual leaders or multiple leaders from the same society. The authors, particularly those from Africa, US, and UAE, offer detailed accounts of humanistic leaders in their own cultures to help readers understand the cultural background of humanistic leadership in a global context. These examples illustrate that despite the differences in the forms and content of specific behaviors, the general principles and characteristics of humanistic leaders are largely comparable across cultures.

We published our first special issue (SI) in late 2020 titled: “Humanistic leadership in different cultures: Defining the field by pushing boundaries” in *Cross-Cultural and Strategic Management Journal*. In the SI, we proposed a working definition of humanistic leadership based on the limited resources in the literature at the time and based on our own exposure to humanistic leadership practices in the interviews we conducted. We described humanistic leaders as having the following characteristics: (1) **holistic**: respect people as holistic human beings by taking care of their own needs as well as their followers’ multiple needs and motives; (2) **developmental**: continuously improve themselves while developing the followers to unleash their full potential, (3) **common good**: recognize and try to consider all stakeholders’ interests while striving to pursue the common good. The **common good** mirrors the three pillars of humanistic management: **dignity, ethical** and **stakeholders** (Fu et al., 2020; Melé 2016; Pirson and von Kimakowitz 2014). Some of the chapters in the previous SI treated both humanistic leadership and managers interchangeably. However, we realized that in the East, there is a higher power distance, so people tend to differentiate leaders from managers, and believe leaders make the decisions and managers implement the decisions.

Although the SI included relatively fewer papers, it reinforced our assumptions about the common features of humanistic leaders and their connection with the local culture. As a result, the SI viewed humanistic leadership from a truly global perspective. It included eight stories introducing humanistic leadership practices in business organizations and educational institutions in China, India, Japan, Korea, Taiwan, Thailand, UAE, and Amish communities in the US. Most of the papers told stories

of the leader(s), except the Thai paper that viewed expatriates as a mirror to reflect the characteristics of humanistic leaders in Thailand.

For the past two years since the SI, we have continued this line of research and have gained a deeper understanding of the connotation of humanistic leadership. In particular, we have identified behavioral patterns for humanistic leadership in Confucian China. Unlike most leadership styles that focus on leadership behaviors and examine how leaders' behaviors influence followers, we focus on how humanistic leaders **continuously cultivate themselves while also developing their followers**. They learn, reflect and strive to be the best role models for others. Humanistic leaders also **offer humanistic care** to their employees by taking care of their multiple needs, including respecting their personalities and looking after both the employees and their family members. These leaders also focus on **providing humanistic education** for their employees. They offer classes and learning programs that focus on Chinese classics and indigenous materials so employees can become more conscientious people. Finally, these leaders have purposes that go beyond making a profit. They encourage their employees to **engage in humanistic services** so they can learn to appreciate life and promote happiness while helping people and protecting the environment. Our plan is to theorize these characteristics and to build a theory for leadership research and practices.

Humanistic leadership is based on humanistic principles. We argue that humanistic leadership principles are applicable universally, but specific practices and educational content vary by culture. Although people may have different interpretations of humanism, humanistic leadership (management) follows identical principles and exhibits similar characteristics across cultures because they treat people as holistic human beings. However, the specific forms of caring behavior and the content of the education are deeply influenced by the local culture and normative societal values. For example, humanistic care in China provides care for employees and their children, but also extends care to their parents and parents-in-laws. In addition, when offering humanistic education, employees read Chinese classics. Nevertheless, the principles are similar across cultures.

Some of the authors who contributed to the SI also wrote papers that included examples about the same leaders for this book. Other authors focused on different leaders in the same culture. This book also includes new authors who have contributed stories on humanistic leaders in their cultures. We looked for more examples and general understanding of humanistic leadership from different cultures with chapters representing four continents. The chapters are organized into three parts according to the focus of the studies: Part I: Individual Humanistic Leaders—Chapters “Faith, Family, and Firm: A Case Study of Bob Chapman”—“Humanistic Leadership in the Amish Community: Leading from the Edge”—“Confucian Humanistic Leadership: Social Influence Processes and Trickle Effects” (US, Amish, and Taiwan); Part II: Multiple Humanistic Leaders in Different Cultures —Chapters “Humanistic Leadership in Africa: A Relational Ideal of Maat”—“Are Hidden Champions Humanistic?—A Reflection on Humanistic Leadership in Germany”—“Humanistic Leadership: A UAE Perspective”—“Caring for Employees and Society: Exemplifications of Humanistic Leadership Values in Japan”—“Organizational Flourishing Through the Lens of Three Top Executives in Colombia: How They Relate to the Inner Development Goals-IDGs”—“Humanistic Leadership and the Paradoxical Pursuit of Sustainability and Profitability: A Case Study of the Tata Group in India” (Africa, Germany, UAE, Japan, Colombia, and India); and Part III: Humanistic Practices—Chapters “Engaging Employees Through Cultivating Habitual Behaviours: Humanistic Leadership Practices at the Fotile Group” and “Achieving UNSDG Goals Through Humanistic Practices: The Case of Good-Ark Electronics Corp. Ltd. in China”. The last two chapters on Chinese companies describe practices humanistic leaders have initiated to instill company values in the employees and how one company’s humanistic practices can help fulfill the 17 United Nations’ Sustainable and Developmental Goals, which are intended to show the big impact humanistic leadership practices in individual companies could make at the global level.

2 Overview of the Chapters

Part I: Individual Humanistic Leaders

Chapter “[Faith, Family, and Firm: A Case Study of Bob Chapman](#)”: The first chapter introduces Bob Chapman, CEO of Barry-Wehmiller companies, who has made outstanding changes in the organization and ensured that the changes can be sustained for future generations. Since taking over as CEO from his father, Chapman has transformed the organizational culture into one that “cares for its people like family.” **Monds and Liu** review how Chapman was inspired to adopt a humanistic style of leadership, how these changes were received in his organization, and how the organization has evolved since implementing the changes. Chapman accredits his faith as his main source of inspiration to transform the working environment in Barry-Wehmiller. This theoretically challenging intersection of faith and leadership has not been deeply explored in previous research. Thus, the authors explore how a person’s faith can serve as a catalyst to adopt humanistic attributes. The authors also discuss Chapman’s Guiding Principles of Leadership, which act as a “lighthouse” for his vision. The chapter ends with a brief discussion about how humanistic leadership can address current problems surrounding diversity, equity, and inclusion along with implications for other leaders and managers.

Chapter “[Humanistic leadership in the Amish Community: Leading from the Edge](#)”: **Keim and Shadnam** consider humanistic leadership in the context of organizational change. To ground their study in a “real world” example, they present an Old Order Amish bishop, Eli Yoder. Although the Amish are a quaint community from a bygone era, they are undergoing a massive transformation. Economic, social, and cultural forces are exerting enormous pressure on what it means to be Amish and how they can preserve their way of life in the pressure cooker of modernity. How Amish leaders are responding to these forces while ensuring the integrity and vitality of their congregations has much to teach us about how secular leaders can manage change within their organizations. A key implication of their study is the need to focus on real human

beings in organizations, following the principles of humanistic leadership to treat each member with dignity and respect.

Chapter “[Confucian Humanistic Leadership: Social Influence Processes and Trickle Effects](#)”: **Chou** introduces the founder of a Taiwanese company to illustrate how a Confucian humanistic leader promotes humanist virtues through both direct (e.g., the bypass effect) and indirect (i.e., trickle effects) actions. **Chou** also explores the potential contingent factors to fulfill a humanistic cycle. A Confucian humanistic leader who internalizes Junzi virtues can have greater social influence. The virtues are not limited to the workplace but spill over to the environment outside of the organization and to society. Implementing Confucian humanistic leadership throughout the organization builds social respect, boosts the company’s reputation, and promotes a harmonious relationship with internal and external stakeholders. Finally, **Chou** explains how an ideal humanistic cycle is fulfilled and presents specific ways to follow the principles.

Part II: Multiple Humanistic Leaders in Different Cultures

Chapter “[Humanistic Leadership in Africa: A Relational Ideal of Maat](#)”: In this chapter on African leaders, **Zoogah** uses Maat (or ubuntu), a traditional African philosophy, to illustrate how the principles fit with humanistic leadership. The chapter integrates historical, anthropological, and philosophical accounts of leadership in Africa to situate humanistic leadership in modern Africa. They describe three leaders who epitomize Maat principles: Nelson Mandela, Desmond Tutu, and James Mwangi of Equity Bank of Kenya. **Zoogah** argues that leadership according to Maat principles is meaningful for African leaders as they correspond to the Africa Union’s Agenda 2063, which views good leadership as vital for the transformation of Africa.

Chapter “[Are Hidden Champions Humanistic?—A Reflection on Humanistic Leadership in Germany](#)”: In this chapter, **Gohl, Keir, and Moosmayer** explore the extent to which leaders of hidden champions in Germany, which are little-known companies that lead the world in their

specific areas, should be regarded as humanistic leaders. They talk about the German institutional context and try to address a very interesting question: Can business leaders be regarded humanistic if they engage in humanistic practices for performance purposes? They use examples of leaders of a few different-sized German companies in various industries, including Allsafe, Putzmeister, Faber-Castell, dm, and Einhorn to explore for answers. At the same time, the authors also point out that the historical homogeneity of knowledge infrastructure, the relatively even geographical distribution of hidden champion companies, should be taken into consideration when answering the question.

Chapter “[Humanistic Leadership: A UAE Perspective](#)”: In this chapter, **Anadol** addresses various dimensions and sources of humanistic leadership in the **UAE**. The author shows how humanistic leadership is implemented in one of the youngest, yet most popular and fastest-growing countries in the world. As an Arab country, where moderate Islamic principles are followed, UAE is famous for its sophisticated, high-rise buildings, luxurious hotels, man-made islands, shopping malls, advanced digitalization initiatives, and its mission to Mars. It is also known for having the first Ministry of Happiness and its human-centric initiatives in UAE’s National Agenda including social initiatives to implement humanistic values, including tolerance, generosity, and well-being. As an extension of the author’s previous study, **Anadol** helps readers understand what human-centric values are applicable in the UAE context. The values the author discusses include respect, dignity protection, tolerance, fairness, generosity, humility, responsibility, and leadership development. The source of these values is rooted in the country’s well-preserved Arabic traditions and its moderate Islamic values embedded in the UAE National Agenda.

Chapter “[Caring for Employees and Society: Exemplifications of Humanistic Leadership Values in Japan](#)”: This chapter examines a Japanese humanistic leadership style that is deeply ingrained in Japanese culture. It explores how two leaders, Konosuke Matsushita and Kazuo Inamori, achieved financial success by adopting a people-centric approach. The study highlights the need to consider societal contributions and employee well-being as well as economic profit when making business decisions. **Ono and Ikegami** consider the leaders’ values and

beliefs underlying their assumptions and emphasize the importance of these factors in cultivating humanistic leaders. The chapter presents a model that describes how humanistic leadership can be effective in the Japanese context and serves as a model for future leadership research. The chapter also examines common attributes from the extant literature of humanistic leaders in various contexts and presents propositions of humanistic leadership for future empirical research. The findings have significant implications for leadership development in the future as they offer valuable insights for practitioners seeking to become a humanistic leader.

Chapter “[Organizational Flourishing Through the Lens of Three Top Executives in Colombia: How They Relate to the Inner Development Goals-IDGs](#)”: This chapter introduces three humanistic leaders in Columbia. **Largacha-Martinez** is the head of the Columbia Chapter of the Humanistic Management Network. Like many humanistic management scholars in the West, **Largacha-Martinez** does not differentiate between humanistic leaders and humanistic managers. For example, he argues that developing soft skills is very relevant for humanistic managers and inspirational leadership. However, MBAs around the world have not adequately incorporated soft skills into their leadership courses, which somewhat explains the global management crisis. He interviewed three top executives from two awarded companies to identify what skills they used to obtain excellent results and outperform companies with traditional management. The author used the Inner Development Goals (IDGs), designed for managers/leaders who are committed to helping their companies fulfill the United Nations’ Sustainable and Development Goals, in a novel global initiative working toward advancing IDGs in management and society. The results indicate how leaders can reflect IDGs to improve their management style.

Chapter “[Humanistic Leadership and the Paradoxical Pursuit of Sustainability and Profitability: A Case Study of the Tata Group in India](#)”: In this chapter **Tripathi and Karumathil** show how the Tata group, founded in 1868 in pre-independent India, has grown into one of the largest global business enterprises by staying committed to the founder Jamsetji Tata’s (1839–1904) conviction that the “community is not just another stakeholder in business but the very purpose of

its existence.” The company has continued its commitment to organized philanthropy and humanitarian goals, which closely reflect UN’s 2030 Agenda for Sustainable Development announced in 2016 with 17 Sustainable Development Goals (SDGs). The author shows how the Tata group’s achievements in the paradoxical goals of sustainability and profitability can be theoretically reconciled by adopting Tata’s uniquely humanistic approach to leading and governing the enterprise. **Tripathi and Karumathil** focus on three values in the Tata group: (1) wealth and profits are not a goal but an outcome, (2) virtuous circle of giving many times over, and (3) ongoing momentum of the founder’s vision. They use the example of Tata Steel to highlight how in a high-stakes mining industry, indigenous initiatives are critical to industrialization to ensure sustainability. The key takeaway of this chapter for business leaders and industry owners is that adopting humanistic values and subsequently adhering and upholding them in all organizational activities leads to long-term growth and success. They argue that businesses derived from such values are integral to both shareholders and all stakeholders.

Part III: Humanistic Practices

Chapter “[Engaging Employees Through Cultivating Habitual Behaviors: Humanistic Leadership Practices at the Fotile Group](#)”: In this chapter, **Lin, Fu, and Yang** introduce how MAO Zhongqun, founder and chairman of the Board of Directors of Chinese Fotile Group Ltd., cultivates desirable behaviors among employees by creating a high-engagement organizational culture. Mao was trained as an electrical engineer and had to learn how to build a company culture after he successfully introduced several new products to the market. It took him almost ten years to build a strong culture, but then a new challenge was to get employees to accept the culture and internalize the company’s core values. Mao eventually discovered the practice of the “Five Ones”: (1) to set a goal to do something meaningful, (2) to read a classic book over a period of time, (3) to correct bad habits, (4) to show filial piety, and (5) to do a kind deed every day. **Lin, Fu, and Yang** show how Fotile encourages employees to reflect on the practices of the “Five Ones.” They also

explain the specific actions of the “Five Ones,” the effects of practicing the “Five Ones,” and the conditions for implementing the practices with thousands of employees. However, these practices were a small part of their efforts to build the organizational culture with high engagement. The key is to have a humanistic leader at the top because the “Five Ones” are only effective with the support of humanistic leadership and a people-oriented organizational culture.

Chapter “[Achieving UNSDG Goals Through Humanistic Practices: The Case of Good-Ark Electronics Corp. Ltd. in China](#)”: This last chapter introduces the eight practices Good-Ark developed in 2009. This company and its leader illustrate how an individual company can help contribute to the fulfilment of the 17 United Nations’ Sustainable and Development Goals (UNSDGs). Many companies have responded to these goals since they were announced in 2016. However, most studies have only discussed the principles and theories, and few studies have presented specific practices to fulfill these goals. Since organizations are the backbone of society, it is important to deeply understand these practices. The “eight modules” (educational units) in Good-Ark include humanistic care, humanistic education, green practices, health promotion, philanthropic actions, voluntary services, recording/publicizing humanistic practices, and Dun Lun Jin Fen (fulfilling role responsibilities). The company has widely implemented the eight modules starting with leaders organizing the eight modules and eventually being organized and promoted by the employees. The eight modules have produced many positive changes in the employees, but most importantly, the training has made the employees happy. The founder, Wu, realized that the eight modules could directly help fulfill the UNSDGs when introducing Good-Ark to UNESCO. **Han, Fu, and Qu** introduce these connections and the critical role the company’s family-like culture plays in designing and carrying out humanistic practices. The authors also emphasize specific ways to implement the eight modules. This chapter offers inspirations for sustainability research and insights for business leaders who aim to implement the UNSDGs.

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Individual Humanistic Leaders



Faith, Family, and Firm: A Case Study of Bob Chapman

Cazembe Monds and Leigh Anne Liu

1 Introduction

As methods of management have evolved over time, more recently there has been an emphasis in developing management styles that put the employee first above the organisation. Styles like transformational, ethical, and paternalistic leadership have been introduced and proposed as alternative methods to the traditional unidirectional, leader–follower dynamic. One style of leadership that has warranted further research is humanistic management (HM).

Originally proposed in 1973, HM refers to styles of management that consider people as an essential component of the company's

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success, above simply profitability (Swart 1973), Humanistic leaders can be understood as individuals who “(1) respect people as holistic human beings, (2) continuously improve themselves while developing their followers, and (3) recognize and try to take into account all stakeholders’ interests while striving to pursue the common good” (Fu et al. 2020, p. 534).

Of the many management cases in the research literature, the transformation of Bob Chapman, Chairman and CEO of Barry-Wehmiller, as a humanistic leader is one worth further exploration not only because of his personal evolution as a leader, but in understanding the role of faith, family, and organisational culture to which his leadership is deeply rooted. Prior to inheriting BW and for several decades as the senior leader of Barry-Wehmiller, Bob had a rather traditional approach to management. He believed that managers told people what to do because of their knowledge and expertise, and that their positions created a unique dynamic in which they “manipulate others for their own success”. Bob’s management style was top-down versus bottom-up. Around the early 2000s, Bob came to realise his responsibility to “steward the lives he had the privilege of leading” and began a journey to a change the company culture into one that put its people at the centre of its purpose.

One particularly interesting aspect about Bob Chapman is his commitment to the Christian faith from which his foundational understanding of humanistic leadership practices emerged. Bob attributes his sudden inspiration to adopt HM characteristics, not to a single individual or event, but rather to a series of “revelations from God”. Additionally, Chapman has stated that he was “blessed with a leadership vision that changes and heals”. He attributes God for inspiring his humanistic traits which warrants further exploration into how faith and religion inspire leaders to become more humanistic in how they lead.

Biographical instances about Chapman were sourced from his biography *Everybody Matters: The Extraordinary Power of Caring for your People like Family* (Chapman and Sisodia 2015), in addition to media reports and other sources such as his TEDx Talk, and several websites such as his Truly Human Leadership Blog, Chapman & Co. Leadership Institute, and Chapman Foundation for Caring Communities. Written in 2015 in collaboration with Raj Sisodia, the book chronicles

his journey to assuming control of Barry-Wehmiller, and how he transformed the company to an exemplar of what's possible when you blend profound care for people with a well-designed business model.

Bob Chapman's Humanistic Motivators

Prior to exploring how religion influences an individual's leadership style, it is important to gain an understanding of Bob Chapman's upbringing and the events that helped to shape both him, and the trajectory of Barry-Wehmiller under his leadership. In doing so, we can uncover those experiences that inspired him to become the transformational leader he is today.

Bob Chapman was born in St. Louis, Missouri, in 1945. His parents, Marjorie and Bill, were people with modest upbringings themselves and who moved to St. Louis after Bill was asked to help open a new office for the firm he worked for. Bob was the middle of three children, and had two sisters, one older and one younger.

His childhood was rather ordinary, growing up in a three-bedroom ranch home. In his biography, he reflects on being an average high-school student who never applied himself academically unless he was required to do so. After graduating high school, he began his education at Cornell College, but transferred to Indiana University where he would later finish his undergraduate degree. During his sophomore year at Indiana University, Bob was surprised that his then-girlfriend, who would later become his wife, was pregnant. After becoming a father, Bob had to move into a mobile home off campus, and he shares that, at the time, he quickly developed a "huge sense of responsibility" for his wife and child (Chapman and Sisodia 2015, p. 20).

Over the next few weeks, Chapman became determined not to let this setback stop him, and he quickly began to apply himself intellectually. He worked multiple jobs to support his family and his academics, resulting in his graduation, with honours from Indiana University. As an undergraduate, Bob became fascinated with business, and while his father urged him to get a law degree, he made the decision to pursue an MBA from the University of Michigan. While at the University of

Michigan, Bob worked for Price Waterhouse as an accountant. During this time, he was taught conventional management of control, shareholder returns, profit maximisation and goal orientation. Several years would pass before he was approached by his father who asked him to join the company he then owned, Barry-Wehmiller. The timing of such a request was ideal since Bob had transformed into a responsible, driven, and educated individual so he agreed to join his father.

Bob's father Bill had taken over as CEO of Barry-Wehmiller when former CEO Fred Wehmiller passed away. When Bill was appointed CEO, he inherited a company in deep financial distress, and Bill Chapman spent years keeping it afloat. Bob Chapman came into Barry-Wehmiller without a title and ended up working in various positions around the company to help where he was needed. In doing so, he was able to gain an understanding of what it really took to successfully manage a company. Six years after helping run Barry-Wehmiller, Bob's father asked him to assume the role of Executive Vice President; clear evidence of the impact Bob had made within the company. The excitement of the new position was short-lived with the sudden passing of his father, leaving Bob as CEO of a company that was approximately \$2–3 million dollars in debt and with a negative operating income of \$477,000.

Despite being given the enormous task of bringing Barry-Wehmiller back from the brink of financial ruin, Bob was able to rebuild the firm successfully in a few years. It was during these years of success that Bob noticed how his employees struggled to find meaning and fulfillment in their roles, and he began to try and grasp "the human side of business" (Chapman and Sisodia 2015, p. 43). Bob shares that there were several moments like these that moved him to become a humanistic leader.

One such moment took place during a church service in which Bob was reflecting on the position of his longtime mentor, Edward Salmon, Jr., who was the rector at the church Bob attended, and Bob thought "what an incredible gift Ed has, to be able to stand up there every week and inspire us all to be our best selves" (Chapman and Sisodia 2015, p. 74). It was not long after that Bob realised that "Ed has us for one hour a week, but we have seven thousand people under the influence of our leadership for forty hours a week! We have a profoundly greater

opportunity than the church to uplift and inspire people...” (Chapman and Sisodia 2015, p. 74). It was then that Bob began to grasp the understanding that people “give the gift of their time” every week, and the way that managers and executives treat them, lead them, and inspire them (or not) has a profound impact on their health, and how they return home and treat their families. According to Bob, this revelation made him realise that “business could be the most powerful force for good in the world if leaders simply embraced the profound responsibility for ‘all’ stakeholders”. While this sudden adoption of a leadership style is not uncommon for leaders, what is worth scholarly attention is the influence of the church and the teachings of Christianity that inspired his transformation toward his style of leadership into one where he prioritised his responsibility to provide meaningful work in a caring culture to “the lives in his span of care”.

Along with the personal experiences shared from Bob in his book and other sources of materials, the aim of this case study will be to investigate how people are inspired to become better leaders because of religious teachings. Specifically, we explore how Christianity influences leaders. This case study provides a qualitative analysis (Sect. 2) that explores humanistic leadership, faith and religion, and family and organisational culture to understand how religion inspires managers to apply these teachings with their organisations. We then expand these themes to issues surrounding diversity, equity, and inclusion (DEI) in Sect. 3, followed by the Conclusion (Sect. 4).

2 Qualitative Analysis of Faith, Family, and Leadership

What Is Humanistic Leadership?

Chapman’s biography has many examples that demonstrate the business practices and procedures implemented and enforced by managers that are intended to support companies. Over time, our economic systems have evolved to discount any regard for moral norms within business

and the economy (Dierksmeier 2016). Management norms urge executives to pursue the interests of the business and to not worry about the welfare of their employees (Dierksmeier 2016). While these practices have long been understood as the standard in many industries, there has recently been a shift in how firms and managers treat their workers. In an attempt to integrate and build more diverse workplaces, theories of humanistic management have been proposed that advocate for a move from capitalistic-centred to humanistic-centred business (Dierksmeier 2016).

While seemingly similar in name, humanistic management and humanistic leadership have some striking differences that require clarification. We will be examining the case of Chapman through the lens of him as a humanistic leader, so it is necessary to establish a clear definition of the two concepts.

Humanistic management (HM) is a leadership style that champions a “concern for persons and human aspects in managing organisations” (Melé 2016). More specifically, HM is focused on not only getting results from individuals, but genuinely showing care for their development, health, and happiness (Melé 2016). Regarding HM theory, Melé (2016) shared seven propositions they had developed based on the history of humanistic management and humanism, and these propositions do a great job at fully encompassing the values that humanism is composed of.

Melé’s propositions recognise the whole person (wholeness), seeks to gain a comprehensive knowledge of the human being (comprehensive knowledge), elevates the respect, promotion, and protection of the dignity of every human being (human dignity), sees the human being in permanent development (development), emphasises individual freedom and sociability (common good), shows respect for the identity and worth of every human being (stewardship-sustainability), and, recognises humans as self-transcendent beings (Melé 2016). Humanistic management focuses on managing individuals in a genuine manner and caring for their mental, physical, and spiritual well-being within their personal and professional lives.

Alternatively, *humanistic leadership* (HL) is a similar, but different, practice. HL refers to “focusing on satisfying both the multiple needs

of employees as well as company performance” (Fu et al. 2020). Within this case, we focus specifically on humanistic leadership as we explore how Chapman developed to become a leader within his firm, and an individual who can influence, motivate, and enable others, rather than a manager, someone who is primarily interested in organising people for purposes of achieving organisational goals. While humanistic managers certainly consider the welfare of their employees, humanistic leaders do so without underlying organisation motives.

Faith and Religion and Humanistic Leadership

An exploration of the influence of faith and religion among humanistic leaders helps us better understand some of the motivators of the adoption of these practices by managers. An examination of management- and leadership-related literature has revealed a gap in the research that does not consider the religious affiliations of managers, and how their faith influences them to adopt principles of humanistic leaders. One such example was how Bob Chapman was inspired to become a humanistic leader from an experience he had while attending a church service. In this section, we will explore how faith and religion inspire individuals to become better leaders and will share some teachings of the Christian faith, which Bob follows.

According to McCutcheon (2019), “the study of religion, at least as carried out by some contemporary scholars, is an exercise in identifying what is asserted by some to be a profoundly human, and thus deeply humane, element—sometimes called the human spirit or human nature”. Such a definition recognises the important role of humanity across various practices and connects such practices to faith, family, and organisational culture. Examples provided in the text reference examples in society that connect people through “relations that extend from the family to the gods, from social inferiors to superiors” (McCutcheon 2019, p. 42).

While religious beliefs have not been analysed as an independent variable in management and leadership-related literature, we cannot overlook the possible influence that religion plays in our everyday lives.

Various religious denominations have been practised for centuries, and they all share similar messages of uniting and guiding humankind (Gaitho 2019). Religion also is a dominant part of culture, politics, economics, and people's social lives (Barrajon 2013).

In an article by Frunză (2017), "humanity today, more than any other time, seeks leaders that should keep together and balance wisdom, religion and ethics" and that "it is more important to understand the place that spirituality and ethics have in the promotion of a model based on the master's role as a leader" (Frunză 2017, p. 5). Thus, humanistic leadership skills and principles of application can be found in the teachings of Christianity and contribute to the human development of managers alike. Such teachings support the disposition of leaders to create working conditions with "respect in the workplace, respect for human dignity" (Frunză 2017, p. 13).

A significant relationship between religion and the leadership styles that people adopt (Gaitho 2019) exists in the research literature. Religious principles help guide the personalities, behaviours, ethical compass, moral character, and value systems of individuals (Hage and Posner 2013). Christians use their religious beliefs and faith to model, inspire, challenge, enable, and encourage different dimensions of leadership styles (Hage and Posner 2013); thus, the spillover of these leadership styles results in managers influencing the organisational culture of the firms they lead.

Religion emphasises community and has its Latin origins to mean *relegere*, to re-read and *religare*, to bind fast; thus, religion comprises both the exchange of traditions by passing them to others, but also a strong connection between people and a higher power (Van Niekerk 2018). Through traditions, managers are able to demonstrate the characteristics learned by the adoption of religious practices while strengthening the bonds with those they lead.

The moral teachings of Christianity come from the Bible, which is an authoritative collection of writings (McGrath 2015). The Bible is split into two doctrines of writings called the *Old Testament* and the *New Testament*, and each section shares its own themes and teachings. In the *Old Testaments*, major themes emerge that include the creation, God's calling, the exodus (exit) and the giving of the Law. It is within

the *Old Testament* that the Ten Commandments are shared as a series of directors for Christians to follow. While the Bible shares many cases and parables that impart how Christians should lead their lives, the *Ten Commandments* are often used as the most basic foundation for Christian teachings. The *New Testament* is composed of 27 books and is the portion of the Bible that shares themes of the identity and significance of Jesus, and the practical implication of following him. This doctrine begins with four books referred to as “the gospels”, which tell of the life, death, and resurrection of Jesus.

Bridging the gap between religion and humanistic leadership, there exists examples that demonstrate how Bob Chapman might have used his faith to influence his followers. This example can be understood as religion influencing an individual’s leadership styles, and in turn, the leadership style influences people who are guided by the leader. Research reveals that religious teachings can affect the leadership styles of individuals (Hage and Posner 2013). Additionally, leaders who are in positions of power over others can directly impact the organisational culture of a firm (Guinote 2017; Oreg and Berson 2019). To visually illustrate this conceptual relationship, we offer the following model (Fig. 1):

What follows is an exploration of specific cases of the potential influence of Bob’s faith on why he made the decision to drastically change the organisational culture of Barry-Wehmiller. Specific interest is on how he impacted the people within his firm; thus, we will highlight some individual-level outcomes of an organisation’s culture. There are many aspects of organisational culture that a single individual forms an evaluation of. We will focus the discussion on employee attitudes and satisfaction on the job. These factors comprise themes that present themselves repeatedly in Chapman’s book; thus, warranting further exploration of Bob’s humanistic leadership practices.

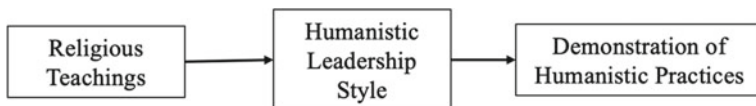


Fig. 1 Model of religious influence on humanistic leadership practices

Family and Organisational Culture and Humanistic Leadership

Organisational culture within firms refers to the behaviours, values, beliefs, habits, and norms that direct an individuals' behaviour within an organisation (Khan et al. 2020). It is these factors that allow leaders to influence, model, and teach employees how to behave within organisations. An organisation's culture can act as an adhesive that binds employees and institutions together, and using their respective leadership styles, leaders have the potential to profoundly impact the individual and collective experiences of employees within a firm (Khan et al. 2020).

There are several leadership styles that have been researched in the past and shown to provide a positive influence in the workplace and humanistic leadership is one that contributes to a position of not only meeting the needs of the firm, but also its employees. Prior research in the organisational behaviour and management disciplines shares that the organisational culture of a company directly influences the attitudes and satisfaction of employees in that firm. Additionally, as it pertains to people's response to change within organisations, research shows that there are three key functions of a leader's behaviour that help sway an employee's reception to organisational change—(1) the leader's effective communication of their vision, (2) the leader's support and attention to recipient's concerns, and (3) the leader's involvement in their followers in developing change within the organisation (Oreg and Berson 2019).

During his tenure as CEO of Barry-Wehmiller, Chapman made several significant changes to the organisational culture of his firm. Findings from internal media reports of his company reveal that not only did he incorporate each of the three practices of improving his employees' reception to organisational change, but his employees experienced better attitudes about their jobs, increased job satisfaction, and improvement in job performance due to the changes made (<https://www.barrywehmiller.com/blog>). In order to gain a better understanding of how Bob Chapman used humanistic leadership to improve the attitudes and satisfaction of his employees, we will further explore examples in which he displayed humanistic practices, and his employees were receptive to the changes made within Barry-Wehmiller.

Job Attitudes, Satisfaction, and Performance Within Barry-Wehmiller

In the field of organisational psychology, job attitudes are one of the oldest streams of research (Judge and Kammeyer-Mueller 2012). Compared to regular attitudes, which have been defined as a “psychological tendency that is expressed by evaluating a particular entity with some degree of favours or disfavour” (Eagly and Chaiken 1993, p. 1), job attitudes are “evaluations of one’s job that express one’s feelings towards, beliefs about, and attachment to one’s job” (Judge and Kammeyer-Mueller 2012, p. 344).

While research about job attitudes can be difficult to conduct—because individuals can have attitudes about any number of things—job attitudes are important for several reasons. First, research about job attitudes can impart a lot of insight into social attitudes as they offer a glimpse into different contexts, populations, and methods for study (Judge and Kammeyer-Mueller 2012). Next, with most of the adult population being employed, having attitudes about one’s job is a major part of an individual’s life. Additionally, many individuals’ identities incorporate their positions of work, so job attitudes matter because jobs are pervasive parts of their identities. Finally, job attitudes are important because they predict and influence important behaviours including satisfaction and performance (Judge and Kammeyer-Mueller 2012).

As Bob’s ideas about leadership and his opportunity to influence those in his span of care were emerging, he began to notice how many of their team members had poor job attitudes. Within his book, Chapman shares one case when he visited the South Carolina office of Hayssen (now BW Flexible Systems), a packaging machinery company. On the first day of acquiring Hayssen, Bob travelled to South Carolina to see if he could rebuild the underperforming organisation. While there, Bob examined several employees grabbing coffee around 7:30 am before their respective shifts started. These employees were discussing the 1997 *March Madness* end-of-season tournament, and as Chapman recalls, they were all very animated. They teased one another and laughed, clearly having a good time. Bob kept observing them and noticed that as the clock drew closer

to 8' o'clock, the workers became considerably less enthusiastic. Their shoulders began to sag, and their demeanours quickly became serious.

After watching this visible display of employee's demeanours change, Bob thought to himself "This is so sad. Why can't work be fun?" (Chapman and Sisodia 2015, p. 44). He continues to reflect and comment on how we spend years earning an expensive education and are excited to get our first jobs, and yet when we are granted a position it does not take long for our positive job attitudes to dwindle.

In response to the employees' negative job attitudes, Chapman spontaneously decided to incorporate a challenging game within Hayssen. He challenged the customer service team to a game where whoever sold the most parts each week earned a \$100 prize. Additionally, if your entire team reached their weekly goal, then everyone earned \$100. At first, everyone was hesitant about the implementation and the success of the game, but soon after, a dramatic change took place within the firm. Thirteen weeks after the initial announcement of the challenge, the customer service team reported a 20% increase in sales, and people shared improved job attitudes and behaviours. By incorporating humanistic practices that considered the genuine happiness and health of his employees, Bob was able to encourage people to have fun at their jobs and made a positive change to this organisation's culture, without much "push back" from the employees.

In this case, Bob Chapman began "listening sessions" where he shared his vision of truly human leadership and took note of the employees' job attitudes and concerns, and in many cases immediately addressed the inequities noted. By using these listening techniques, he was able to better understand how well the employees received the adjustment (Oreg and Berson 2019).

Alongside job attitudes, job satisfaction also is a predictor of many behaviours within the workplace (Aziri 2011; Judge et al. 2017). Job satisfaction has been described as an individual's attitude towards work that includes the affective, cognitive, and evaluative response to their job (Janićijević et al. 2018). Satisfaction is a complex attitude because it emerges from an employee's evaluation of multiple dimensions of their workplace. These dimensions can include, but are not limited to, their wage, job characteristics, firm structure, working conditions, and

colleagues. There are also some individual dimensions like personal and professional life balance, hierarchical position, and life satisfaction that can influence a person's job satisfaction.

A person's job satisfaction is based on the rewards and outcomes the job provides and which the individual deems important (Janićijević et al. 2018). Job satisfaction is an individual construct because it is a personal attitude based on a person's experience, compared to the organisational climate and culture experienced by the average employee(s) (Janićijević et al. 2018). While job satisfaction is an individual construct in comparison to a group of employees' feelings about the organisational environment (which is a collective construct), organisational culture of a firm is a factor that influences job satisfaction (Janićijević et al. 2018).

What's amazing is the abovementioned instance of Bob taking time to listen with empathy to the attitudes and concerns of his team members. Within his book, Bob shares testimonies from employees who work at Barry-Wehmiller and some BW acquisitions. Another interesting case comes from Randall Fleming, who worked as a welder within the fabrication department at BW Papersystems.

Prior to coming to work at BW, Randall was a member of the U.S. military, and he shares how he was used to a very "no-nonsense" and "keep your head down" approach to work. In previous positions that he held while working to become a fabricator by trade, he remembers operating in extremely aggressive work environments. He shares that he had four supervisors who circled their employees all day, very little information was shared with employees because managers felt they didn't need to know much, and the fabricators had strained relationships with the engineers, whom they blamed many problems on.

Randall recalls this type of environment as "old-school manufacturing" (Chapman and Sisodia 2015, p. 149), and prior to BW acquiring the company that Fleming worked at he figured that this type of professional territory would persist. After Barry-Wehmiller acquired them, Randall speaks on the profound changes that soon followed. Initially he was sceptical of the "people-centric" approach that Bob Chapman brought to the table, but now, Randall shares that the work environment has made a complete 180 and is one of the most open environments

he's ever experienced. Below are some excerpts from Randall, included in Chapman's book:

Everything about me is different, and everything in my life has changed. I see my daughters Alicia and Jenna, every couple of months, and every time I'm with them they tell me that I've changed some more. They can't believe the type of person I'm becoming. It makes me happy, and it also makes sad, because I wish I could have been that all along for them.

It's [Bob Chapman's leadership practices] opened my eyes to the possibility that even though I'm fifty-two-year-old, I can still make a difference in the world. I'm more excited about where I'm at in my life now than I've ever been.

At the time of the publication of Bob's book, Randall also worked as a "professor of inspiration" in Barry-Wehmiller's Leadership Fundamentals course. Within this role, he worked to teach other individuals how to tap into their own personal source of inspiration, and later inspire others. He's had the opportunity to impact more than 630 employees at the BW Papersystems facility in Phillips, and others across the U.S.

In his book, Bob also shares stories about employees Larry Pierquet and Chris Charniak that continue to highlight the positive outcomes of his leadership. Larry was an assembler in one of Barry-Wehmiller's acquisitions, the Paper Converting Machine Company (PCMC) when he was invited to take part in one of the continuous improvement workshops Bob hosted when he first began to change the organisational culture at BW. At first, Larry was actually hesitant to participate due to an incident that happened forty-two years prior. When Pierquet had first entered the trade as a machinist, he shares how after approaching a manager to offer suggestions on how to potentially better manufacture a part, he was told to "Stop right there. We don't pay you to think. Go back to your machine and make the part right this time" (Chapman and Sisodia 2015, p. 160). This dismissive and disrespectful remark led to Larry not being inclined to share another idea and simply maintaining a silent stature for forty-two years. Only several years after this first incident was Larry inspired to speak up again and share some ideas for improvement at the workshop, and he was thoroughly surprised to see them taken seriously.

In Chris Charniak's case, he shares that "sometimes when I run my machines, I just feel like a robot. All I do during the day is push a button and turn something on, then it happens, and I take the part out and I push the button again. It's not very fulfilling" (Chapman and Sisodia, pp. 160–161). This sort of unfulfilling and uninspiring work is exactly what Bob Chapman was motivated to eliminate within his firm. After becoming a Lean facilitator with PCMC, Chris has since worked to maximise the impact of his machine and helps others to do the same.

Bob states within his book and on Barry-Wehmiller's blog that employees (and their families by extension) are the ones who bear the weight of poor leadership. And poor leadership is one of the leading factors in what MIT has dubbed "the Great Resignation" (Sull et al. 2022). In a study they conducted on employee turnover, they found that a toxic organisational culture was the leading reason for people to quit their jobs from April to September 2021. And, from the 34 million online employee profiles that they analysed, reasons like a firm's failure to promote diversity, equity, and inclusion, workers feeling disrespected, and unethical behaviour were the leading traits of poor organisational cultures. Other factors like job insecurity, failing to recognise performance, and poor COVID-19 response also contributed to employee turnover, though we can see that there is a clear connection between how employees are treated, and whether they decide to stay with a company, or leave for other opportunities.

The organisational culture at Barry-Wehmiller before Bob's transformation was very similar to a culture that many firms possess today. The firm was dedicated to increasing profits and satisfying its shareholders by forgoing the physical, mental, and spiritual needs and concerns of its employees. Many employees at Barry-Wehmiller were unsatisfied in their positions but after Bob introduced the changes shared here, employees' attitudes toward their jobs improved. Not only did the majority of people feel the company cared for them but they began to express a great deal of care for others in the organisation.

Sustaining the Organisational Culture Within Barry-Wehmiller

One theme within Bob Chapman's book *Everybody Matters: The Extraordinary Power of Caring for your People like Family* is how he sought to make a positive change to the organisational culture within Barry-Wehmiller and the companies it acquired. Throughout the book, Chapman shares his thoughts on how organisations can use principles of humanistic leaders to transform their cultures and make the workplace a safe and fulfilling environment. There were several cases where Bob has used his humanistic leadership techniques to impact his employees at Barry-Wehmiller. This section of the case will explore examples illustrating Chapman's efforts to change the culture and create a sustainable culture of humanistic practices. Specifically, we will explore how Chapman grew the *Human Side of Business* (Chapman and Sisodia 2015, Chapter 3).

After making the few early changes within Barry-Wehmiller, management was surprised to see how using a new style of leadership led to profound changes in the attitudes, performance, and fulfilment of their employees. They started to inspire people to apply their individual gifts towards achieving personal and organisational goals, and Bob highlights the motivational games they introduced to make the firm a fun place to work. While beginning to adjust the culture at Barry-Wehmiller, Bob was inspired to focus on sustaining the vision that he had for his company to give all stakeholders a grounded sense of hope for the future. In order to accomplish this, he assembled a group of individuals to help search for deeper meanings from the experiences they witnessed before the initial changes. After just several days, they started to see some patterns in what insights they had shared.

By taking the most prominent principles they had identified, they penned the *Guiding Principles of Leadership*, which serves as a mission statement of Barry-Wehmiller culture. One of the most compelling aspects of the principles found atop the official document is the phrase "*We measure success by the way we touch the lives of people*" (Chapman and Sisodia 2015). The six principles listed in the document below (Fig. 2):

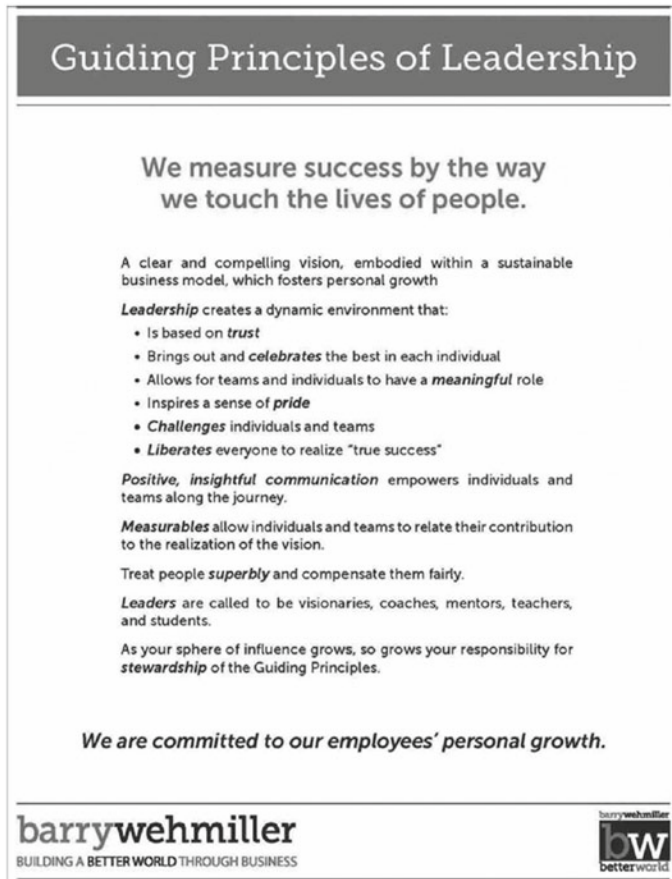


Fig. 2 The guiding principles of leadership

The phrase "*We are committed to our employees' personal growth*" is printed on the document below the principles. These principles helped Bob Chapman change the organisational culture in a sustainable way. The humanistic principles displayed are evidence of Bob's commitment to making the organisational culture at Barry-Wehmiller one that puts people as the centrepiece of our purpose. The cultural transformation within BW started with constructing a sense of understanding and belief in the principles which it operates. To ensure the sustainability of the

principles and to make it a pervasive element of culture, all new hires and acquisitions are given a copy of the *Guiding Principles of Leadership* and are encouraged to speak up and share additional ways that Barry-Wehmiller can adopt continuous improvement. Chapman is invested in measuring “success by the way we touch the lives of people. All the people: our team members, our customers, our vendors, our bankers”.

Even though we can see that humanistic leadership practices address many specific concerns within the workplace, there still needs to be conversation on how it addresses macro-level problems within firms. Currently, there have been many debates regarding diversity, equity, and inclusion, and how to resolve issues related to them, and we try to further that conversation within this paper. What follows in the discussion is an attempt to use Bob Chapman’s practices to hypothesise how the humanistic leadership style can potentially be used to tackle diversity, equity, and inclusion.

3 Expanding the Themes of Faith and Humanistic Leadership to Larger Contexts: *Implications for Diversity, Equity, and Inclusion*

Organisations are strategically adopting new ways to support diversity, equity, and inclusion via a myriad of strategies to support building the capacity of its managers and employees alike. Humanistic leaders help to strengthen relationships with employees in organisations and in doing so can address the gaps in inequities across the organisation. In a review of existing literature, Bapuji et al. (2020) discovered that economic inequalities exist and proposed a model reflecting the uneven distribution of resources, uneven access to opportunities, and how value creation and appreciation leads to rewards and returns (Bapuji et al. 2020).

Now, more than ever, topics of diversity, equity, and inclusion are being debated and addressed. Many social movements have been established and they all work to try and lessen and eliminate cases of racial and sexual discrimination. Movements like #BlackLivesMatter and #MeToo

have now amassed millions of supporters because of public outcry in reaction to recent tragic and traumatic events.

The #BlackLivesMatter (BLM; www.blacklivesmatter.com) movement was founded by Alicia Garza, Patrisse Cullors, and Opal Tometi after George Zimmerman was acquitted of all charges after the involvement he had in the death of Trayvon Martin. As the name suggests, BLM's primary focus is to organise and intervene in acts of violence and injustice inflicted on Black communities and individuals. BLM leaders help to organise protests and rally individuals to take stances against police violence and call for legislative actions from political parties.

Like the BLM movement, the #MeToo movement (www.metoomvmt.com), founded by Tarana J. Burke, is committed to ending sexual violence particularly against marginalised communities like African American girls and women. Since its conception, Tarana has created and led campaigns that give victims of sexual assault a voice to share their experiences and she was named Time Magazine's 2019 Person of the Year for her work.

With organisations committed to battling racial and gender-based injustices, there is a clear linkage between the messages they spread and the teachings of humanistic leadership. Primarily is the message of treating individuals (not only minorities) with the respect they each deserve and being committed to their personal and professional development, without the desire for exploiting them for an ulterior motive. The mission statement of the #BlackLivesMatter movement mentions that the Black Lives Matter Global Network Foundation is working "inside and outside the system to heal the past, re-imagine the present, and invest in the future of Black lives". #MeToo's mission statement mentions their commitment to "individual and community healing and transformation, empowerment through empathy, shifting cultural narratives and practices, and advancing a global survivor-led movement to end sexual violence".

And what else is interesting, is that one interesting aspect of both groups is their leverage of social media platforms to spread their message and gain support. A study conducted by the Pew Research Centre in 2020, found that social media has been an important tool in helping Black people stay connected with the social movements important to

them (Auxier 2020). Particularly, the use of social media platforms like Twitter has been extremely useful in quickly spreading news of police-incited incidents, and for allowing young users to engage in multiple forms of political activism.

We can see here that, even outside of organisations like Barry-Wehmler, humanistic leadership principles can lead to addressing the “poverty of dignity” that is created by traditional management practices. There are even more cases of prominent individuals practising humanistic leadership and making positive changes to their companies and communities.

Additionally, social identity movements like #BLM and #MeToo, are helping to reshape employment relationships in the marketplace from one of a dominant, closed system to one that is more open and reflective of a diverse employee base. Such shifts have decreased the amount of employee turnover and replaced it with opportunities for institutional development of people. How organisations assign duties, determine pay, and offer benefits to employees drives change and affects employment relationships. Findings from a 2013 study point to the need for declines in rewards for senior-level managers, increased opportunities for organisational mobility for employees, and an increase in work-family benefits as changes in employment relationships (Bidwell et al. 2013).

Addressing whether a more diverse, equitable, and inclusive workplaces perform better demands additional review of the organisational hierarchy by understanding concepts of power and status in organisations. The work by Magee and Galinsky (2008) defines *power* as control of resources, and *status* as respect shown by others. Among the consequences discovered in the study, high-power leaders are less socially connected than low-power leaders to their employees. For example, “people in positions of power are able to set agendas, norms of discussion, rules for behaviour, and standards for thought and opinion” and “low-power individuals obey the explicit demands of high-power individuals” (Magee and Galinsky 2008, p. 367).

4 Conclusion

Upon examination of *Everybody Matters: The Extraordinary Power of Caring For Your People like Family* Bob Chapman was able to transform the organisational culture of Barry-Wehmiller into one where people are seen as someone's precious child and one that is driven by humanistic principles of caring for others or as Bob would say, "because it's the right thing to do". Additional research is needed to further explore how religious events inspire people to become humanistic leaders, a connection that was attempted in this case study; thus, we have raised awareness of how faith and religion influences people to be better through its teachings. In turn, they take these teachings and use them to construct their own understandings of leadership. Chapman describes management as the manipulation of others for the organisation's financial success and leadership is the stewardship of the lives entrusted to you. This transformation was inspired by three revelations from God that changed the way Chapman saw the people in his organisation. His education and experience in the world of business were from seeing the people in his organisation as functions to seeing them as someone's precious child and treating them with respect and dignity. These leaders are able to create more meaningful and impactful changes in their organisations that are sustainable which in Chapman's terms are a unique blend of a value creating business model and a culture that cares for those we have the privilege to lead. Much can be learned from the challenges experienced by Bob Chapman as he forged to change the organisational culture of his firm. These instances are worth exploring further to understand the strategies he deployed in overcoming these humanistic leadership failures.

Limitations of the study are bounded by the singular exploration of Bob Chapman's firm and his commitment to Christian teachings. As such, further research could explore other companies like Barry-Wehmiller to identify trends in organisational cultures that are replicated across various industries via a comparative analysis of the leaders at various management levels and the influences they have on their employees. Another exploration could involve further comparison across

religions, with a specific focus on issues of diversity, equity, and inclusion and how employees respond to humanistic leaders from varying backgrounds.

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Humanistic Leadership in the Amish Community: Leading from the Edge

Charles Keim and Masoud Shadnam

1 Introduction

The Amish may seem unlikely examples of change given that their dress and communities appear unchanged from a century ago. A drive through Amish country reveals people who continue to travel by horse and buggy, dress in traditional plain Amish clothing, speak in Pennsylvania Dutch (a low-German dialect), and mostly stick to themselves. Amish souvenirs and postcards peddled to tourists have capitalized on this old-fashioned charm, portraying the Amish as people who choose to live simply in a complex time. Shunning modern conveniences like electricity and automobiles to preserve wholesome values of faith, community, and family

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has associated the Amish with what many consider America's founding principles. Yet despite appearing as quaint people belonging to an earlier time, or even as modern-day Luddites stubbornly resisting the inevitable forces of progress, the Amish are in fact a people undergoing a massive transformation. How the Amish have responded to this transformation holds clues for how other organizations can respond to change.

The Amish population has undergone a remarkable transformation. In Holmes County, Ohio, the population is 40.71% Amish, the largest concentration of Amish relative to non-Amish of any U.S. County (Donnermeyer et al. 2013, p. 100). Over the last few decades, Amish communities have grown significantly. In 1951, there were 200 church districts, which have grown to approximately 2539 in 2019 ("Population Growth," Amish Studies 2020). Currently, there are about 500 settlements spread across 31 states and 3 Canadian provinces. Kraybill et al. (2013) record how, since 1960, the Amish population has doubled every 20 years. It should be noted, too, that this growth has not come from new converts—the Amish are not evangelical; they do not seek to convert others. This growth, however, has been a mixed blessing. There is a chronic lack of affordable farmland, and farms have been divided so often that families struggle to make a living from their small plots. In response, Amish businesses have demonstrated resilience and ingenuity by finding new markets (Kraybill and Nolt 2004; Kraybill et al. 2013).

In this chapter, we look at some of these changes and interrogate them as they are manifested within two broad areas. We begin by describing Eli Yoder, an Amish bishop, how he became a bishop and his characteristics, and how his leadership is different from that of secular business leaders. Then we look at how outside forces have and continue to drive change within the Amish. By outside forces, we mean economic, social, and cultural forces which are forcing the Amish to reconsider who they are and how they can preserve their way of life within the shifting landscape of modernity. We then examine how forces within the Amish are driving change. Increased competition between Amish businesses and their secular counterparts, the prevalence of new technology, and increasing prosperity among the Amish are casting long shadows on old rules and long-held habits. The authority of tradition is increasingly challenged by newer generations that may not view the past with the same

reverence as their elders. These two areas provide us with a dynamic and multi-dimensional view of how change has been managed within the Amish and help shed light on how aspects of humanistic leadership within the Amish can inform secular leadership. First, however, we begin by introducing Eli Yoder.

2 Eli Yoder: Amish Bishop

Eli Yoder (name changed for confidentiality) is the bishop of a congregation in Holmes County Ohio, a position he has held for close to thirty years. Bishops are appointed for life, although, in exceptional circumstances, when a bishop is unable to continue their duties, they generally retain their position but assume a more honorary and less active role. Even then, however, they remain a trusted and valued source of wisdom. Unlike many organizations, older members are not shuffled off the stage but continue to wield considerable influence. They are regarded as important sources of organizational memory and discernment, often assuming a mentor role to younger members and newly chosen bishops. Furthermore, the Amish take seriously the biblical injunction to honour one's elders. Thus, even in their golden years, bishops, and other elderly members, play an active role within the community.

Eli did not choose to become a bishop. "No one chooses to become a bishop," Eli remarked. There are no perks to this difficult position; there is no salary and it requires a significant amount of time and energy. When one is a bishop the congregation becomes a kind of extended family, which means that any personal emergency or matter of church discipline involving the congregation will be dealt with by the bishop. Eli pointed out how this often meant that his evenings and weekends were spent counselling congregants and helping to moderate differences of opinion between members. Eli was nominated for the position by his peers. He had always tried to live his life according to the Amish faith and his family was viewed with respect. "You can tell a lot about a person by their family," Eli recounted. Indeed, one of the prerequisites for nomination is an exemplary home life. If the children are undisciplined or disrespectful, then it is assumed that the father has been negligent. "The nut doesn't

fall far from the tree,” said Eli chuckling. “If a man can’t lead his family, then he shouldn’t be leading a church,” Eli exclaimed.

Unlike most secular organizations, the Amish look closely at members’ personal life. There is no separation between one’s personal and professional life. Though a member may be successful in their business, if they are not viewed as dealing with integrity or as negligent in leading their family, they will be quickly disqualified. When he was nominated, Eli was married with three children, which is a smaller family than customary, but, given Eli’s reputation among his peers, the congregation viewed him as an excellent candidate. But the scrutiny extended further to include Eli’s parents, grandparents, and extended family: “we want to know that people are from good stock,” Eli recounted. An important qualification is the degree of obedience the person shows towards their parents. Disobedience is considered one of the very worst sins in the Amish community and this is typically assessed by the degree to which the person imitates and obeys their parents. Thus, from an early age, the Amish are taught to follow their parent’s lead and to do what they are told.

3 The Selection of the Bishop

The selection process for a bishop is unique. It is the local congregation that nominates the candidates; other congregations and bishops do not have a say in the decision. Bishops are not nominated by an external board or “upper management.” It is a decision made by the people who will live with the consequences of their choice. They are well-acquainted with each other and the candidate. As Eli recounted, he was nominated by people who had known him for his entire life. He had grown up with them, gone to school with them, worked with them, and they had seen how he conducted himself in these matters. Unlike a set of interviews or a “job preview,” the “selection committee” could draw upon Eli’s life. He could not fake answers or tell the committee what he thought they wanted to hear. Thus, the people knew what they would be getting, and selecting their bishop by drawing lots ensured that the process would not be rigged but left “in the hands of God.”

Eli had already served as a preacher, a role with which he was comfortable. Thus, the congregation was already acquainted with Eli's style. For his part, Eli understood that the role of bishop would be life-changing. It would affect not only him but his family, too. It is not a position that one can decide to leave—it is a lifetime commitment. It is a sacred office entailing a massive sacrifice. The position comes with a set of unspoken expectations. The bishop is considered the head of the congregation, as such there is a far greater burden on their behaviour. "There are things that you can do when you are not a bishop, that you wouldn't think of doing when you are a bishop," Eli pointed out. The bishop is expected to incarnate the long-standing values and traditions of the Amish as they are manifested in that specific congregation. In some ways, if an outsider asks what it means to be Amish, it is thought that one can reply by simply pointing to the bishop. "We bishops model good behaviour. We try to live our lives so that other people can have an example to follow," Eli explained.

Such exemplary behaviour recommends them for nomination; hence it is not as though bishops suddenly change their behaviour with their new position or try to act like they think a bishop should behave. Eli recalls the day that he found out he would become a bishop in his church. His name along with six others were put forward. They waited breathlessly while the church officials left the room to insert a slip of paper with a bible verse written on it inside of a single hymnbook, which was then mixed with six other hymnbooks. These hymnbooks were then shuffled by another elder so that no one would know which hymnbook held the fateful slip of paper. Eli remembers receiving his hymnbook with trembling hands and opening it to find the paper and accept his fate. It is believed that God will grant the person's ability sufficient to the position: "God never gives us more than we can handle," Eli mused.

4 Characteristics of the Bishop

All bishops are expected to exhibit exemplary behaviour and the burden of living a life consistent with Amish principles is much higher on them than regular members. The most common characteristic of the Amish

generally and the bishop specifically is humility. Eli does not perceive himself as the person with the answers or the “voice of God.” The role of bishop is that of a servant. Eli is a quiet person that is a little shy. He avoids the spotlight and does not like being singled out for praise. He is exceptionally kind, taking extraordinary measures to ensure that the needs of his community are addressed. Bishops epitomize servant leadership; however, if they feel the harmony of the congregation is threatened or that liberties are being taken, they will adopt a less conciliatory stance. It is easy to talk about harmony but in practice, it is far more difficult. For instance, Eli related a story regarding one congregation in which conflict had arisen concerning whether screen doors should be equipped with a spring for closing the door: is it worldly to not have to close your own door? This may seem petty, but often it is conflicts like this that animate discussions and fuel dissent.

A key characteristic of all the bishops is reverence for tradition. Not only are bishops steeped in the history of their congregation, but they also venerate it. The past is the NorthStar by which their compasses are calibrated. For the Amish, the biblical injunction to honour one’s father and mother is manifested by following in their parent’s footsteps. Though they may not necessarily belong to the same profession, they seek to imitate their parent’s values and mind-set. As an example, another bishop, Jonas, pointed to a family that attended a Lutheran church. The parents had attended the church their entire life and now their two boys were attending the church with their own families. “That is how you honour your father and mother,” Jonas pointed out; “that is what honour means.”

Amish bishops are imbued with a historical sense of their congregation and strive to align current practice with old orthodoxy. It is, however, not strictly a negotiation between past and present in that the past holds far greater sway than the present. If a current practice challenges or contradicts a past precedent, it will likely be abandoned. It is not just technology that is viewed with suspicion, but any new practice or product. Bishops are not agents of change but rather protectors of the past. Kotter’s famous distinction between managers as defenders of the status quo and leaders as agitators of change finds its opposite in the Amish. Here, it is the leaders, the bishops, who are the defenders

of the status quo; they are the ones who champion the established way of doing things. Rather than agitate for change, they serve as a kind of ballast preventing the congregation from deviating from long-established norms. Their guiding principle is to keep things as they were with earlier generations.

A further defining characteristic of the bishops generally and Eli Yoder particularly is that of a peacemaker. It is the bishop's responsibility to ensure the cohesion of the congregation. The congregation is likened to that of a larger family and keeping the peace is considered the bishop's most important job. Bishops regard their congregation as a type of extended family. They will spend a great deal of time visiting with members and make a point of knowing each member well. Unlike typical business arrangements, there is no line separating personal and professional relationships. The bishop makes a point of knowing members and their families. They are interested in members' spiritual health but also how they are doing more generally and how their family is doing. It is not only the bishop who forms these strong connections but his entire family. Unlike typical business relationships where the leader does not disclose personal information and is known only within the work context, bishops are known far beyond their official office and within the context of their family and personal relationships.

5 Humanistic Characteristics

There are several humanistic characteristics of Eli's leadership which are particularly relevant to change within the Amish community. First is his concern for the well-being of the members. Well-being is not limited to their role as congregant, but rather encapsulates their entire life and includes their family. Thus, any discussion of change considers not only economic implications but also family, social, religious, and personal. Unlike most change initiatives which focus on the consequences for the organization, change in the Amish community places the individual first. If the change is perceived as detrimental to the members or to their families, then it is rejected. Of course, any change must align with the

principles of the Amish faith as expressed in the particular congregation, but the well-being of the members is also paramount.

Second, members are not viewed as disposable or simply as parts of an organization, but rather they are the organization. Although he is technically the leader, the bishop views himself as equal to everyone else. This is not a typical hierarchy where the leader makes the rules that the members then follow. In fact, as will be seen, change comes not from the top but from the edges. Internal change originates with the members, not the leaders. Change comes from the people who want it and not from some special committee that has been tasked with spearheading a "change initiative." In this way, the leaders are like a ballast helping to steady the ship, ensuring that change is considered within the widest possible context of faith and family and that the change does not unfairly benefit some members and not others.

In this way, humanistic leadership is manifested by its concern for the entire community, past and present. Any change within the community is always viewed within the context of previous generations. Thus, consideration will be given to previous decisions. If an earlier generation decides that a certain technology should not be adopted, then the current generation will strive to honour that decision. That is not to say that earlier decisions are not modified or even reversed, but that occurs only after a long period of sober reflection. Furthermore, attention is given to how the change challenges the assumptions undergirding the previous decision. Behind all of this is an unflinching respect for previous generations. It is a living out of the biblical command to honour one's parents, and following the course set by one's parents is considered a sacred duty. Humanistic leadership includes respect for all people and the Amish takes this a step further to include respect for people who are no longer physically present.

A further notable difference between the Amish and other secular organizations is that everyone in the church has a say on any proposed changes. Furthermore, the agreement must be unanimous; everyone must give their assent, and, afterwards, they share in the communion ritual symbolizing their identity with the group and their harmony with the decision that has been reached. Unlike most organizations where individual members have little say in change initiatives and are expected

to simply embrace them, members of the congregation have a great deal of say in decisions. They are encouraged to disclose their opinions, but they are also expected to do so with a spirit of humility, submitting to the will of the group. The bishop plays a key role in this process. Most often, the bishop will meet with all the members before a meeting so that he can hear from them. For many members, it can be intimidating to speak in front of their peers and, if everyone says what is on their mind, the meeting could go on for days. In speaking with members beforehand, the bishop ensures that they have shared their opinions and do so in a less formal manner. In this way, he can take the temperature of the entire group and understand what concerns may be lurking below the surface. Such a consultation not only respects the individual members but also provides the bishop with the chance to explain the change and why it is being proposed.

6 Amish Leadership

In management and organization studies, leadership research tends to focus on top executives of large corporations, as they are often perceived to be the most vivid embodiment of leader persona. In the Amish community, leadership is embodied in the figure of the bishop, whose role, unlike that of other churches, is not limited to religious or ceremonial affairs. The bishop has a multifaceted role and sets the tone for how the congregation deals with each other and their external environment. In some ways, the congregation comes to assume the bishop's personality. The bishop's role is not set in stone, and it can vary significantly between churches: some bishops are more actively engaged than others; some bishops are stricter; some bishops are more lenient in congregants' use of technology. Although the bishop is not a business leader in the traditional sense of leading a large corporation, his leadership is at the level of directing sets of businesses and other stakeholders in the Amish community to ensure they constitute a close-knit fabric. Also, Amish businesses, if they wish to remain in the church, must abide by the rules set in place by the bishop even though these rules are agreed upon by the congregants.

The bishop is the point of contact between members and between congregations. Conflict within a congregation necessarily involves the bishop; he is the one in the middle seeking to mediate an agreement that is acceptable to both parties and to the congregation. If there is a disagreement between members, the bishop will become involved. This is one reason why most Amish do not want to become leaders. Such matters can become messy and strain relations. They can also be time-consuming and stressful. It is not only with internal matters that the bishop deals with but also with those issues involving the Amish and local government officials and non-Amish neighbours. Thus, Amish leadership must grapple with both internal and external agents. In what follows, we examine bishops as leaders of organizational fields that are undergoing enormous changes and whose leadership style illustrates a unique form of humanistic leadership.

Amish leadership aligns with the three inter-related tenets of humanistic leadership (von Kimakowitz 2017): (1) unconditional respect towards human dignity; (2) integrating ethical concerns into managerial decisions; and (3) the dialogical extension of managerial ethical reflection. First, the Amish respect the dignity of all people, not only members of their immediate community, and they actively work together to take care of one another. Life in the Amish community is very much living in the community. The elderly, the young, and those with special needs are not institutionalized but live within the community and are considered integral to its function.

Members reach out to those in need knowing that they will receive care as needs arise and because they believe that all people have been created in the image of God; hence all people deserve to be treated with respect and care. There is no homelessness in the Amish community and members live secure in the knowledge that difficulties are not faced alone. Individual members do not have insurance, but rather the community rallies together to support those who need help. If a building burns down, the community will ensure that it is rebuilt. If a member requires hospitalization, the community will ensure the bills are paid. Beyond the tightknit community, the Amish also respect the dignity of local government and non-Amish neighbours, so they are willing to compromise with local, state, and federal officials who may pass laws that

infringe on Amish ideas of living “plain.” They will speak out against laws that they feel will compromise their identity and faith but are guided by humility and respect for government officials. They understand that elected officials and persons of other faiths are also part of God’s creation and should be treated accordingly.

7 Amish Leadership and Humanistic Principles

Each member knows they matter. There is no “downsizing,” “right-sizing,” or “out-sourcing” in the Amish community. Not only does every member have a say in the congregation’s affairs but they know too that no member will be left behind. Changes in practice are adopted with the intention of benefitting the entire community, not just a powerful few. Changes are contemplated with a view to the entire community and, especially, to how the change may affect the cohesiveness of the community. Vehicle ownership, for instance, is shunned because of a fear that it would fracture the close-knit nature of the neighbourhood. The advent of electric bicycles has been viewed as acceptable in part because they can benefit everyone. Older Amish women, for example, can be seen driving electric-powered three-wheel bikes with a large shopping basket on the back.

Second, when the Amish make decisions, they are made by the members of the congregation, not just by the bishop or “upper management.” Critical decisions are the domain of everyone who belong to the congregation, and special attention is paid to how a decision will affect the well-being of all members. Every single member, male and female, is encouraged to speak their mind concerning the decision and most bishops will spend time visiting with members of the congregation to solicit their opinion. The Amish are very closely connected, and these connections cut across family and hierarchical ties. Many organizations are stratified with people tending to stick to those who occupy a similar organizational rung on the ladder, but the Amish view all people as equal, so friendships and communication occur across the spectrum. Such a model allows for a robust collection of opinions and a high degree

of engagement. That is not to say that the bishop is not enormously influential, but critical decisions are made with the participation of all members—it is not simply a top-down model.

Unlike many organizations, the older members are treated with enormous respect. They are considered to have acquired a significant body of knowledge and wisdom and function as a type of institutional encyclopaedia. They take seriously the biblical command to “respect their elders.” The elderly people provide accounts of how and why previous decisions were made; they share their own opinions but also the opinions of earlier bishops and congregations. Unlike many seniors who feel like they have been marginalized, elderly Amish members believe they are important contributors. But although seniority is privileged, all members have a voice and are involved in the decision. Every member of the congregation shares responsibility for pursuing a course of action acceptable to the community. The Amish view God’s voice as resonating throughout the collective souls of their community. To hear God’s voice is to listen to the choir that is singing together; the voices are all different, the pitches unique, but taken together a melody is heard that animates the members and informs decisions.

Through the individual voices, the harmony is achieved, and the song is sung. Verses may be added, and each generation will add its own notes, but the song remains, rolling through the ages. This idea of collective harmony is signified through the songs they sing on Sunday morning, and through their rituals. For instance, after important decisions are made, the sacred religious ritual of communion is practiced, signifying the congregation’s unity and their common identity within the body of Christ. Each member of the congregation eats the bread and drinks wine, which symbolize the body of Christ and his blood shed for all. Communion signals their identity in Christ but also their common identity; they share this sacred meal together before ending with a song sung together by all.

Third, Amish leaders and their congregations continually reflect on how current practice aligns with their history and their unique identity. The Amish are remarkable historians, and the elderly are curators of this history. Most members will have notebooks and memorabilia to which they refer. An evening visiting with them will inevitably lead to

old articles, letters, pictures, or postcards being produced. In this way, a conversation with the Amish involves storytelling about their past and their collective experiences. Hence, it is not only a conversation with the person but also a conversation with the past. A striking feature of speaking with the Amish is how the past is recounted as a recent occurrence; hence it is not unusual to hear the Amish speaking of events from long ago as though had just happened. When asking for directions, one will often be told to turn left where a shop used to be or where a member of the community used to live. This historical aspect acts as a type of moral rudder for helping the Amish to navigate the choppy waters of modernity.

These lessons and memories have not been written down in a book or captured in some “vision statement” or corporate history section, but rather they are embedded within the congregation’s collective consciousness. Like the quilts for which they are famous, stories make up individual squares that are woven into the community’s grand narrative. To an outsider, the extent of reflection is astonishing. Members still talk about the leadership style used by bishops from preceding generations and decisions made generations ago still animate conversations. In a way, then, the bishop and the congregation hold themselves accountable not only to the tenets of the Amish faith and the *Ordnung* but also to earlier generations of Amish. Every major decision is contemplated within the long shadow of the past. It is a bifurcated vision, then, since they both look back to the past to guide their decisions but do so while looking forward to their current reality. Like the hymns they sing, then, current stories are crafted and interpreted within the larger context of the congregation’s story.

Undergirding these three tenets is the more profound and fundamental essence of Amish society expressed in the German word *Gelassenheit* (“yielding oneself to higher authority”), which carries with it further implicit meanings like humility, self-surrender, contentment, and submission to the will of God and the community. Individualism and self-interest are secondary to the larger virtues of humility and obedience (Kraybill 2001). Every Amish person is taught from an early age to obey those with “God-given” authority over them, beginning with children to their parents and culminating in the congregation to the bishop,

who strives to yield to the will of God. The bishop is also regarded as a servant to the congregation, bringing it full circle. The bishop does not use yielding as a pretext for wielding power; rather the bishop yields to the will of the congregation. Even as the restrictions parents impose on their children are there for the child's benefit, so too prohibitions against such worldly practices as cosmetics, jewellery, wrist watches, vehicles, etc., serve not only to counter the human tendency of pride and recognition but also to prevent demonstrations of status that might draw attention to material differences between members.

The Amish view such prohibitions as critically important for differentiating them from the world (non-Amish) and for promoting the common good. The insistence on plain dress is both the practical expression of Amish humility and a symbolic manifestation of their core beliefs. To dress plain is to signal identification with the Amish faith, and it also connects them with their origins, since it was in 1693 that Jakob Ammann argued against the wearing of fashionable and "worldly" dress. Amish clothing expresses the history, core values, and identity of the Amish, while reinforcing the belief that members are woven within a larger homogenous social fabric; the strands are strong when woven together. Given the unique construction of their garments, it also distinguishes them from contemporary notions of appropriate dress. Yet their clothing serves as a continual reminder of how dignity and value depend on the person, not what they wear on their back. Similarly, electric bicycles are stripped of financial markers. Members are encouraged to consider their inner moral development rather than external displays. Strength exists in the cohesion of and commitment to the community and not in the individual strands. Without the individual voices the hymns would be lifeless words on the page, but no one voice is greater than the song that is sung by the congregation.

8 Change in the Amish community

Amish leaders do not see themselves as agents of change or of leading their group to a new place. In fact, the Amish are sceptical of change, and they are biased against products or activities that are “new.” Leaders perceive themselves as “watchmen on the walls of Zion”; their role is to protect their community. Kraybill (2001, p. 298) notes how in the Amish community change comes from the periphery: “by those living on the edge of the cultural system who try to stretch the boundaries.” While the change may originate with the edges of the community, the so-called “fence crowd,” any change must pass the vigilant eyes of Amish leadership (Strikwerda 2020, p. 176). For their part, Amish leaders perceive themselves as caretakers of their community’s soul and guardians of its identity. The goal is not to rearrange or enlarge the walls but rather to live peacefully within their established boundaries. What is beyond the walls is kept outside the community and a primary obligation of the watchmen is to ensure the integrity of the walls.

It is impossible, however, to construct impermeable walls between the Amish and their secular community. These boundaries are figurative not literal. Since the Amish do not live in isolation or in communes, contact between them and the non-Amish is inevitable. Tourists, employers, businesses, and neighbours all expose the Amish to new technologies and norms of social conduct. English slang, for instance, is irresistible, and the Amish will integrate English words into the Pennsylvania Dutch. Such integrations, however, are also visible beyond language. Electric bicycles, for instance, have become enormously popular and have been integrated into the Amish lifestyle, so it is not uncommon to see bicycles used for shopping trips, visits, and commuting. So how is it that electric bicycles and even scooters have become common while electric cars will likely never gain acceptance?

9 The Horse and Buggy: Enduring Symbol of the Past

Fundamentally, the Amish are horse and buggy people. The horse and buggy have become “the default symbol of the Amish life” (Kraybill et al. 2013, p. 130), embodying the key Amish values of tradition, limitation, nature, and sacrifice. As a core feature of the Amish identity, the horse and buggy symbolize nonconformity, distinguishing them from their secular neighbours and anchoring them in the past. To drive a horse and buggy is to participate in and reaffirm one’s Amish identity. It binds them together as a community, while signalling their ties with previous generations. To hitch up the horse and buggy is to engage in the same physical activity as one’s ancestors. In a society where one can find almost no similarities between our current lives and those of our ancestors, such activities are tremendously meaningful and reassuring.

The horse and buggy impose limits on how far, fast, and often one can travel. Unlike automobiles, “travel is confined to about thirty-five miles a day” (Kraybill et al. 2013, p. 130). In this way, a natural boundary is enforced, which serves to keep people together. The horse and buggy restrict the pace of Amish life, since it travels about 1/5th the speed of an automobile. There are no last-minute trips, nor does one “run into town” to pick up something; rather, the process of hitching up the horse and buggy takes time requiring one to be deliberate in planning and execution. Typically, each Amish family will have one or two horses for driving, and the horses require a stable, food, water, and care. Unlike automobiles, horses do not like to travel at night, which further limits when travel can occur. In short, the horse and buggy help tether the Amish to their homes.

Horses also keep the Amish out of the cities. While local towns will have hitching posts for the Amish to tie up their horses, large cities do not. Furthermore, the traffic in these large cities is a strong deterrent. Caring for their horses and all it entails—birth, death, illness, food, companionship, excrement—helps connect the Amish with nature. On Sundays, the homes hosting church services are immediately recognizable by the large clusters of horses tethered outside. Church services must by necessity then be limited to a rural setting, and, given the limited

distance that horses can travel, churches have a natural boundary. The Amish need not fear the advent of a mega-church! The horse and buggy also return one to a slower and more natural pace of travel. One experiences distance and time differently in a horse and buggy than in an automobile.

Travel by horse and buggy requires sacrifice. It continually reminds the Amish of who they are while reinforcing the fundamental belief that identity and tradition supersede convenience and speed. If it is a burden, it is one that all are called to shoulder. Regardless of one's income, the horse and buggy is the standard mode of transportation and although some of the younger generation may decorate their buggies, they are remarkably similar in their appearance. Like the clothes they wear, the horse and buggy restrict personal displays of wealth. As Kraybill, Weiner-Johnson, and Nolt note, "whereas in modern society the car accentuates social status and inequality, for the Amish the carriage levels social life. Farmers and homemakers, laborers and millionaires alike drop their trappings of status as they step into similar buggies" (2013, p. 132). Ultimately, they will all rest in a wooden coffin as the horse-drawn buggy makes its final trip to the cemetery.

10 Electric Bicycles: Change from Within

Given the deep roots of the horse and buggy and prohibitions against electricity, how have electric bicycles gained such widespread acceptance? First, it should be noted that bicycles have been in use for a long time. Children have used bicycles to travel to school and for fun, and adults, too, have used bicycles for short trips, so bicycles in themselves are not a "new" technology. Similarly, electricity, though banned, has gained acceptance with certain modifications. For instance, electrical needs have existed for a long time. Batteries for the buggies, equipment in the barn, washing machines, and other appliances have been charged or powered with portable gas-powered generators. Charging a battery for a bicycle, then, is not so different from charging a battery for the lights on the buggy. Recently, the advent of solar power has enabled the more progressive Amish to install solar power to replace the older generators.

In this way, electric bicycles provide an innovative way to circumvent the prohibition surrounding gas-powered vehicles while bridging the gap between old and new. They allow the Amish to remain set-apart from “the world.” Electric bicycles do not require the Amish to take a driver’s test, nor do they require the possession of a driver’s licence or the purchase of automobile insurance, all of which are viewed as ties to the secular world. Charging the batteries for these bicycles at home preserves Amish independence while providing a convenient, low-cost mode of travel. Adapting these generators to bicycles is thus an incremental advance. Furthermore, like horses and buggies, electric bicycles limit the distance that the Amish can travel in a single trip, while electric cars would allow for a far greater range of travel. Electric bicycles are not perceived as threatening this expression of community. Electric bicycles do not challenge the centrality of the horse and buggy as electric vehicles would; thus, both electric bicycles and horse and buggies can share the same road so to speak.

Not all Amish have embraced electric bicycles. First, like any change within the Amish, discrepancies exist between congregations. So, while one congregation may adopt a change, a neighbouring congregation may reject it; nonetheless, unless the change is viewed as heretical, members respect those differences. There are marked differences, however, between the orders or groups that refer to themselves as Amish. So it is that while electric bicycles have been largely accepted by the Old Order Amish, the more conservative Swartzentruber Amish have rejected them. While this conservative order allows bicycles, electric bicycles remain prohibited. They view electric bicycles as compromising their traditional faith and marking a dangerous concession to the world. Shunning electric bicycles also marks a further difference between them and the more “liberal” Amish orders who accept electric bicycles. The problems that the electric bicycles solve continue to be obstacles that the more conservative Amish navigate. In some ways, what we identify here as obstacles are viewed by them as simply opportunities for them to demonstrate fidelity to their core beliefs.

For the Amish, motorized vehicles have not been prohibited because there is something inherently “evil” with them, but rather because they are viewed as compromising the cohesiveness of the community. Vehicles

enable people to travel farther. Horses and buggies keep neighbours close. As one bishop reported, cars make it less likely that you will walk over to your neighbours or stop to visit with them so the horse can rest and have some water. It is also unlikely that one will plan on parking the horse and buggy in a hotel parking lot overnight! Since vehicles enlarge the distance people can travel, it is felt that they erode the fabric of community and redefine traditional notions of place. The bishop admitted that vehicles are far more efficient for transporting materials and people, but asserted that such efficiencies come at the expense of the community since they redraw the boundaries and fundamentally redefine the concept of neighbour. The social consequence of automobiles is that they enable families to lead more individual lives. As Nolt (2015, p. 34) observes, for the Amish the goal is “not technological ‘purity’ but rather a particular expression of community.” While more conservative Amish have rejected electric bicycles, other Amish find in them a workable compromise that does not threaten the fabric of the community.

11 Change from Without

While the Amish strive to live separate from “the world,” they nonetheless recognize that they are citizens of a larger community. But, like their bicycles, this citizenship has been adapted to suit their Amish principles. Although they are American citizens, they typically do not vote in elections; they refuse to serve in the military (conscientious objectors); and they try not to get involved in local political matters. And yet on several occasions, they have been forced to respond to external pressure: new regulations relating to the storage of their milk, hard hats on construction sites, vaccinations, and education. Most relevant to our discussion, however, is the Amish response to government mandates concerning the safety of their buggies.

Driving a horse and buggy down a narrow county road with vehicles speeding by is a dangerous enterprise, especially when the horse slows to a walking pace on a large hill! Traffic safety has been—and is still—a significant issue. Compounding this danger are the many tourists who travel to Amish country for sightseeing which makes the local roads busier. While

locals have grown accustomed to navigating around horses and buggies, tourists and other out-of-state people are less confident. Typically, the Amish avoid busy roads; nonetheless, there are times when such a route is inevitable, and, during tourist season, even the less-travelled roads are clogged with traffic. Serious accidents do occur, and buggies have almost no protection.

In response, local authorities took steps to make the buggies safer. Over the years, more rules have been implemented to better protect the Amish. Different states, counties, and jurisdictions have introduced legislation, and what stands today reflects a remarkable compromise on the part of the Amish and local government. Given their belief in living a plain life, the Amish chafed at officials' request that they have a large fluorescent triangle on their buggy. They were also upset to learn that officials wanted them to outfit their buggies with headlights, taillights, and other reflective devices. Yet local officials were also aware that the Amish are a lucrative source of tourist dollars and their many small businesses and industry a significant contributor to the local economy, so they did not wish to drive the Amish from their community.

A fundamental tenet of the Amish faith is their belief that all people are created in the image of God and should be treated with respect. Thus, in dealing with the government officials, they did not simply dismiss their requests. A key term that one hears often is *Gelassenheit* ("yielding oneself to higher authority"). Yet the term is more expansive and nuanced since it also carries the connotation of forsaking all selfishness. In understanding this concept, the Amish look to the injunction in the Lord's prayer that "Thy [God's] will be done" and the example of Christ, who as he prepared for his trial and crucifixion, prayed simply, "Not my will, but Thine be done." Kraybill et al. (2013, p. 65) summarize: "Surrendering to the purposes of divine providence means that one does not quarrel with God but rather accepts suffering with a quiet confidence that God's will, although often concealed from humans in this life, ultimately shapes all events into a pattern of good."

But while humility, self-surrender, contentment, and submission to the will of God and the community spring from the notion of *Gelassenheit*, the Amish were not simply passive to proposed changes to their buggies. An ad hoc committee of local Amish met with officials to express

their convictions and to see how an agreement could be reached. The different compromises reached by the different Amish groups reflect the fact that the Amish are not a single homogenous group. So it is that the more progressive branches of the Amish installed lights powered by electric batteries, complete with turn signals and other safety measures. While the fluorescent triangle was added to the back of the buggy, other, more gaudy requirements were dropped. For their part, local officials agreed to not require a driver's licence nor to force buggies to pass an inspection or carry insurance. This enabled the Amish to ensure a measure of independence while preserving the core features of their buggies.

Other, more conservative orders reached a different compromise. The conservative Swartzentruber group, for instance, has refused to adopt electric lights and instead uses kerosene lanterns to light their buggies. While these buggies are less visible and more dangerous (leading to more accidents), it reflects the fact that there has not been a single monolithic response to outside forces of change; neither is there a central body looking to standardize or codify the Amish. In dress as well as in how the buggies are outfitted, there remains a great deal of variety between different Amish communities. Yet, all the Amish groups reached a compromise.

12 Leading from the Edge: An Example

How do we conceive of "the edge"? It is customary to think of forces from the edge as being those "fence crowdors" who are pushing for the adoption of modern technologies or practices to enhance their personal or professional life, but certain compromises are also struck for those requiring special accommodations. For instance, Jacob Yoder, an elderly Bishop, after losing his second wife, found himself living alone. At first, Jacob continued to carry out his duties of Bishop. His lifetime of service and laudable stewardship of the congregation provided him with a great deal of respect and admiration within his local community and among the wider Amish community. Yet, as he grew older, increasing concerns were raised about his safety. Though he was able to continue to provide

for himself and take care of his daily duties, his fellow Amish members were worried that a fall or similar accident might prove fatal. Should such an event occur, how would he be able to walk to the phone booth down the road and call for help? Who would find him? It was not practical to expect other people to check in on him daily or even hourly, and the *Ordnung* strictly prohibited the installation of a phone within the home: no lines were allowed to be run into the house. But Jacob did not wish to move in with any of his children either. He cherished his solitude and enjoyed carrying out his daily chores, like feeding the chickens, checking on the horses, and repairing his beloved tractors. To this end, a compromise was reached—Jacob would be given a cell phone, with the internet disabled, so that in case of an emergency he could call for help.

Kraybill (2001, p. 297) notes that change in Amish society is a dynamic process and the outcome is always uncertain: “decisions to move symbolic boundaries always emerge out of the ebb and flow of a fluid social matrix. The factors shaping a particular decision vary greatly.” The variety of responses result from the freedom of congregations to choose their path, but decisions are made within the guiding principles of the Amish community and with an eye towards historical precedence. While the decentralized structure of Amish society places ecclesial authority in small, close-knit congregations, these congregations are nonetheless accountable to a larger community of congregations. Finally, each person seeks to submit themselves to the authority of God. Roy’s willingness to surrender his riding lawnmower signifies the spirit of individual sacrifice. The harmony of the community as it submits to the authority of the Amish faith animates individuals’ response to change. “Fence-crowders” initiate change, but if the community disapproves the fence does not move. Conversely, external change is moderated by the community as it strives to align worldly demands with spiritual precedence.

13 Concluding Remarks

Pirson (2017, p. 89) argues that in the context of humanism, organizations should be regarded as “a social phenomenon essential to the relational nature of human beings.” One lesson offered by our study

of the Old Order Amish is that organizations flourish when prioritizing the relational needs of its members. For the Amish, change, innovation, efficiency, etc., are secondary to members' relational well-being. If a technology threatens the fabric of the community, it is rejected. Furthermore, all members have a voice in choosing how to respond to change and all submit to the final decision. For Lawrence (2010), the human need to create close, friendly, and cooperative relationships spawns a balance of desirable outcomes that can vary and accommodate a variety of interests. Stakeholder involvement in decision-making not only produces more desirable outcomes but also motivates members. In this case, relatively small communities decide collectively how their beliefs and practices will be expressed and how they will respond to forces of change.

In the Amish community, change comes from the edge, but it is the community itself that decides whether change is accepted, rejected, or modified. Each member has a voice in this process and each member seeks the harmony and well-being of the community. A key implication of our study is the need to focus on the flesh and blood human beings that comprise the organization, and, following the principles of humanistic leadership, to treat each member with dignity and respect. Change efforts come not from "upper management" but from the periphery and are subjected to the group's scrutiny. Unlike many organizations, the Amish revere earlier decisions and attempt to honour previous generations through their current actions, thus extending respect to the past. As evidenced by their response to government intervention, the Amish also treat external members with dignity and respect. How the Amish respond to internal and external change illustrates how communities and businesses can create resilient organizations populated by engaged and vibrant human beings. Change in the Amish reflects the ongoing struggle of a new generation seeking to live out its faith within the opposing forces of tradition and modernity.

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Confucian Humanistic Leadership: Social Influence Processes and Trickle Effects

Wan-Ju Chou

This chapter builds on the finding from Chou and Cheng's (2020) paper, hoping to how a Confucian humanistic leader displayed humanistic concern in corporate management to pursue collective well-being. S company, a real estate agency guided largely by the fundamental Confucian philosophies of trustfulness (Xin) and righteousness (Yi), was selected as a case study to explore how the founder, Mr. C, adheres to Confucian ethics and leads his company by prioritizing "people" and "people's needs," and even moral correctness. In this sense, Mr. C stresses respect for all human beings and attempts to strike a good balance between righteousness and profitability.

The findings of Chou and Cheng (2020) suggest that Mr. C, as a Confucian humanistic leader, advocates people-centred concern and displays humanistic behaviours toward the agency's stakeholders that

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align with the five Confucian virtues (i.e., benevolence, righteousness, propriety, wisdom, and trustworthiness), which then trigger a positive cycle from primary stakeholders to secondary stakeholders to achieve collective happiness. Confucian humanistic leaders like Mr. C are dedicated to these Confucian principles, they demonstrate a holistic concern for human dignity while taking all stakeholders' interests into account, and they are committed to proper conduct even if this may sometimes lead to short-term losses. Chou and Cheng did not just describe the conceptual connotations and behaviour patterns of Confucian humanistic leadership but also carried out a preliminary analysis of the dynamics inside and outside the company to explain the humanistic cycle.

Although Chou and Cheng (2020) found that a humanistic leader acts as a role model and shows genuine concern and respect for, along with fair treatment of, all stakeholders—behaviors that imply social learning and social exchange processes, respectively, however, they did not detail the mechanisms by which a humanistic leader influences his or her followers and stakeholders, nor did they display humanistic influence through both direct and indirect actions to fulfil a humanistic cycle that ultimately achieves a common good.

This chapter extends Chou and Cheng's (2020) work, applies social learning and social exchange theories to explain the "direct" social influence process, and incorporates trickle effects (specifically, trickle-down, trickle-out, and trickle-around effects) to depict the "indirect" social influence process. Adopting Wo et al.'s (2019) adapted elaboration likelihood model, I consider individual differences in information processing and propose boundary conditions for the abovementioned trickle effects. In so doing, a comprehensive understanding of how a Confucian humanistic leader facilitates his or her flow of humanist virtues is developed.

1 Social Influence Process in Humanistic Leadership

The Case of Mr. C and His Humanistic Leadership

Mr. C is the founder and former chairman of S company. He is a real estate expert whose innovative leadership is recognized by all walks of life in Taiwan. Mr. C not only leads a fast-growing company but also rewrites the rules of the market, adhering to principles of integrity and establishing as well as promoting a new service paradigm. The University Professor W had a profound influence on Mr. C's thoughts, studies, and business philosophy. After Mr. C graduated from the faculty of law, he, like his fellow graduates, began to prepare for the national judicial examination. However, his professor suggested he chose to pursue a different career. Mr. C always remembered his professor's words: "people who study law do not have to be lawyers or judges, but must prevent legal disputes in their field of transactions." In other words, an ounce of prevention is better than a pound of cure. Mr. C decided that in civil legal cases, real estate disputes account for the most important proportion. He accordingly decided to start a career as a real estate agent. S company was founded because Mr. C was dissatisfied with the current state of the real estate industry and determined to reform it. The company name refers to a person doing what he/she needs to do in the proper way (righteousness, Yi) and keeping his/her word (trustworthiness, Xin).

Mr. C believed that the values of Confucianism have deeply influenced the Chinese and are worthy principles to abide by. In his practical philosophy, the five constant virtues of Confucian wisdom are not only the foundation for being a person but also the most appropriate foundation on which to establish S company. Based on the behavioural attributes and practices with which Mr. C runs his corporation, Chou and Cheng (2020) determined that Mr. C is a humanistic leader who adheres to Confucian principles and ethics. Mr. C nurtures a humanistic S company by striving to live up to the five Confucian virtues and encouraging Junzi (君子)-oriented actions (e.g., Tian et al. 2020) rather than acting out of self-interest and for material gain. The five virtues of Confucianism

are not just taken together to constitute a holistic behavioural guideline; they have implications specifically for stakeholders in managerial practices (Snell et al. 2022; Tian et al. 2020).

In terms of the five constant Confucian virtues, Mr. C displays corresponding behaviours including “putting people first (*Ren*; benevolence), prioritizing righteousness over profitability (*Yi*; righteousness), employing ethical regulations and leading by example (*Li*; propriety), cultivating virtues and competence (*Zhi*; wisdom) and displaying integrity and honesty (*Xin*; trustworthiness)” (Chou and Cheng 2020, p. 576). The core attributes of each behavioural dimension in humanistic leadership are summarized in Table 1. Specifically, a humanistic leader regards all stakeholders as partners, authentically cares about and respects their different needs, and strives to pursue their collective welfare. He/she is long-term oriented, insists on engaging in legitimate, ethical behaviours even if these will lead to losses, and seeks to achieve mutual benefit that uphold the rights and fulfil the interests of all stakeholders. A humanistic leader motivates employees to follow by demonstrating virtue and exemplary behaviours: leading by example, self-discipline, and continuous self-cultivation. By encouraging learning and providing education and training for employees, a humanistic leader presents growth and development opportunities according to employees’ need to cultivate their humanistic virtues. Finally, a humanistic leader keeps their promises and is honest with others, and maintains information transparency with all stakeholders. The five behavioural dimensions of humanistic leadership, which represent the five Confucian virtues Mr. C committed to internalizing, promote S company to maintain a collaborative, harmonious relationship with its stakeholders and achieve mutual benefits for all.

Altogether, these five behavioural dimensions are just different manifestations of humanistic leadership; although distinct, they are related and, arguably, combine to create an overall construct of humanistic leadership. In other words, the common thread of all five dimensions is the true domain of humanistic leadership. The absence of any one of these dimensions will deflate the overall construct of humanistic leadership, but not completely eliminate it. According to Law et al. (1998), humanistic leadership can be defined as a latent model since humanistic

Table 1 The core attributes of humanistic leadership

Confucian virtues	Behavioural dimensions	Core attributes
<i>Ren</i> (benevolence)	Putting people first (以人為本)	Partnerships Collective welfare
<i>Yi</i> (righteousness)	Righteousness over profitability (先義後利)	Long-term orientation Proper conduct
<i>Li</i> (propriety)	Ethical regulations and leading by example (正己範人)	Exemplary behaviours Moral influence
<i>Zhi</i> (wisdom)	Cultivation of virtues and competence (美德化育)	Development orientation Virtue cultivation
<i>Xin</i> (trustworthiness)	Integrity and honesty (誠信不欺)	Honest and accountability Information transparency

Note Adapted from Chou and Cheng (2020, p. 576)

leadership is a higher-level construct underlying its dimensions. Figure 1 depicts the five behaviour attributes and how they collectively reflect humanistic leadership. Based on the above statements, I propose the following:

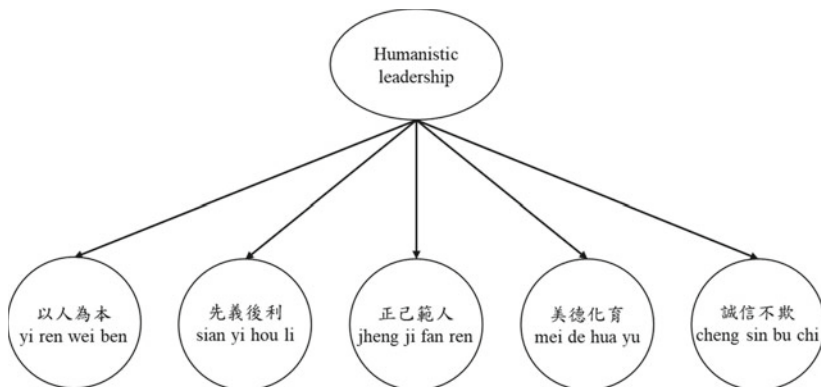


Fig. 1 A conceptual latent model of behaviour attributes in humanistic leadership (Note: The behaviour dimensions from left to right are putting people first, prioritizing righteousness over profitability, employing ethical regulations and leading by example, cultivating virtues and competence, and displaying integrity and honesty [Chou and Cheng 2020, p. 576])

Proposition 1a There are five distinct dimensions of humanistic leadership.

Proposition 1b Each of these five dimensions contributes to an overall construct of humanistic leadership.

Aligned with the five Confucian virtues, Mr. C influences his stakeholders both inside and outside the organization via humanistic behaviours to activate the humanistic cycle (Chou and Cheng 2020). This inside-out process model highlights some important and interesting findings. As an initiator of the humanistic cycle, Mr. C displays his influence through cultivating humanistic values in employees, displaying humanistic concern to customers, and being a role model to other real estate companies. These three methods are direct channels Mr. C has adopted. However, the humanistic influence process can also occur between Mr. C's primary stakeholders (employees and customers) and secondary stakeholders (other real estate companies). Once employees have learned and internalized Mr. C's humanistic values, they can influence both customers and other real estate companies through the value externalization process. In the same vein, customers who have been exposed to Mr. C's authentic humanistic concern can influence other real estate companies by actively requiring the same honesty and level of service from them. The humanistic influence process implies both direct and indirect effects from Mr. C to his primary and then secondary stakeholders to achieve the common good (see Fig. 2). Accordingly, I propose social learning and social exchange as the main mechanisms, and incorporate trickle effects as well, to explain the social influence process of humanistic leadership.

Social Learning Process

According to Bandura's (1977, 1986) social learning perspective, people can come to understand expectations and learn how to behave properly via direct as well as vicarious experience. The psychological matching processes of role modelling, such as observation, imitation, and identification, are typical vicarious learning channels. Observation means to

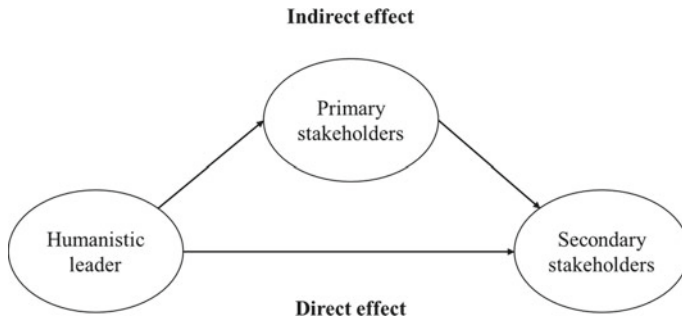


Fig. 2 The flow of direct and indirect effects

match the model's responses which are experienced vicariously, imitation involves the reproduction of actions in the presence of the model, and identification relates to continuing to match diverse patterns of behaviour even in the model's absence (Bandura 1969). When the targeted behaviour is perceived as attractive, credible, and legitimate, it attracts observers' attention, leading observers to internalize and adopt the role model's values and attitudes and even emulate patterns of their thoughts and behaviours (Brown et al. 2005).

Drawing on social learning theory (Bandura 1977, 1986), a Confucian humanistic leader can potentially influence followers' attitudes and behaviours through the importance of role modelling in the social learning process. Chou and Cheng (2020), in their case study, found Mr. C, the founder of S company, does not just occupy a legitimate position in the organization but also displays a people-centred concern and a commitment to moral righteousness, which makes him a normatively appropriate role model to identify with and emulate. Furthermore, Mr. C has adopted socialization and symbolic activities to cultivate humanistic values in his employees. Role modelling and leading by example are two major socialization tactics Mr. C has used to shape employees' humanistic values, whereas ceremonies, rituals, and recognizing heroes (i.e., Junzi of S company, a person of noble character) are symbolic activities Mr. C uses to instil Confucian virtues. Employees accordingly learn what is expected of them and internalize the humanistic norms for

behaving appropriately; further, they behave similarly by emulating the attributes of their humanistic leader.

However, effective observational learning and modelling will not take place if the observer does not notice or accurately perceive the model and keep the information in mind over time (Bandura 1977). The *attention* and *retention* sub-processes in social learning theory help to explain how an individual observes and learns various behaviours through direct modelling. In the attention process, a person can reproduce the modelling target only if he/she attends to, recognizes, and differentiates the attributes of the model itself and the model's behaviour (Wood and Bandura 1989). Whether this process is happening depends on how much the observer likes or identifies with the model. A leader who engages in authentic caring and respect, treats people with integrity and honesty, emphasizes righteousness over short-term profits, and embraces stakeholder consideration will likely be evaluated by followers as a normatively appropriate and suitable target of identification and emulation, and, as a result, should capture followers' attention. A Confucian humanistic leader, as a credible person with cultivated moral virtues, is an appealing model for vicarious learning. A trustworthy and reliable humanistic leader is expected to inspire his/her followers to learn these noble virtues and, in turn, engage in similar behaviours.

In the *retention* process, the response patterns stored in memory through symbolic coding operations facilitate the reference behaviour (Bandura 1986). Specifically, repeated exposure to the input and coding the modelled activity into words, concise labels, or vivid images reinforce the retention. Accordingly, the codes and symbols are salient in an individual's mind-set and will guide the modelled behaviour. As a Confucian humanistic leader, Mr. C advocates for the rights and interests of all stakeholders and consistently and predictably shows normatively appropriate humanistic actions according to the five Confucian virtues (Chou and Cheng 2020); thus, he is easily encoded as a salient role model, which facilitates retention. In other words, followers encode a humanistic leader's values, thoughts, and actions into codes and symbols in the mind that will drive their behaviours.

As outlined above, a humanistic leader is an attractive role model in terms of his/her attributes and behaviours, and invokes the attention and retention processes for individuals to emulate. Through the psychological matching of cognitive construction and behaviour patterns in social learning theory, individuals learn the attributes of the humanistic role model and are encouraged to behave similarly. In sum, and corresponding to the model of humanistic leadership in a stakeholders' network that Chou and Cheng (2020) explored, I propose that social learning theory can explain how a Confucian humanistic leader is attended to and encoded as a role model for individuals and then motivates emulation:

Proposition 2 Humanistic leadership triggers a social learning process in employees, which in turn shapes their favourable attitude and behaviour.

Social Exchange Process

Social exchange is an ongoing reciprocal process in which an individual voluntarily does another a favour involving resources and benefits and expecting to obtain valuable future returns (Blau 1964; Emerson 1976). Different from economic exchange, which is based on tangible material resources or physical transactions, social exchange indicates a broader investment in the relationship, reflecting trust, socio-emotional input, and long-term orientation (Emerson 1981; Shore et al. 2006). When an actor initiates actions toward a target person, such as providing organizational support or treating them with justice or interpersonal trust, the target may then pay back this treatment with his/her own behaviour in a similar fashion (Eisenberger et al. 1987). According to social exchange theory, a series of interdependent interactions or mutual exchanges may generate obligations among the exchange parties which thereby motivate positive attitudes and beneficial work behaviours (Blau 1964; Emerson 1976; Homans 1958). The mutual exchanges abide by expectations of reciprocity based on the exchange rules or principles. Specifically, reciprocity rules and norms of exchange are guidelines in an exchange relation (Emerson 1976). The “norm of reciprocity” (Gouldner 1960)

triggers individuals to feel obligated and behave in accordance with how favourably they are treated such as contributing or devoting themselves to the giver and trying to return the benefits.

Social exchange theory (Blau 1964) and the norm of reciprocity (Gouldner 1960) help to explain how a Confucian humanistic leader creates a sense of obligation to reciprocate, which, in turn, triggers employees to engage in various corresponding behaviours and develop positive attitudes. A humanistic leader who truly cares about the needs and well-being of employees provides development resources and training and shows respect to all stakeholders has initiated the social exchange process. In other words, social exchange begins when a humanistic leader shows sincere respect and concern as initial favours; employees who benefit from these humanistic behaviours then feel an obligation to reciprocate. As shown by Chou and Cheng (2020), a Confucian humanistic leader contributes to shaping employee beliefs, thoughts, and behaviours by exhibiting behaviours such as people-centred concern, righteousness over profitability, cultivating virtue, promoting information transparency, and other exemplary behaviours. Such humanistic behaviours may consequently produce a sense of obligation in employees, as well as gratitude and indebtedness toward their leaders, prompting them to contribute more themselves in exchange and thus benefit the work group (or even the entire organization). Accordingly, I propose that social exchange theory is another potential mechanism that helps to explain how a Confucian humanistic leader initiates a reciprocal process and employees engage in return:

Proposition 3 Humanistic leadership triggers a social exchange process in employees, which in turn shapes their favourable attitude and behaviour.

As stated above, social learning and social exchange are the two main social influence processes of humanistic leadership. Through these underlying mechanisms, a Confucian humanistic leader motivates employees to perform in a similar humanistic manner or to feel obligated to contribute positive attitudes and favourable behaviours, which in turn benefit the organization (see Fig. 3).

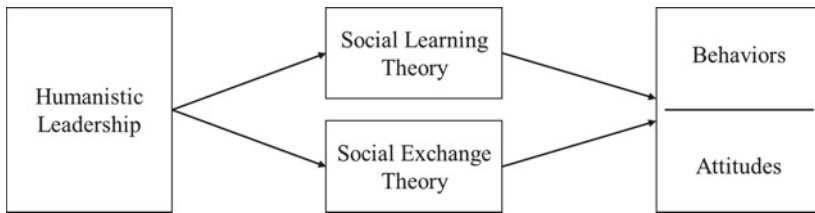


Fig. 3 Two core mechanisms in the social influence process

Trickle Effects

The web of social influence in organizational settings is complicated. Employees in social networks frequently interact with each other and with outside stakeholders. Accordingly, the interpersonal or social influence is not limited to face-to-face, direct effects between one individual and another but also indirectly carried over through a transmitter. That is to say, social influence can occur even when individuals do not interact with the original source. Trickle effects are particularly notable to explain this critical “indirect” social influence. This term describes a process by which the perceptions, feelings, attitudes, or behaviours of one individual (a source influence) affect the perceptions, feelings, attitudes, or behaviours of other individuals (recipients) through a transmitter (Wo et al. 2015, 2019). Trickle effects can be further divided into two types: homoeomorphic trickle effects and heteromorphic trickle effects. The construct remains the same throughout the homoeomorphic trickle process, whereas the construct varies across heteromorphic trickle effects (Wo et al. 2019).

A hierarchical organization involves multiple levels (Katz and Kahn 1978). It is highly possible that leadership transmits its influence across hierarchical levels (Griffin and Mathieu 1997). Accordingly, the most studied trickle effect in leadership is a trickle-down model from higher level managers to frontline employees through their immediate supervisors. For example, Yang et al. (2010) examined how middle managers’ transformational leadership enhanced employees’ performance, cascading through first-line supervisors’ transformational leadership (homoeomorphic trickle-down). Similarly, Schaubroeck et al. (2012) found that both

ethical culture and ethical leadership at higher organizational levels are indirectly related to ethical culture and ethical leadership at lower hierarchical levels via ethical culture and ethical leadership at the mid-level. Stollberger et al. (2020) tested a heteromorphic trickle-down mechanism of how manager moral behaviour affects supervisor–servant leadership and thus employee moral behaviour. The idea of a trickle-down effect is similar to the cascading effect and falling dominoes effect respectively proposed by Bass et al. (1987) and Yammarino (1994). The leadership influence of a higher-level leader can cascade down, or fall like dominoes, to the distant followers indirectly via transmission by subordinate leaders (Antonakis and Atwater 2002; Griffin and Mathieu 1997).

Although the trickle-down effect is used most frequently to explore the issue of leadership, trickle effects emerge in multiple directions within organizations as well, flowing upward, inside, and through the organizational hierarchy and beyond the organizational boundary. In contrast to trickle-down effects, which focus on movement from the highest to lowest levels of the organization, trickle-up effects refer to an indirect bottom-up social influence in the organizational hierarchy. Both trickle-down and trickle-up effects depict transmission in vertical directions, whereas trickle-around refers to an indirect horizontal flow passing at the same organizational hierarchical level (Wo et al. 2019). Finally, the trickle-out effect is a transmission process passing from the inside out through the organizational boundary. For example, a supervisor (a source in the organization) can influence an employee (a transmitter in the organization) and this influence can then trickle-out to customers or family members (external recipients). Drawing on boundary theory (Ashforth et al. 2000), an employee in this case acts as a boundary spanner who operates between the organization and the customers or family members to transmit the supervisor's indirect social influence. As a bridge between the organization and the external environment, an employee carries out his/her boundary-spanning role as an external representative of the organization by conveying information and organizational beliefs, which may in turn facilitate favourable relationships with external exchange partners of the organization (cf. Huang et al. 2016).

As shown in Fig. 2, Chou and Cheng (2020) suggested that a Confucian humanistic leader achieves his/her influence through both a direct

effect (e.g., the bypass effect) and an indirect effect (i.e., trickle effects). Specifically, a direct bypass effect can occur when a humanistic leader influences secondary stakeholders without operating through intermediate primary stakeholders. The indirect effect pathway refers to a humanistic leader's influence on distant secondary stakeholders via an indirect flow through primary stakeholders. As a source of social influence, the indirect effect of humanistic leadership, like the direct effect, may trickle in multiple ways: it may trickle-down, trickle-out, or trickle-around inside and outside the organization, spreading through the social network (see Fig. 4). Among these methods, trickling down a hierarchy may be more prevalent in organizational settings, as evidenced by other leadership literature. In dialogue with stakeholder theory (e.g., Freeman 1984; Laplume et al. 2008) and boundary theory (Ashforth et al. 2000), trickle-out effects from inside partners (or primary stakeholders) who breach the organizational boundary to influence partners outside (or secondary stakeholders) are especially appealing. Trickle effects explain the whole process of how humanistic leadership spreads its influence. Like ripples, the social influence of a humanistic leader spreads across social distances. Although this is not discussed directly in Chou and Cheng's (2020) case study, a humanistic leader clearly has a trickle-around function. It is possible that the horizontal trickle-around effects take place with the organization when employees internalize a humanistic leader's value and then affect their coworkers, one by one. When multiple trickle effects occur collectively, an ideal humanistic cycle is fulfilled.

In trickle chains, social learning and social exchange theories are the most common mechanisms cited to explain the transmission of influence. Seeing and emulating how their superiors treat them, lower-level supervisors tend to model their superiors' leadership behaviours through vicarious observations and imitation and also learn the appropriate way to influence their subordinates (a trickle-down effect). Parallel to this idea, when employees consider their supervisors to be role models, they may be motivated to adopt similar behaviour to interact with their customers (trickle-out) or coworkers (trickle-around). In the case of S company, Mr. C is a significant role model who displays various humanistic behaviours. Subordinate supervisors tend to view and emulate the behaviours of Mr. C as accepted behavioural norms and regard these

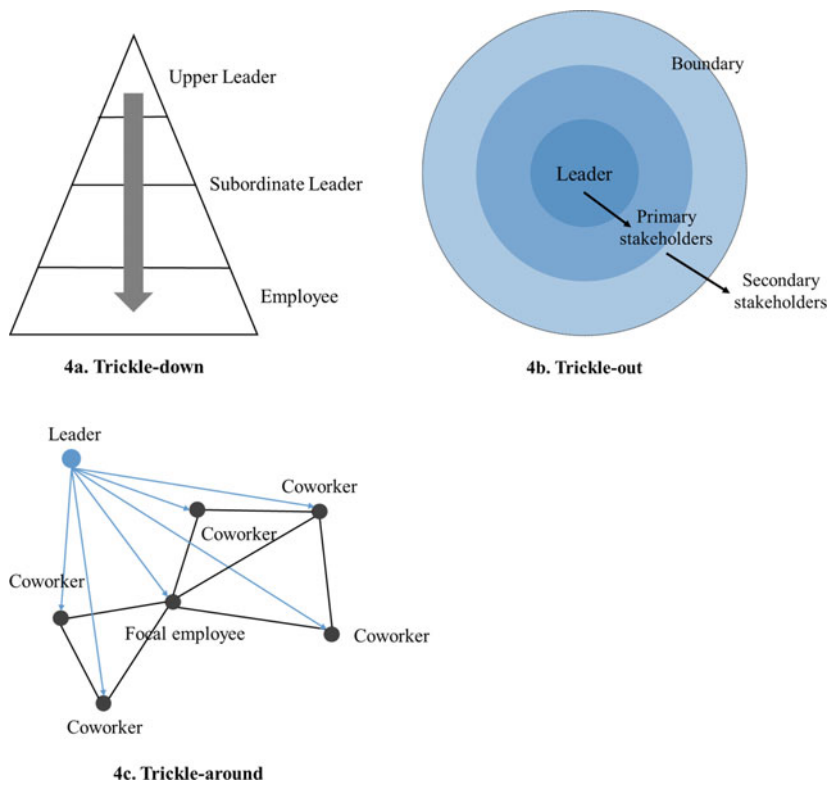


Fig. 4 Three main trickle effects of humanistic leadership

humanistic features as role requirements or behavioural guidance. As a result, the humanistic leadership influence of Mr. C may cascade down to his subordinate supervisors and then to next-level supervisors or frontline employees (trickle-down). As a humanistic leader, Mr. C strives to implant his people-centred beliefs, values, and thoughts into employees' minds. With the use of symbolic and verbal communication and visible artefacts accompanied by deliberate role modelling, teaching, and coaching, employees are likely to imitate Mr. C's behaviour and devote themselves to serving their customers or external organizational partners in a humanistic way (trickle-out). Once employees identify with and internalize Mr. C's humanistic values, they may also transmit these

values horizontally, by displaying attitudes and behaviours learned from Mr. C (trickle-around).

Trickle effects can also be explained using social exchange theory. According to Blau (1964), social exchange is regulated by the norm of reciprocity: a receiver is obligated to be a giver also. There are two types of social exchanges: restricted (direct) and generalized (indirect) (Bearman 1997; Ekeh 1974; Yamagishi and Cook 1993). Direct or restricted exchange is a dyadic form in which the exchange pair reciprocates to each other (Molm et al. 2007). In indirect or generalized exchange, benefits are not directly reciprocated but indirectly repaid among three or more people across a network. The two most discussed forms of generalized exchange are “chains” and “nets” (Ekeh 1974). A chain-type generalized exchange is a circular flow moving in one direction through all members, whereas a net generalized exchange involves exchanges between an individual and a group of other members (Bearman 1997). Generalized social exchange suggests that employees may feel obligated to indirectly reciprocate the favourable treatment received from their managers and return it to their subordinates, coworkers, or customers (third parties). By returning the favour and continuing the reciprocity relationship, generalized social exchange ultimately benefits all exchange partners.

In S company, Mr. C shows humanistic concern and fair treatment to his employees and all stakeholders and strives for their collective welfare, which creates in the recipients a sense of obligation to return the favour. Chou and Cheng's (2020) preliminary model of humanistic leadership in a stakeholder network found the benefits received from Mr. C may not be repaid to him (the original benefactor) but rather indirectly repaid to a third party. For example, employees may pass the benefits along to each party they interact with and thus make contributions to the entire organization. The indirect chains or nets of generalized exchange explain the trickle effects of humanistic leadership in person-to-person or person-to-group interactions. This, then, leads to the following proposition:

Proposition 4 Humanistic leadership effects will trickle down, trickle out, and trickle around to influence partners inside and outside the organization or stakeholders, which in turn collectively achieved a humanistic cycle.

Information Process in Trickle Effects

Although trickle effects contribute to explaining the indirect social influence of humanistic leadership, a robust theoretical foundation is still lacking to describe when trickle effects happen. Wo et al. (2019) adapted the elaboration likelihood model (ELM; Petty and Cacioppo 1986) and applied it to trickle effects, providing a framework for the emergence of an indirect social influence process, involving what are called transmission boundaries. According to this framework, the central route and the peripheral route are two paths individuals may choose when processing information. The central route is characterized by elaborative cognitive processes with extensive thought or deliberation, whereas the peripheral route involves little thinking and cognitive effort and relies instead on heuristic cues and feelings (Petty and Brinol 2012; Petty and Cacioppo 1986). Furthermore, whether individuals process information via the central route or the peripheral route depends on their *motivation* and *ability* (Petty and Cacioppo 1983). Motivation is influenced by a variety of factors, such as the personal relevance of the message, the degree of issue involvement, personal responsibility for the decision, the level of cognition needed, etc. (Petty and Wegener 1998). Ability is determined by factors such as message repetitiveness, complexity, and comprehensibility; the presence of distractions; the issue-relevant prior experience of individuals, etc. (Petty and Cacioppo 1983). The premise of ELM is that when the likelihood of elaboration is high, individuals are more likely to utilize a central route to process information. On the contrary, when the likelihood of elaboration is low, individuals are more likely to process information via the peripheral route. Typically, motivation is operationalized as the *personal relevance* of the available information to a given individual, and ability as the individual's *prior expertise* or *experience* (Petty and Wegener 1998).

Applying Wo et al.'s (2019) adapted ELM (AELM) to understand the information process of indirect social influence allows further exploration of how the transmitter and the recipient engage in elaboration in the context of trickle effects (see Fig. 5). Additionally, AELM also provides a theoretical framework to explain the trickle effects of social learning

and social exchange according to the amount of elaboration in the information process. Specifically, social learning elicits a modest amount of elaboration as it engages individuals' attention, memory, and motivation, which require cognitive but not extensive thoughts for learning. Social exchange theory suggests the greatest amount of elaboration as it requires thinking about the quality of a relationship and the obligations for reciprocity in exchange, which reflects extensive elaboration via central route processing. Accordingly, the two theoretical perspectives adopted to explain the positive trickle effects of indirect social influence are both associated with elaboration. Furthermore, personal relevance or personal involvement is the most important factor in determining individuals' motivation to process information via the central (as opposed to the peripheral) route in a thoughtful or deliberative way (i.e., with elaboration). In other words, if individuals believe that an issue or event is personally important and will have a significant impact on their own lives, they prefer to engage in deeper elaboration or central route processing in contemplating this event or issue (Petty and Brinol 2012; Petty and Cacioppo 1986). As personal relevance increases, so does the motivation to process. On the other hand, individuals' previous experience and knowledge regarding the issue or event enable them to scrutinize the information content, which enhances their ability to process. When the message is based on self-referent direct experience, more effortful elaboration via central route processing may be involved (Fazio and Zanna 1981). Based on the information process rationale described above, the extent of trickle effects is therefore determined by the personal relevance and prior experience of the transmitter and the recipient.

Drawing from the AELM (Wo et al. 2019), elaboration motivation (characterized as personal relevance) and elaboration ability (characterized as prior experience) both change how individuals respond to the trickle effects. As an added perspective, I suggest that elaborative cognitive processes such as social learning and social exchange determine the extent to which a humanistic leader can trickle his/her effect to primary and secondary stakeholders. Specifically, a humanistic leader who triggers elaboration in social learning and social exchange as described above would elicit central route processing in their employees, and thus the

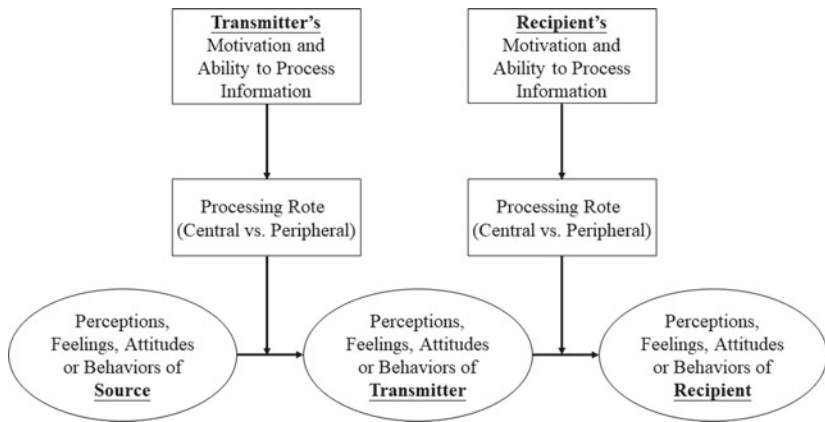


Fig. 5 The adapted elaboration likelihood model (Note: This figure is adopted from Wo et al. [2019, p. 2282])

effect would trickle-down, trickle-out, and trickle-around to influence stakeholders. However, AELM suggests that if an individual experiences high personal relevance this makes thoughtful elaboration more likely—that is, the individual will process information via the central route and associated cognitive processes. In the same vein, when individuals have prior experience, they tend to engage in more detailed processing and utilize information from memory. In the above situations described in this section, individuals engaging in cognitive efforts consider information only partly from the source, because they supplement it with information from other experiences and other sources (Petty and Wegener 1998). As noted, personal relevance or involvement and prior experience regarding cognitive ability elicit elaboration (Petty and Brinol 2012). Accordingly, the trickle effects of humanistic leadership that evoke moderate to high elaboration should be weaker when an individual has high motivation or ability to elaborate detailed information. Considering these potential factors that affect individuals’ motivation and ability to process information points to the existence of moderators that influence the flow of trickle effects in humanistic leadership:

Proposition 5 Humanistic leadership will display weaker trickle effects when individuals are expected to utilize greater thought in elaboration;

that is, individuals with higher personal relevance and prior experience might weaken the flow of positive trickle effects of humanistic leadership.

2 Discussion

As argued above, Confucian humanistic leadership is intertwined with indigenous Chinese cultural connotations, which are grounded in Confucian constant virtues (also called Junzi virtues). To implement Confucian virtues in organizational settings, humanistic leaders devote themselves to enhancing the happiness of all stakeholders through transcending their self-interests and demonstrating compassion and altruistic love toward others. In keeping with Confucian thought, a humanistic leader enacts self-cultivation and the development of virtues to advocate for a common, good approach to leadership practice. Junzi orientation (meaning the ideal Confucian person adhering to the five virtues in taking action) and respectful interaction in humanistic leadership help to build collaborative partnerships in ways that seek an optimal balance and win-win resolution to conflicts, so that the welfare of all stakeholders is enhanced and sustainable development for the organization is achieved. Accordingly, humanistic leadership grounded in a philosophy of Confucian ideology provides an alternative, mutually flourishing way to the dominant economic or market paradigm.

Chou and Cheng (2020), in their review, found that Confucian humanistic leaders behave as role models in enacting the five virtues that others are motivated to emulate, which initiates a social learning process. They also shape mutually beneficial relationships to build the bond of social trust, which elicits a social exchange mechanism. Considering the humanistic cycle implies indirect social influence, I adopt trickle effects combined with the above two theoretical foundations to explain how humanistic leadership flows through a hierarchy (trickle-down; Fig. 4a), across the organization boundary (trickle-out; Fig. 4b), and among members inside the organization (trickle-around; Fig. 4c). Furthermore, AELM provides a comprehensive and integrated framework to identify potential boundary conditions for trickle effects associated with central

route processing versus peripheral route processing (Wo et al. 2019). Specifically, individuals for whom a given effect has higher personal relevance and relates to their prior experience are motivated and able to engage in thoughtful processing, which might attenuate the flow of humanistic trickle effects that facilitate moderate to high elaboration. Accordingly, elaborative thinking or cognitive effort may weaken the humanistic trickle effects. By integrating multiple but coherent theoretical lenses into an explanatory framework, I provide a comprehensive understanding of the mechanisms and contingent factors of humanistic leadership.

The Extension Impact to Enact Humanistic Leadership

In adhering to humanistic values aligned with the five Confucian Junzi virtues, how to grow sustainably with stakeholders becomes a profound issue in modern corporations. To better support S company, Mr. C collaborated with his staff to devise a new corporate mission in 2009 which takes the environment into consideration as a natural stakeholder. In other words, as a Confucian humanistic leader who has internalized the five constant virtues, Mr. C designed a new business model to produce a balance among economic development, co-prosperity with society, and environmental sustainability to achieve sustainable development. Snell et al. (2022) theorized that the five Junzi virtues can underpin environmental, social, and governance policies and practices supporting the idea that humanistic leadership can promote environmental responsibility. For example, humanistic leaders at a superior hierarchy level sincerely embrace Confucian virtues and behave accordingly. They respect humanism, contribute to transparency by enhancing disclosure, and commit to cooperation with and working for the mutual benefit of multiple stakeholders of communities, giving rise to environmental protection and social responsibility in corporate governance.

While actualizing sustainable development at environmental, societal, and organizational levels, Confucian humanistic leadership can also encourage individual prosocial behaviour, in terms of both environmental and interpersonal aspects. Environmental sustainability relies

on individuals changing their behaviour to be more environmentally responsible, for example by adopting pro-environmental behaviour, which is primarily driven by prosocial motives (Bamberg and Möser 2007). Confucian humanistic leaders are credible role models who internalize Junzi virtues, which involve showing respect for all stakeholders, including the society and environment outside their organization. They instil Confucian humanistic ideas through socialization procedures and symbolic activities and serve the collective welfare via reciprocated social exchange (Chou and Cheng 2020). These efforts send signals of self-transcendence that show humanistic leaders are sincerely concerned for other people and the environment, and accordingly certain pro-environmental behaviours are expected and valued. This can encourage individuals to identify with, and be more likely to adopt, proper conduct, including environmentally friendly behaviours that minimize the harm to environment. Furthermore, in adhering to Confucian virtues, which stress altruistic behaviour, voluntarily taking appropriate action, and considering interpersonal harmony, humanistic leaders are expected to facilitate a climate of respect and trust, which further encourages employees to adopt friendly interpersonal extra-role behaviours such as affiliation-oriented organizational citizenship behaviour or interpersonal citizenship behaviour (proposed by Settoon and Mossholder 2002). In sum, Confucian humanistic leadership has the potential to achieve a greater social influence, not limited to the workplace but spilling over to the outside world—a potential that warrants further exploration.

Implications and Practical Insights

Although the propositions discussed in this article are tentative and have not yet been empirically tested, they are promising in terms of explaining how, and for whom, humanistic leadership prompts its virtuous effects. Using social learning theory, social exchange theory, trickle effects, and AELM to achieve an understanding of the boundary conditions of humanistic leadership and its direct and indirect social influence processes presents an integrated picture that, I hope, may inspire further

exploration of the underlying mechanisms. Confucian humanistic leadership embodies five behavioural dimensions reflecting the Junzi virtues (i.e., Ren, Yi, Li, Zhi, Xin) and thus is supportive of sustainability initiatives and promotes harmony in organizational operations, which may have a positive influence in shaping cooperative networks with stakeholders. The Confucian leaders' sincere concern for the welfare of all stakeholder groups, including society and environment, has a considerable impact on an organization's present and future success. Accordingly, applying Confucian wisdom in humanistic leadership is greatly needed, especially in today's competitive and turbulent, dehumanizing world.

With a basis in the integrated perspectives proposed in this chapter, which consider particularly relevant theories with regard to social influence processes and take individual differences into account, a sound basis is created for theoretical contributions and practical implications. For businesses, implementing Confucian humanistic leadership throughout the organization is a good way to earn social respect, boost the company's reputation, and promote a harmonious relationship among internal and external stakeholders. A humanistic leader who is viewed as an attractive and credible role model, and who engages in normatively appropriate virtuous behaviours, can influence all stakeholders through a modelling process. Furthermore, the norm of reciprocation evoked by a trustworthy humanistic leader can be transferred to other organizational members via chain or net flow (i.e., generalized social exchange), which in turn facilitates a positive humanistic cycle. I believe that endorsing and practicing Confucian humanistic leadership initiates a humanistic change toward continuous self-development and creates a strong potential for a responsible and virtuous business environment to achieve a sustainable future. Accordingly, more leaders who adhere to Confucian virtues should be hired, or training existing leaders to embody humanism should be considered in organizational training programmes.

3 Conclusion

The humanistic leadership phenomenon that has emerged in Taiwan is deeply rooted in Confucian virtues and can be regarded as a five-dimensional latent construct. The five dimensions are interrelated and collectively constitute a higher-order humanistic leadership construct. Humanistic leaders can promote favourable attitudes and behaviours on the part of stakeholders through both social learning and social exchange mechanisms. They can indirectly influence all stakeholders in organizational networks via trickle-down, trickle-out, and trickle-around effects—effects that may even flow beyond the organizational boundary as well. Taking how individuals process information into account, the trickle effects of humanistic leadership depend to some extent on their motivation for elaboration. AELM suggests that individuals with high personal relevance to the information or prior related experience might weaken the trickle effects. Overall, I integrated social learning, social exchange, trickle effects, and AELM to explain the underlying mechanisms of humanistic leadership and make five propositions. Next, empirical studies are needed to support or revise the arguments presented in this chapter.

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Multiple Humanistic Leaders in Different Cultures



Humanistic Leadership in Africa: A Relational Ideal of Maat

Baniyelme D. Zoogah

1 Introduction

The increasing view that “traditional, hierarchical views of leadership are less and less useful given the complexities of our modern world” (Lichtenstein et al. 2006, p. 2) and the heightened level of complexity in Africa necessitate an understanding of leadership that is humanistic, the process by which an individual in a leadership role influences others to achieve desire goals through human-centred principles of trust, ethicality, compassion, and engagement. Humanistic leadership has been part of Africa since the pre-modern era (i.e., ancient Egypt) through the Maat philosophy which belonged to the people of ancient Kemet or black Egypt. It “is a fundamental, pervasive, and enduring element in ancient Egyptian civilization and an inclusive and defining cultural category”

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(Karenga 2004, p. 5). Such leadership is particularly significant in this era of the Africa Union Agenda 2063, which views one of the critical success factors for the achievement of the agenda as “leadership and political commitment with transformational and visionary qualities at all levels and in all fields.” This view is also encapsulated in the World Economic Forum which indicates that “Africa doesn’t need charity, it needs good leadership.” In addition, the Mo Ibrahim Foundation, advocates effective leadership in Africa, established an award for good national leaders and a proprietary index that gauges the quality of governance and leadership in African countries (Mo Ibrahim Foundation 2015). This award has not been won in eight of the twelve years because no leader has been found worthy of the award.

In this chapter, I attempt to situation humanistic leadership in modern Africa by drawing from historical, anthropological, and philosophical accounts of leadership in Africa. The framework is limited to the period before the colonial eras of Africa (i.e., the Kemetite era). Following a brief review of extant leadership in Africa, I discuss the Maatian view of humanistic leadership. Leveraging that historical perspective, I discuss exemplars of humanistic leaders in modern Africa. Three such leaders are Nelson Mandela (Glad and Blanton 1997; Pietersen 2015), Desmond Tutu (Blankstein et al. 2016), and James Mwangi of Equity Bank of Kenya (Chironga et al. 2019). While Nelson Mandela and Desmond Tutu epitomize the Ubuntu principles of humanism, James Mwangi exemplifies the Maatian humanistic principles.

Both the traditional or ancient view of humanistic leadership which is illustrated with modern leaders affords an opportunity for scholars conducting research on humanistic leadership in Africa to ground their studies in Indigenous philosophical and humanistic principles. Humanistic leadership is proposed as a function of decisions and actions of African traditional orientations that derive from Maat philosophy. This perspective unearths the source of modern understanding of humanistic leadership and reorients the field about leadership development and prevention of bad leadership as they relate to the management of organizations in Africa.

2 Model of Humanistic Leadership in Africa

Maat Philosophy

The word philosophy is derived from two Greek words—*philein* which means love and *sophia* which means wisdom (Barnett 2008; Deleuze and Guattari 1994). Combined they constitute philosophy which loosely means “the love of wisdom.” The definitions of philosophy which suggest attempts to gain wisdom as it relates to the world and human existence, range from “a rational attempt in finding solutions to fundamental problems of mankind,” to “a rational investigation which examines the nature and reasons behind events happening in the world” (Mawere and Mubaya 2016, p. 5). Given that wisdom is targeted—it relates to a particular subject, unit, focus, domain, entities, etc.,—it relates to leadership. One may therefore view the philosophy of leadership as the love of leadership wisdom or love of good judgement about influencing others. This view dovetails with the common meaning of philosophy which refers to one’s attitude to life, which is a consequence of one’s assumptions, beliefs, attitudes, and prejudices about things. Leadership philosophy thus refers to the idiosyncrasies that guide and direct how leaders relate with others. The common meaning differs from the technical meaning of philosophy which focuses on the academic discipline in which scholars devote time and energy (Akinpelu 1981). For the discipline, philosophy is action, content, and attitude that involves analysis, course of study, and distractive attributes or dispositions (e.g., critical thinking) respectively (Mawere and Mubaya 2016). As a result, some focus on Western philosophy (Kenny 2018), Asian philosophy (Leaman 2006), German philosophy (Bowie 2003), African philosophy (Hallen 2009).

These geo-centric philosophies are all-encompassing; within each context are specific philosophical orientations that have distinct contents and principles. In Africa, one such specific philosophy is Maat. As I indicated elsewhere (see Zoogah 2022), the common and technical meaning of wisdom, as it relates to knowledge of leadership (i.e., humanistic), differs from wisdom as it relates to the practice of leadership. In other

words, the common and technical senses of philosophy apply to Maat philosophy of leadership discussed here. Maat is both practical and technical (Karenga 2004). The practical aspects deal with living life with assumptions, beliefs, and attitudes that are devoid of prejudices towards others. The technical aspect of Maat focuses on the metaphysical, logical, epistemological, and axiological elements (see Table 1). Axiology which deals with the study of values refers to the choices humans make, and which affect their desires, interests, needs, likes, and performances (Enoh 2001). It involves aesthetics (appreciation of beauty in nature) and ethics (the right way to live). The logic of Maat centres on the validity and soundness of arguments and propositions on the moral ideal (Karenga 2004; Lichtheim 1992). In addition, Maat has a metaphysical component because it emphasized the problems of being, essence and existence, universe, reality, unity, and diversity, change and permanence, causality, freedom, and determinism, with regard to humans, nature, and God (Lichtheim 1992; Obenga 2004). Lastly, the epistemology of Maat suggests a body of knowledge derived from several sources such as the Book of the Dead (Allen 1974) which discusses the relations of humans with others (see Karenga 2004 for an excellent discussion). That epistemology combines rational, revealed, and insight into knowledge systems (Obenga 2004).

Meaning of Maat

Maat is a philosophy of the people of ancient Kemet or black Egypt. It “is a fundamental, pervasive, and enduring element in ancient Egyptian civilization and an inclusive and defining cultural category” (Karenga 2004, p. 5). Even though there are no extensive ancient definitions of Maat, the “statements of its centrality in the conception and practice of the Good and its meaning for the divine, social, and natural” (Karenga 2004, p. 5) point to its basis as philosophy. Etymologically, *Maat* evolved from a physical conception of evenness or correctness to a general conception of *rightness* or the *rightness* of things (Morenz 1984). As Karenga (2004, p. 7) indicates Maat is “an interrelated order of rightness, including

Table 1 Humanistic leadership in Africa

Dimensions		Humanistic leadership	Exemplars	
African attributes			James Mwangi (CEO, Equity Bank)	Nelson Mandela (President, South Africa)
Context	Africa	Africa	<ul style="list-style-type: none"> • Economic • Maatian humanism • Raised by a single parent who was economically deprived • Became CEO of Equity Bank of Kenya • Won honorary accolades 	<ul style="list-style-type: none"> • Political • Ubuntu humanism • Former President of South Africa • Imprisoned for 27 years for his opposition to Apartheid. Released and elected president in 1994 • Won Nobel Peace Prize
				Desmond Tutu (Archbishop, South Africa)
				<ul style="list-style-type: none"> • Religious • Ubuntu humanism • Former Anglican Archbishop of South Africa • Teacher and Christian formation and leadership • Won Nobel Peace Prize

(continued)

Table 1 (continued)

Dimensions	African attributes	Humanistic leadership	Exemplars
Philosophy	Maat	Traditional which originated from Maat of who a leader should be	<p>James Mwangi (CEO, Equity Bank)</p> <p>Based on the African worldview he recognizes that Africans have the potential to develop themselves because "no civilization has successful transformed another civilization"</p> <p>Nelson Mandela (President, South Africa)</p> <p>Believed in a just and democratic society that accommodates all groups</p> <p>Desmond Tutu (Archbishop, South Africa)</p> <p>Believed in a just and democratic society without racial divisions</p>

Dimensions	African attributes	Humanistic leadership	Exemplars
Reality	African institutional and geographic context	Influence within and across dimensions—natural, social, and religious, and for the collective good of the society	<p>James Mwangi (CEO, Equity Bank)</p> <p>Nelson Mandela (President, South Africa)</p> <p>Desmond Tutu (Archbishop, South Africa)</p> <p>Economic deprivation as a common phenomenon that most people encounter due to lack of opportunities and mechanisms of redemption</p> <p>Based on his experience under apartheid, he recognized that some societies could experience hideousness or oppression by others</p> <p>Lived in a repressive regime—apartheid—that denied Black South Africans dignity. He opposed that and called for equal civil rights for all</p>

(continued)

Table 1 (continued)

Dimensions	African attributes	Humanistic leadership	Exemplars	
			James Mwangi (CEO, Equity Bank)	Nelson Mandela (President, South Africa)
Selves	Extended self. As custodians who live with the ancestors to prepare for future generations	Influencing out of concern for human life and its worth. The concern encompasses all the environs of humans	Values all stakeholders, clients, and customers as worthy of having a decent life	Due to his value for all South Africans, he chose mutual co-existence of Black people and whites when he was elected President
				Desmond Tutu (Archbishop, South Africa)
				Believes individuals have the potential to progress into wholeness; they are worthy of self-optimization

Dimensions	African attributes	Humanistic leadership	Exemplars	
			James Mwangi (CEO, Equity Bank)	Nelson Mandela (President, South Africa)
Function	Living a worthy life in concert with God, nature, and other humans	Influencing the flourishing of not only social entities but also natural entities such as the environment. Concern for nature is concern for humans because the latter derive their existence from the former	He leads his organization, the Equity Group Inc. to invest in underprivileged communities by focusing on projects with economic, social, and natural sustainability	Desmond Tutu (Archbishop, South Africa)
				Out of the belief that humans and the planet are worthy of dignity, protection, and care, he worked hard to ensure that in South Africa

(continued)

Table 1 (continued)

Dimensions	African attributes	Humanistic leadership	Exemplars	
			James Mwangi (CEO, Equity Bank)	Nelson Mandela (President, South Africa)
Morality	Consideration of not only other persons (social ethos) but also nature (ecological ethos)	Influencing others across dimensions through a combination of words and actions that are undergirded by ethical values	His bank relates with clients or customers in a way that is not exploitative. It shuns actions that take advantage of the deprived customers. Instead, the bank offers advice to customers on how they can improve their economic situations	Desmond Tutu (Archbishop, South Africa)
				Inspired by his religious role, he advocated moral principles that value humans and the planet because all flourishing is mutual. He had an ethos that focused on peace, love, dignity, and community

Dimensions	African attributes	Humanistic leadership	Exemplars		
			James Mwangi (CEO, Equity Bank)	Nelson Mandela (President, South Africa)	Desmond Tutu (Archbishop, South Africa)
Action	Collectivism and companionship as modes of solidarity which involve cooperative living	Behaving in ways that take into consideration the worth of other humans and nature	He influences the bank to make loans that improve the lives of communities and individuals who are underprivileged. It demonstrates actions of solidarity based on a shared concern for the welfare of those deprived individuals and communities	His almost three decades-long imprisonment was a form of self-sacrifice, albeit not by choice, to improve South Africa particularly the Black people by working to eliminate oppression	He had decades-long struggle against apartheid and to facilitate reconciliation in South Africa

the divine, natural, and social.” Rightness includes the ontological and ethical sense of truth, justice, righteousness, and order.

Rightness also permeates various domains of human existence. Indeed Obenga (1990) argues that *Maat* which is complex and rich manifests in four areas—universal, political, social, and personal. The *universal domain* deals with the totality of ordered existence and represents things in harmony and in place while the *political domain* centres on justice. The *social domain* focuses on the right relations and duty in the context of community. Lastly, the *personal domain* centres on the rules and principles of Maat which enables individuals to realize concretely the universal order and to live in harmony with the ordered whole. Consequently, Karenga (2004, p. 10) provides an expansive definition of Maat as “an interrelated order of rightness which requires and is the result of right relations with and right behaviour towards the Divine, nature, and humans.”

The focus on rightness suggests that Maat is guided by the practice of the seven cardinal virtues of truth, justice, propriety, harmony, balance, reciprocity, and order (Obenga 1990). These virtues constitute the moral ideal (Karenga 2004) and therefore serve as the foundation for the practice of high moral standards that enables meaningful communal and leadership. The practice of Maat suggests that the moral ideal is not abstract but concrete such that “Maat is the constantly achieved condition and requirements for the ideal world, society, and person (i.e., the Maatian world, the Maatian society, and the Maatian person)” (Karenga 2004, p. 25). The practice of Maat thus centres on what is termed “the way of worthiness” where the worth of people as individuals and communities in relation to others and nature becomes a central focus on interaction.

Dimensions of Maat Philosophy

Maat philosophy is defined in this chapter as a rational African attempt in finding the right solutions to fundamental problems of the world, society, and people. To the extent that individuals are oriented or guided by the right cognitions, right attitudes, and right behaviours towards

themselves, others, and nature, they are likely to relate in the world based on truth, justice, propriety, harmony, balance, reciprocity, and order. In this era of “alternative facts” (lies presented by specific individuals as facts), truth matters about right behaviours towards the world, society, and persons. Further, the unfairness of the extant world which is manifested in economic inequalities particularly between the developed and developing worlds (Piketty 2014) calls for redress through right behaviours.

The way of worthiness which Maat emphasizes focuses on the problems of individuals relating to each other and with nature; it advocates balance in existence and essence; diversity and unity as well as permanence and change (Lichtheim 1992; Obenga 2004). Across the pharaonic periods, for example, Maat was viewed as a corpus of knowledge that directed the behaviours and attitudes of ancient Egyptians towards each other and nature. It stipulated rationality, emphasized revelatory knowledge and indicated insight knowledge through the *sybais* which are teachings or instructions of scribes on living (Karenga 2004). This focus on worthiness and emphasis on problems of relating is evident in the pyramid texts (Mercer 1952) and sybais (Obenga 1994). They attest to the enduring value and regulative potential of Maat. Morenz (1984, p. 117) argues that for the ancient Egyptians, Maat “was a basic value, a general norm”; it was a way of life or a path of life which individuals followed. Not only did it exhort choices that are good, effective, or excellent but also it emphasized the rightness of interpersonal and communal relations (Karenga 2004).

Consequently, people lived responsively (i.e., *sedjemically*) and eschewed non-responsive behaviour (i.e., *sekhetic* attitudes and behaviours). In addition to advocacy for *sedjemic* behaviour and opposition to *sekhetic* behaviour, Maat philosophy encourages appreciation of beauty in nature and humanity or relating with both in a way that is appropriate. That means individuals should not be *isfetic* (i.e., engage in behaviour that is destructive). This view is supported by statements in the Book of the Dead which show that rightness is significant because it makes the person worthy (Allen 1974). The worthiness has three components: worthiness before God, worthiness before people, and worthiness before nature (Karenga 2004). While the latter two fall within the

sociality and sustainability of organizations the third, which is religious extends to spirituality of organizations. In all three, leadership is involved because worthy individuals are not only responsive and responsible to themselves, others, society, and nature but also seek to influence others in the appropriate or right way. The three forms of worthiness enable propriety in exchanges, harmonious interactions, and fairness towards other constituents.

Given that Maat is posed as a way of life, it is “a social practice of doing good and seeking worthiness” (Karenga 2004, p. 266). The quest for worthiness which is central to Maat involves social and moral dimensions. Socially, Maat expects individuals to relate with others in an appropriate, excellent, and reciprocal manner. Morally, individuals are expected to interact fairly, truthfully, harmoniously, and responsively. The *way of life* is thus a way of worthiness that involves “worthiness before people” and “worthiness before nature.”

3 Humanistic Leadership in Africa

Maat Leadership Philosophy

As I argued above, Maat was the philosophy of Kemet, the ancient people of Egypt. Maat was the way of life (*mtn*) and therefore became a social practice of doing good (the good way—*w3t nfr*) and seeking worthiness (*im3h*). One important principle was filial guardianship which proposed that humans should have shared interests with other beings in creation which grows out of the web of interconnections and mutual effect through membership in the biotic and larger natural community. From a leadership perspective, it suggests that humans are to relate with nature in a way that is affirmative. This form of sustainability leadership seeks the flourishing of the natural environment which is part of the concrescence of flourishing. Consequently, they must be responsible for each other's welfare by defending the integrity, diversity, and stability of humanity. In other words, they have “a moral obligation to protect and promote it” (Karenga 2004, p. 391) because each person's well-being is interlinked with and a part of the well-being of creation or nature.

Another principle advocated by Maat is the shared heritage of humanity; humans have shared and equal benefits with each other. As a result, they have filial responsibility for the protection and preservation of nature. Violation of the right of others to the shared heritage through acts that undermine welfare does not fit with Maat other-directed and communitarian ethics. The shared heritage principle is holistic in the sense that it is committed to a just, good, and righteous order. It admonishes individuals in leadership roles to relate with subordinates in a worthy or righteous manner. Destroying or damaging others eliminates or diminishes the worthiness of the person and the damager's chances for a full and fulfilling human life. Another principle of Maat that has relevance to leadership is the moral obligation of restoration which is termed *srwd* (*serudj*) and has been expressed in the *Shabaka Text* (Bodine 2009). In that text, restoration included moral acts of healing and repairing the world (*serudj ta*). Consequently, the meaning of the term, *srwd* mean "to restore," "to make flourish," and "to make grow again." In the context of leadership that focuses on social or human flourishing (Laszlo and Brown 2014).

The last principle of Maat that is significant for leadership is the obligation to the future. As I pointed out earlier, worthiness below suggests a moral obligation that includes "a rightful and respectful concern for both future generations and the world they will enter" (Karenga 2004, p. 402). That means relating with others in a way that advances their generativity which is a cumulative effect of minor acts of justice or rightness. In the Declarations of Virtues, for example, Kemetians were instructed to work for the future because looking to the future entailed consideration of that which is good for the future as well as being committed morally to plan and to do what will benefit future generations and you live. In other words, the future focus is a moral concern and commitment that includes leaders and peons alike.

Humanistic Leadership

Humanistic leadership derives from leadership. Leadership is one of the most studied topics in the social sciences. As a result, there are several definitions, perspectives, models, frameworks, and theories across domains and the globe (Northouse 2018; Yukl 1989). According to Northouse (2018), leadership is a process whereby an individual influences another person or group to achieve a goal. The goal may be self-centred or shared. Implicit in this definition are the following characteristics: process, influence, goal attainment, and group context. Within organizations where the focus is on managerial leadership, similar characteristics prevail. The leadership literature shows definitions that encompass power, trait, behaviour, interaction, patterns, role relationships, follower perceptions, influence over followers, tasks, goals, and culture reflecting different approaches, contexts, and levels.

However, as Zoogah (2021, p. 217) points out “the definitions differ with respect to source, purpose, and manner of influence.” Not only do some definitions focus on the leader or follower but also some focus on both consistent with the major mechanism—*influence*. Studies at the micro-level centre on how the leader influences the follower or vice versa (Zoogah 2014). The latter view—*followers influencing leaders*—fits with the horizontal paradigm where both leader and follower are presumed to be equals who can contribute to the advancement of the relationship or achievement of the goal. Zoogah (2014, 2018) proposed strategic followership based on this paradigm. It operates at the micro-level and contrasts with strategic leadership, for example, which represents the vertical paradigm. The vertical paradigm presumes that followers are vessels into which the “wisdom” of leaders are poured. It accounts for strategic leadership being at the macro-level—*focus on executives and their attributes, cognitions, behaviour of the CEO* (Finkelstein et al. 2009)—as sources of insight or influence. From a multilevel perspective, it is a contextual approach: the strategic behaviours of executives and CEOs cascade down to influence individual, group, departmental outcomes, and processes (Hambrick and Mason 1984).

In addition to strategic followership and leadership, the voluminous leadership literature is replete with multiple theoretical perspectives

that show drivers, intervening mechanisms, moderators, and outcomes. However, more recent attempts have shifted to collective concepts such as complexity leadership (Uhl-Bien et al. 2007), team leadership (Zaccaro et al. 2001), relational leadership (Uhl-Bien et al. 2012), and shared leadership (Pearce and Conger 2003). This is because of the problems with leader-centrism, dissatisfaction with individually conceived leadership, and anti-leadership which views the very idea of leadership as anathema (Gronn 2002), as well as recognition that the “we” is important in leadership (Yammarino et al. 2012). Other recent forms are self-leadership, servant leadership, and humanistic leadership. I turn to the latter next.

Humanism

The foundation of humanistic leadership is humanism, an unqualified, non-religious, non-theistic, and naturalistic approach to life (Copson 2015). According to the International Humanist and Ethical Union (Byelaw 5.1) “humanism is a democratic and ethical life stance, which affirms that human beings have the right and responsibility to give meaning and shape to their own lives. It means building a more humane society through an ethical practice consistent with human and other natural values in a way that fosters human capabilities. It is not theistic, and it does not accept supernatural views of reality.”¹ Copson (2015) argues that humanism involves understanding reality, understanding ourselves as humans, the good life and the whole person, morality, and practical action. By *understanding reality*, scholars of humanism mean consideration of human beings as sentient; they actively deploy their senses as the way to gain knowledge (albeit provisional). It is manifestly the functional basis for human beings’ daily engagement with reality, the truth of which they have lived from birth. In other words, it is the natural approach because the senses appear as natural phenomenon, and make humans behave “according to principles that can be observed, determined, predicted, and described” (Copson 2015, p. 7).

¹ <https://humanists.international/>.

The second characteristic, *understanding ourselves as humans*, concerns consideration of what it means to be human. Primarily, humanism means “the continuity of individuals with future and past generations,” “getting on with living,” and valuing human life. In other words, humanism involves living in a way that corrects the errors of the past and anticipates the future about values that are essential or meaningful for our existence. This characteristic dovetails with the third attribute, *the good life, and the whole person*, which focuses on recognition of human frailty manifested in tragedy or death; personal development; making connections; and benevolence through the good life which is defined by optimism, realism, and happiness. Human life “becomes richly diverse, creative, and adventurous” or enriched with the whole of humanity such that individuals and momentary interactions matter as much as groups and long-lasting engagements (Fowler 1999, p. 179).

The fourth characteristic of humanism deals with *morality*, the rightness or wrongness of an action. It asserts that humans should “judge the morality of actions based on their effect on persons’ welfare and fulfilment and, further, that in these considerations we must consider every person”. Last, humanism focuses on *practical action*. This feature concerns activities that are in solidarity with, and intended to improve the lives of, others. It is best articulated by Ayer (1968, p. 8) who proposes that:

I think it is morally incumbent upon humanists to do everything in their power to bring about the material and social conditions in which the vast majority of people will have a fair opportunity of finding satisfaction in their lives, and I think that, as far as possible, their concern should extend beyond the national or professional groups of which they happen to be members, to humankind as a whole.

He argues for actions that enhance the social conditions of humanity in all parts of the world. In other words, there should be attempts to enable humans achieve outcomes that satisfy their lives.

In sum, the above characteristics of humanism argue for exchanges that centralize (1) the value of human relations or interactions, (2) development of other humans; (3) enrichment of individuals within

and outside relational interface; (4) actions that are right for the actors affected by it; and (5) relations that positively affect the material and social conditions of those in the relational interface. Obviously, they have leadership implications as I discuss below. They also have similarities with characteristics of humanism in Africa.

African Humanism

Masolo (2021) asks, what is humanism in Africa? He advances a modern and philosophical perspective arguing that “the idea of humanism in contemporary African thought takes as its backdrop the historical interaction between Africa and foreign cultural and political invasions of the continent since the Middle Ages” (p. 35). Through the exchanges between Africa and Christianity, Islam, and European political invasions new concepts and values of the human person and human life were introduced. As a result, there seems to be conflicting opinions of the globalists (those who argue that Africa is part of the global world and its values should be view through that lens) and the Africanists (those who contend that Africa has unique attributes of the human person that does not fit with or are antithetical to the foreign attributes) particularly in philosophy. Both, however, agree that humans must relate with each other and with nature out of mutual dependency. They identify four characteristics. First, African humanism is embedded with goodness. Léopold Sédar Senghor (1906–2001), proposed African *négritude* as an expression of African Humanism, and a descriptive synthesis that focused on concern for human well-being observed through the dominance in African intellectual and belief systems, cultural practices, and values that uniquely distinguish African cultures—and people—from others in the world. He considered Africans to be naturally socialistic and cognitively to embrace nature in a participative way in the sense that the relation with nature is mutually nourishing for humans.

Second, humanism is viewed as a responsibility over nature. It proposes that humans are part of nature and so experience transformation along with the rest of nature. It comes through the ability to effect, control, or guide some of these transformations as suggested by the

Dogon term *Nommo*. Third, there is a recognition of shared humanity and a universal good. It occurs when humans mind the interests or welfare of each other and of all which is a moral virtue for everyone in everyday life and a political virtue for those charged with the responsibility of public positions. This attribute suggests socialism as manifested in Tanzania through Ujamaa (Fouéré 2014) as a humanist expression. In addition to Nyerere, several African leaders—Léopold S.

Senghor, Kwame Nkrumah, Kenneth Kaunda, believed that some form of socialism—however radically different from what had emerged in Europe in the nineteenth century as doctrinaire socialism, or Marxism—was part of traditional Africa, a way of life or, or an indigenous orientation to life and to the world in general, not an ideology. It was in direct opposition to Western capitalism, which was the basic driver of Europe's colonization of the world. At the centre of socialism was the concern for human dignity and the realization that deprivation often mitigated a person's ability to exercise their natural faculties properly and effectively. Ujamaa, indigenous African socialism in Kiswahili, was thus not only anti-capitalist but also anti-colonial and anti-Western.

Some Africanists argue that humanism is not only about the moral well-being or moral welfare of the person as argued by the socialist and communitarians (the belief that people have to collaborate only for taking care of each other socially) but also viewing humans as part of and central to, the natural world, as indicated in the Dogon people's mode of thought. This view is supported by philosophers such as the Ghanaian philosopher Kwasi Wiredu who argues that as "natural beings, humans, like other natural entities, can be understood fairly well through a careful study of their constitution and their relation to the environment" (Masolo 2021, p. xxx). In other words, natural things are constituted, or built, to survive and to successfully attain membership to their kind, thriving through a complex relational system that connects them to their own kind and the rest of their natural habitat (Masolo 2021). They therefore relate to their habitat in certain ways for the purpose of survival and thriving.

Ubuntu

Unlike Maat, ubuntu is common among many scholars who are interested in African humanism. Gade's (2011) review of ubuntu since the 1850s shows the definition of the concept as: a human quality; either connected to, or identical to, a philosophy or ethic; African humanism; a worldview; and linked to the proverb, "umuntu ngumuntu ngabantu" [people are people through people]. In addition to emphasizing the "humanness" of people who experience dynamism, change, and temporality, ubuntu is sometimes a philosophy or ethic, which pertains to the interdependence, or mutual provision, of people within a community. From an African perspective, it indicates the sympathies and aids involved in the interdependent relationship within community. As a worldview, it centres on amnesty and love particularly in situations of conflict. The proverb associated with Ubuntu—"umuntu ngumuntu ngabantu" is from the Nguni languages of Zulu, Xhosa, and Ndebele where it means "A person is a person through other persons," or "I am because we are." Collectively, they show the various characteristics of humanism in Africa.

In his 2005 book, *God Has a Dream*, Desmond Tutu notes that:

[Ubuntu] is the essence of being human. It speaks of the fact that my humanity is caught up and is inextricably bound up in yours. I am human because I belong. It speaks about wholeness; it speaks about compassion. A person with Ubuntu is welcoming, hospitable, warm, and generous, willing to share. Such people are open and available to others, willing to be vulnerable, affirming of others, do not feel threatened that others are able and good, for they have a proper self-assurance that comes from knowing that they belong in a greater whole. They know that they are diminished when others are humiliated, diminished when others are oppressed, diminished when others are treated as if they were less than who they are. The quality of Ubuntu gives people resilience, enabling them to survive and emerge still human despite all efforts to dehumanize them. (p. 26)

Some scholars have identified fourteen virtues of ubuntu or qualities of humanness: hospitality, compassion, empathy, tolerance, respect, interdependence, collective solidarity, patience, kindness, reconciliation, cooperation, warmth, forgiveness, and supportiveness (Hanks 2008). These virtues have relevance for humanistic leadership. They have been demonstrated by the exemplars discussed below.

4 Humanistic Leadership in Africa

Definition. Central to Maat philosophy and African humanism is the tendency to influence others out of respect and dignity for them as human beings. Humanistic leadership from an African perspective therefore derives its essence from the humanistic values of African culture. It is from that perspective that I define humanistic leadership as the process by which individuals in leadership roles influence others positively based on worthy actions and conditions that enrich and make them thrive.

Characteristics. This definition has three characteristics that need to be elaborated on. First, humanistic leadership is processual; it involves a series of steps that the first of which is consideration of the influence. Second, humanistic leadership is purposeful in the sense that it seeks to develop the individual been influence. This distinguishes humanistic leadership from transactional leadership. However, the distinction suggests it is transformational. That is possible except that transformational leadership does not have the third and central characteristic of humanism which in Africa is thriving or flourishing. The purpose of the leadership is for the good of both the leader and the following because they are viewed as companions (Zoogah 2020). That is why the right actions and conditions matter. By worthy I mean appropriate as in opportune, moral, and fitting consistent with Maat philosophy (Karenga 2004). In addition, the actions and conditions are the way the leader influences the followers. Emulative actions are called for in humanistic leadership in Africa. Traditionally, it qualifies one to be an ancestor because the dead person related to others while on earth in a worthy manner.

Dimensions. Humanistic leadership in Africa has four major dimensions. The first dimension is worthiness. As discussed above, worthy actions are emulative and centralize the follower as a human being who is deserving of dignity, respect, and honour (Karenga 2004). The second is rightness which refers to the degree to which the influence is right as in opportune, moral, and fitting. The third dimension is companionship. It fits with companionate leadership which is based on the relational humanism of Africa that derives from the communitarian concept of person-in-community (Gyekye 1997; Karenga 2004) where “the community which enables the individual to recognize, realize, and reaffirm his/her humanity” (Zoogah 2020, p. 10). The fourth dimension of humanistic leadership is co-relationality which is based on the practice of reciprocity where according to Maat philosophy, the leader and follower must act for one another in mutually beneficial ways. It enjoins them to co-relate which is defined as “the social, moral, cooperative, and epistemic claims that companions make of each other” (Zoogah 2020, p. 8).

These dimensions contrast with the three dimensions—wholeness, developmental and common good of humanistic leadership, which are comparable with the three pillars of humanistic management—human dignity, ethical reflection and stakeholder engagement (Fu et al. 2020).² Nonetheless, embedded in African humanism, the dimensions of African Humanistic leadership are dignity, ethics and engagement as exemplified by companionate leadership (Zoogah 2020).

Illustration

I illustrate humanistic leadership with James Mwangi, Nelson Mandela, and Desmond Tutu (see Table 1). First, James Mwangi is the CEO of Equity Bank of Kenya. Originally founded in Kenya, Equity Group Holdings is a Pan-African financial services group based in Nairobi, Kenya with subsidiary operations in Kenya, Rwanda, Uganda, Tanzania,

² https://list.msu.edu/cgi-bin/wa?A3=ind1909&L=AIB-L&E=quoted-printable&P=1714415&B=-_000_SG2PR03MB316163BFB2D0E6EEC572D23B0B70SG2PR03MB3161apcp_&T=text%2Fhtml;%20charset=windows-1250&XSS=3&header=1.

South Sudan, and the Democratic Republic of the Congo. Equity Bank was set up in 1984 as Equity Building Society in Kenya to cater to the financing needs of the *nwananchi* (the ordinary folk in Kenya). It sought to provide mortgage financing for low-income customers, opening opportunities for those previously excluded from financial services. The bank went insolvent in 1993. However, it returned to profitability due to the leadership of Mwangi, that it now considered the largest financial services and banking group in Eastern and Central Africa by market capitalization. The Group's operations include a fintech company, Finserve Africa as well as a networked health care provider, Equity Afia. The Group also has a corporate foundation, Equity Group Foundation (EGF), which delivers humanitarian programs in Education and Leadership, Food and Agriculture, Social Protections and Safety Nets, Health, Clean Energy and the Environment, and Enterprise Development and Financial Inclusion to millions in the region.

The company has flourished partly because of the humanistic leadership of its CEO, James Mwangi. In 2012, was named Forbes Africa Person of the Year and the Ernst & Young World Entrepreneur. Maria Pinelli, Ernst & Young's Global Vice Chair, Strategic Growth Markets, indicated that "James has been pivotal in the transformation of Equity Bank into one of Africa's brightest business success stories," and that he was "truly an inspirational story of entrepreneurial spirit with an innovative business model that has the potential to be replicated globally" (Ernst & Young 2012, p. 21). James Mwangi is a transformational leader and entrepreneur who had a great entrepreneurial role model and mentor in his mother, who raised seven kids as a single parent working hard as a subsistence farmer. He introduced several changes partly due to the Central Bank of Kenya and the election crisis of 2008/2009. As a result, its customer base has grown to more than 7.8 million. In 2012, for example, its total assets were about \$2900 million. Indeed, he strives for the trifactor of flourishing—human, environmental, and economic outcomes. He understands that the solution to Africa's problems lies in wealth creation by entrepreneurs, and he transformed Equity into a bank that supports entrepreneurs on a large scale (Zoogah and Wolf 2017).

The bank's mission was to offer inclusive, customer-focused financial services that socially and economically empower (their) clients and other

stakeholders. That mission was driven by Mwangi's humanistic leadership orientation. First, he values respect and honour of people including the underprivileged (often framed as the unbanked). Second, he strives to facilitate the dignity of its customers who are primarily Kenyan and African because of his belief that "no civilization has ever transformed another civilization" and Africans must work to transform themselves (Dupoux 2022). Third, he values environmental sustainability as equally worthy of dignity. So, he invests in sustainable ventures that will make a difference in the community and society. Fourth, even though he strives for profit, that outcome is bounded; he avoids excesses. He also seeks ventures that will transform societies (Dupoux 2022).

Second, Nelson Mandela who is considered a role model of humanity is associated with political leadership that is informed by ubuntu humanism. He became the President of South Africa after twenty-seven years of imprisonment for his opposition to apartheid. For his post-imprisonment pacificism and humanism, he won Nobel Peace Prize. He believed in a just and democratic society that accommodates all groups. Based on his experience under apartheid, he recognized that some societies could experience hideousness or oppression by others. Due to his value for all South Africans, he chose the mutual coexistence of Black people and whites when he was elected President. To him, the function of life is to make the world a better place and to correct injustices. Like Desmond Tutu, he had an ethos that focused on peace, love, dignity, and country. His almost three decades-long imprisonment was a form of self-sacrifice, albeit not by choice, to improve South Africa particularly the Black people by working to eliminate oppression.

The third exemplar of African humanism is Desmond Tutu. He demonstrates religious leadership that is infused with ubuntu humanism. He was an Anglican Archbishop of South Africa who first started as a teacher. His Christian formation shaped his leadership. He also won the Nobel Peace Prize (along with Nelson Mandela) partly because of his belief in a just and democratic society without racial divisions. The repressive regime—apartheid—that he experienced as a Black person who was denied dignity informed his worldview of ubuntu. As a result, he opposed that and called for equal civil rights for all. He believed individuals have the potential to progress into wholeness and are worthy

of self-optimization. He also believed that humans and the planet are worthy of dignity, protection, and care (Eastley 2006). Consequently, he worked hard to ensure that all South Africans experienced dignity. Inspired by his religious role, he advocated moral principles that value humans and the planet. His ethos that focused on peace, love, dignity, and community, was formed from his decades-long struggle against apartheid and desire to facilitate reconciliation in South Africa.

5 Conclusion

In this chapter, I integrate philosophical, anthropological, sociological, and historical accounts of leadership in Africa to situate humanistic leadership in modern Africa. The framework is limited to the period before the colonial eras of Africa (i.e., the Kemetic era). Following a brief review of extant leadership in Africa, I discuss the Maatian view of humanistic leadership. Leveraging that historical perspective, I discuss exemplars of humanistic leaders in modern Africa. Three such leaders are Nelson Mandela (Glad and Blanton 1997; Pietersen 2015), Desmond Tutu (Blankstein et al. 2016), James Mwangi of Equity Bank of Kenya (Chironga et al. 2019). While Nelson Mandela and Desmond Tutu epitomize the Ubuntu principles of humanism, James Nwangi exemplifies the Maatian humanistic principles.

Both the traditional or ancient view of humanistic leadership which is illustrated with modern leaders affords an opportunity for scholars conducting research on humanistic leadership in Africa to ground their studies in Indigenous philosophical and humanistic principles. Humanistic leadership is proposed as a function of decisions and actions of African traditional orientations that derive from Maat philosophy. This perspective unearths the source of modern understanding of humanistic leadership and reorients the field regarding leadership development and prevention of bad leadership as they relate to the management of organizations in Africa. It also shows the relational ideal of humanistic Leadership in Africa.

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Are Hidden Champions Humanistic?—A Reflection on Humanistic Leadership in Germany

Christopher Gohl, Jonathan Keir, and Dirk C. Moosmayer

1 Introduction—Towards a German Humanistic Management Perspective

In this chapter we look at humanistic management and leadership in Germany. In order to shed light on the question of whether German *hidden champion* companies are practising humanistic leadership, we offer some fundamental background to contemporary German business culture as it pertains to humanistic management and leadership discourse, deriving three critical questions worthy of further exploration

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by scholars in the field: What (if any) is the nature of the relationship between humanism and profitability? To what extent should a leader preach (or refrain from preaching) a company's values? And how can one successfully accommodate both a company's need for strong leadership and subordinates' need for freedom to express themselves in dignity and without fear?

German Cases of Humanistic Leadership

Existing humanistic management and leadership research in Germany focuses on start-ups and small firms. *Allsafe* is an example of a technology firm in southwest Germany that practices hierarchy-free 'eye-level leadership' (*Führung auf Augenhöhe*) in which all employees are considered fundamentally equal (Dierksmeier and Laasch 2021; Laasch 2021, Chapter 10). Fritz and Sörgel (2017) explore the leadership practices at a German IT consulting firm with a headcount of around 250 to understand specific leadership perceptions and behaviours. Another company praised for its humanistic approach to employee compensation is *Einhorn*, a Berlin-based firm for hygiene products that offers a basic salary to all employees before adding bonuses based on personal circumstances, education and experience, a self-assessment component and per-child allowances. The company has also instituted a maximum limit between top and bottom salaries (three times) and transparency via a salary council (Einhorn 2023).

Larger German firms have also been discussed. Böhler and Platz (2021) explore the case of the German top stationary brand Faber-Castell, which has around 8000 employees globally and adopts a triple bottom line approach. While the company may be presented as an example of 'Humanistic Management in Practice' (Kimakowitz et al.

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2021), the traditional triple bottom line view, even with its clear integration of environmental and social concerns (e.g. poverty-related inclusiveness), leaves the role of human dignity and well-being largely undefined. This lack of clarity only becomes more evident when one considers the German drug store chain *dm*: founder Götz Werner was deeply committed to anthroposophy (Steiner 1924) and integrated humanistic thinking and care for dignity and well-being into the everyday fabric of his company, for example by insisting on a store design that prioritizes *space to be* over the maximization of product exposure and reducing employee monitoring for theft and other control mechanisms in favour of trust.

In their analysis of *dm* as a case study of humanistic management, however, Amann and Khan (2011, p. 92) state that ‘there is reason to believe that a humanistic orientation and humanistic practices at *dm* do not represent a cost to be minimized, but rather act as a key ingredient to leverage employee and customer satisfaction, as well as sustaining business success’. In other words, in their analysis, humanistic orientation and dignity are *not* taken as ends in themselves, but as drivers of business success through employee and customer satisfaction. Presented like this, humanistic management would not be a management philosophy centred around employee dignity and well-being as ends but rather as profit maximization tools; we could hence, in theory at least, determine the optimum amount of dignity and well-being provision with a view to maximizing profit. This exemplifies an important challenge facing humanistic management discourse as it seeks to distinguish between business models *centred* around human dignity, freedom and well-being and profit-maximizing models that treat dignity and well-being as means.

A set of German companies that have been given particular attention in recent years are the so-called *hidden champions* (Simon 2009). These are defined as leaders in their home markets and holders of a top-three position globally (typically with *circa* US\$1 billion revenues) which nevertheless remain in the hands of a single owner-manager (often the founder or a member of the founding family) and are thus not publicly listed (the industrial niche brands typical in the hidden champion scene also garner limited attention from the general public). Some authors (the editor of this book in particular) assume that hidden champions are more

likely than other companies to adopt humanistic approaches to leadership and management: if such companies are successful despite being ‘hidden’ (i.e. located in rural areas without the benefit of strong brand recognition), then, so the argument goes, it might reasonably be inferred that hidden champions become champions over time, to some extent at least, through their exceptional concern for the welfare of human beings (customers, suppliers, employees and other stakeholders). Humanistic leadership as defined by Fu et al. (2020), indeed, is primarily about duties of care, with leaders themselves acting as role models and providing opportunities for people to grow.

To allow readers to form their own views on the extent to which hidden champions are successful because they distinguish themselves through a genuine focus on human dignity and well-being, we will examine the broader historical context of modern German business and the reigning cultural assumptions in a country with a (to put it mildly) *complex* relationship with the ethics of leadership.

The German Institutional Context

In order to grapple with the question of whether hidden champion companies are truly humanistic as well as profitable, certain characteristics of the German economy must be outlined. One salient difference between Germany and its neighbours is the relative affluence of rural areas. This anomalously homogeneous economic development may be traced back to the very origins of the modern German nation, to the free towns, small kingdoms and principalities that remained, well into the nineteenth century and beyond, largely autonomous from central government. With its limited natural resources, moreover, Germany has been forced to cultivate knowledge and innovation as resources in their own right—important preconditions for the development of hidden champions. Although significant amounts of coal were mined in the west of the country at different times, extractive industry remained limited elsewhere. In the north, access to the sea allowed significant business activity through trade, but in the centre and particularly the south of the country, the absence of abundant natural resources forced people to

rely on people power and the fostering of entrepreneurial spirit through technological innovation and sheer hard work.

Another important factor in the success of the modern German ‘Mittelstand’ and the rise of hidden champions is undoubtedly a local apprenticeship system with its roots in the twelfth century. Medieval guilds established a hierarchy of apprentices, journeymen, and masters which fundamentally still holds today (despite significant changes of nomenclature to accommodate EU harmonization). A very clear and strict pathway of theoretical education and practical experience was required to qualify for promotion; the system offered teenagers a structured professional training period (traditionally starting around age 14–16 and lasting three to four years) which ensured the transmission of state-of-the-art knowledge in a range of trades and professions. With a completed apprenticeship, these young graduates would possess a clearly defined set of competencies, rigorously assessed, which allowed the German economy as a whole to operate at a high functional level. In other words, a guild-developed and state-approved apprenticeship was, for centuries, an important source of external professional authority, one with the potential to reduce the influence of organizational hierarchy and dependence on a boss for practical help and micromanagement. While hierarchical structures remained important as mediating mechanisms between employers and employees, the apprenticeship certificate offered the journeyman a degree of professional freedom in the master-journeyman relationship.

This focus on (local) knowledge and competence also extends to the higher education sector. Only three of the ten oldest universities in Germany are located in one of the country’s 30 largest cities (see Table 1), while the other seven are located in towns with a population of less than 250,000. Several of these university towns (e.g. Heidelberg, Tübingen and Freiburg) remain home to some of Germany’s most prestigious twenty-first-century German universities (and while the “city universities” have somewhat larger student bodies, the ‘Small Seven’ still account for more than 50% of the students). Considering this historical homogeneity of infrastructure (and knowledge infrastructure in particular), the relatively even geographical distribution of hidden champion companies (at least across central and southern Germany) may come as

little surprise, but more importantly, it should guide our analysis of their leadership styles.

Another important influence on contemporary German socioeconomic reality was the Allied decision in 1949 to locate the West German capital in Bonn, a town of around 100,000 inhabitants. Unlike Berlin (or other large West German cities such as Hamburg, Frankfurt and Munich), Bonn offered the new West German government a home that brought it face-to-face with more rural and regional concerns. Cold War ideological rivalry also encouraged the development of policies designed, in West Germany at least, to avoid social unrest that could potentially result from large heterogeneities and reflect badly on the country as a whole. To ensure comprehensive economic development, the West

Table 1 Traditional universities are to be found in rather rural areas

Germany's oldest universities ^a				
City	Founding year	Students in 1000 ^b	Population in 1000 ^c	Rank by population ^c
Erfurt	1379	6	213	37
Heidelberg	1386	24	159	51
Köln/Cologne	1388	46	1073	4
Würzburg	1402	19	127	61
Leipzig	1409	27	602	8
Rostock	1419	15	208	39
Greifswald	1456	10	59	151
Freiburg	1457	21	232	33
München/Munich	1472	45	1488	3
Tübingen	1477	25	92	88
Mainz	1477	35	218	35
Halle-Wittenberg ^d	1502	19	238	31
Marburg	1527	19	77	110
Jena	1558	20	111	75

^aNote that this list is of course disputable. The University of Cologne, for instance, was closed in 1798 and reopened in 1919; the University of Erfurt was closed 1816 and reopened after German reunification in 1990

^bStudent numbers reported from <http://www.studiengang-verzeichnis.de/hochschule/extra/aeltteste-hochschulen.html> as listed on 14 March 2023

^cCity populations reported from German de.wikipedia.org as of 14 March 2023

^dErring on the side of caution, we list the founding year for Wittenberg and the population of Halle here. The University of Halle was founded in 1694. Wittenberg today has a population of 45,000 inhabitants

German government supported targeted rural areas, and legal and political frameworks were established in such a way as to ensure relative equality of opportunity in more remote regions.

In short, the enviable level of well-being for Germans working in rural areas in recent decades has not (only) been provided by hidden champions, but moreover through an institutional framework with deep historical and cultural roots, one that fosters homogeneous living conditions and, in the absence of natural resources, recognizes and promotes the importance of the human factor in the Germany economy.

Leadership Assumptions in Germany: Leadership After the Führer

Today's German realities—and attitudes to leadership (humanistic and otherwise)—cannot be fully understood without addressing the elephant of Nazism and the atrocities of World War II and the Holocaust. What could leadership mean in a society risen from the ashes of a political system in which a fascist dictator led his people to commit what the current German Bundespräsident (Steinmeier 2022) calls *ein singuläres Menschheitsverbrechen* (“a singular crime against humanity”)? German engagement with the crimes of the Second World War has evolved over time, from identifying the responsible actors (1950s) to reflecting on personal continuities among German elites from the Hitler regime into post-war institutions (1968) and later examining in detail how Nazi ideology, with its deep roots in prewar German society, made the Holocaust possible. This historical background would naturally justify scepticism towards any form of authoritarian leadership.

In Hofstede's evaluation of German work cultures, two phenomena stand out. First, the power distance is particularly low (Table 2). In other words, subordinates in Germany are less likely to accept leaders who order and expect to be followed, and it is more likely, *ceteris paribus*, that leadership styles which give significant influence to subordinates are accepted and result in successful organizational outcomes.

It is important to note that a significant shift has occurred over time. German leaders who grew up or started their businesses before 1968

Table 2 German work culture in context

Putting Germany's economic power, work culture and size into context				
Economy	GDP in bn US\$(2021) ^a	Power Distance ^b	Uncertainty Avoidance ^b	Population density ^c
Germany	4260	35	65	234
USA	23,315	40	46	35
China	17,734	80	30	149
Japan	4941	54	92	330
India	3176	77	40	428
UK	3131	35	35	277
France	2958	68	86	117
Italy	2108	50	75	197
Canada	1988	39	48	4
South Korea	1811	60	85	518
Russia	1779	93	95	8
Brazil	1609	69	76	25

Sources^a<https://data.worldbank.org>^b<https://www.hofstede-insights.com>^c<https://www.worldometers.info/population/countries-in-europe-by-population/>

bring more traditional leadership expectations that may go so far as explicitly to value a strong *Führer*, while the post-1968 generation of leaders (and followers) may be more sceptical of organizational forms built on unquestioning followership. Contemporary theoretical engagement with leadership in Germany, moreover, does not assume that leadership is the exclusive business of those at the top of an organizational hierarchy; *Führung von unten* ('leadership from below') is a concept that may reflect twenty-first-century leadership expectations in German work contexts better than any other (Emmerich 2013).

The emphasis of many small German firms on employee well-being may also be derived from the fact that the owners grew up and live in the municipalities in which their businesses are located. Leaders of hidden champion companies are typically founders (or loyal second-generation associates of the founder) who have grown with the company and within the regional context in which the company was built. They do not usually come from a big-city Business School context or from an urban high society far removed from the realities of employees'

lives. First, such rural and small-town contexts are usually more socially homogeneous than big cities, and there is thus a stronger shared understanding of everyone's socioeconomic situation. Secondly, such leaders know workers' lives quite well because they all play in the same football clubs and music groups and drink their evening beer in the same pub. In addition, founders often come from a practice-oriented educational background that is very technology-driven—not necessarily formal tertiary education, but potentially a modern variant of the German apprenticeship system.

Should we consider such stereotypical owners of hidden champion companies as role models? To some extent, the answer is almost certainly yes, although these practically minded workaholics are not necessarily role models because they want to behave as role models: they may be *de facto* role models by the simple virtue of their surrounding conditions. Living in the same village or small town as the employees of their firm, they are often struggling with the same local challenges as everybody else; via technological innovation, they offer local employment opportunities and benefit schemes to others on the way to fixing their own and their families' economic problem.

The social responsibility of entrepreneurs, however, has been described as an integral part of the uniquely German contribution to the global discourse on capitalism known as the Social Market Economy (Hall and Soskice 2001; Gohl 2017). The characteristics of this approach include the institutional framework of governing institutions that provide for fair competition in the tradition of German ordoliberalism (Gohl 2020a): a strong 'Mittelstand' of small and medium-sized firms, often led by family patriarchs who view their corporation as an extension of the family and are keen on educating their workforce; the so-called 'Social Partnership' between unions and employers' associations; an opportunity-oriented social policy; and democratic ways of life. Long supported by a political consensus across the spectrum of the conservative, classically liberal, social-democratic and green parties, proponents of the Social Market Economy aim to find a balance within the community between personal responsibility and solidarity, between the development of freedom and fair, reliably enforced rules of the game (Gohl et al. 2019).

A further cultural field worth briefly mentioning here is of course the religious history of Germany as a Christian country. Today, Germany's population self-identifies as roughly one-third Catholic and one-third Protestant, though these numbers hide a shift away from Christian practice in the past thirty years even among these populations¹; the remaining third is composed of atheists and agnostics (mainly driven by the anti-religious approach of the former East German government) and growing numbers of adherents to other religions (including Islam and East Asian spiritualities). Still, the German state recognizes Christianity as its fundament, even going so far as to include church taxes in its fiscal policy. Although there is no mention of the word "Christianity" in the German constitution (the *Grundgesetz*), the document is pervaded by identifiably Christian values. In regard to the economic order, the institutional tradition is heavily shaped by ordoliberalism's Protestant roots, while Catholic Social Ethics decisively influenced postwar West German economic and social policy (Gohl 2020a; Emunds 2010).

According to the mainstream narrative concerning postwar German economic development, however, business activity was seen as non-normative, value-free behaviour, a safe alternative to the horrors of the Nazi era (when everything was political). Hansen et al. (2007) describe non-normative German postwar business ethics discourse as a response to the National Socialists' abuse of values-laden academic approaches (see also Moosmayer 2011, p. 52). Postwar Christian philosophies, meanwhile (Catholic and Protestant), allowed work to be understood as a means of atonement for wartime sins. It is important to note that, within the Protestant tradition in particular, the purpose of entrepreneurial activity is not profit but work itself.

¹ FN: Note that numbers may vary between sources with the above numbers closer to the German Parliament (Deutscher Bundestag 2008) and Wikipedia (https://de.wikipedia.org/wiki/Religionen_in_Deutschland) presenting lower numbers of Christians in Germany.

Humanistic Management? Or Just the German Way of Doing Business?

The German constitution, the *Grundgesetz*, was ratified in 1949 with the goal of safeguarding the country and its inhabitants against future abuses of power. Respect for human dignity and individual freedom is enshrined in the first two articles: ‘Human dignity is inviolable. It is the duty of all state authority to respect and protect it’ (GG Art 1(1)). With this in mind, any business activity practised within legal boundaries in Germany would be business that respects and protects human dignity. Article Two then continues: ‘(1) Everyone has the right to free development of his personality, provided he does not violate the rights of others and does not violate the constitutional order or the moral code. (2) ... The freedom of a person is inviolable. These rights may only be interfered with on the basis of a law’.

Readers familiar with the Humanistic Management Network may recognize certain stylistic echoes here. The Humanistic Management Manifesto quoted in the introductory editorial of the Humanistic Management Journal (Pirson 2016, p. 1) states: ‘In business as well as in society, respect for human dignity demands respect for human freedom’. This reads as if humanistic leadership is simply leadership in line with the German constitution. Considering that Michael Pirson, Claus Dierksmeier, Ernst von Kimakowitz, Wolfgang Ammann; Heiko Spitzeck and a few other leading figures in the humanistic management network are Germans working in academia abroad, this may not be all that surprising.

2 Inherent Tensions of ‘Humanistic Leadership’

A lot of the work on humanistic leadership and management focuses on defining the phenomenon and establishing its theoretical roots, or on emphasizing good cases of humanistic management, or more specifically, the humanistic sides of some entrepreneurial success stories. It seems that

little attention has been given to the natural tensions between humanistic ideals and traditional business needs. Differences in interpretations of what humanism might mean, both in theory and in practice, have received little attention.

In order to unpack some of these tensions, we first address the relationship between humanistic ideals and ‘traditional business logic’. We then touch briefly on the question of the extent to which humanistic leaders should preach their own formulae for virtuous behaviour, and what the consequences of doing or not doing so might be. This leads us to questions of information flow in hierarchical organizations, and whether ‘preaching’ leaders can hope to remain open to fundamental critique (the tension of trust versus hubris).

The (Unclear) Relationship Between Humanism and Profitability

One aspect that might puzzle people in thinking about humanistic leadership is the potential instrumentalization of humanism for profit. This issue may be illustrated by evoking the legacy of German business leader Karl Schlecht, a classic hidden champion patriarch who grew a plastering and industrial pump business over fifty years to leadership on the world market while implementing an elaborate normative corporate philosophy. Schlecht turned his hand to philanthropy in 1998, establishing the Karl Schlecht Foundation and becoming a major supporter of theologian Hans Küng’s Global Ethic Project as well as dozens of other humanistic management education projects in Germany and beyond. Schlecht is well known among associates for his catchphrase ‘Gewinn ist Lebenssinn’ (‘profit is the meaning of life’); ethical behaviour on this account appears to be first and foremost a tool to make one more successful in business. While the full German rhyme runs ‘Gewinn ist Lebenssinn – aber Profit allein führt nicht dorthin’ // (‘Gain is meaning of life – but profit alone does not get you there’), the corporate specifications prioritize attention to utility and practically oriented thinking and acting (Schlecht 2008).

To understand this dimension of Schlecht’s philosophy in its proper context, one needs to keep in mind that his firm Putzmeister (sold in

2012, now a subsidiary of Chinese firm SANY) was in the construction business, a sector of the global economy characterized by pitiless competition, seasonality, the impact of economic cycles, and a significant workforce with limited skills (and correspondingly limited positions of decision-making power), thereby making abuses of authority and unethical conduct even more likely than in other industries. Entrepreneurs in such competitive settings are likely to take the reality of brute competition for survival for granted as a law of nature. Accepting such competitive pressures as given certainly appears hard to square with a humanistic enthusiasm for normative approaches. The relationship between profit and purpose—‘harvest versus humanism’, one might say—is thus worth a closer look.

Schlecht’s Putzmeister clearly adopted humanistic aspirations in the engagement of stakeholders: the company’s philosophy, for example, builds on the Rotarian Four-Question Test with a ‘Five-Question Probe’ as orientation for daily ethical conduct; as well as requiring honesty at all times, this probe asks employees to ask themselves before every decision: ‘Is it fair and will it benefit others?’ (Schlecht 2023). A neutral observer may naturally wonder how such engagement with stakeholders looks and feels in reality in the context of a brutally competitive industry in which all other actors are routinely leveraging their positions of power to get the best deals for themselves. It is thus worth asking to what extent suppliers, customers and employees would truly feel that their interests and rights to dignity are at the centre of their counterpart’s decision-making—as suggested in the Schlecht’s humanistic ‘Trust Ethos’, a distillation of his life experiences in business. We might wish to investigate to what extent such a corporate philosophy actually results in (employee, customer, supplier) dignity and increased well-being compared to more traditional approaches. These are all important empirical questions for future researchers of firms proclaiming a humanistic orientation, and it is to Karl Schlecht’s credit that he has allowed and encouraged them to be asked by the next generation of management educators.

Should Humanistic Managers Preach?

We observe that many entrepreneurs considered ‘humanistic’ leaders by themselves and/or others are dedicated to broadcasting their normative approach to doing business. It is unclear, however, whether we should *expect* them to preach. One might argue that preaching is the role of religion, or that determining the values and norms on which our coexistence and cooperation should be based is the role of democratic politics (including trade union participation). The appropriateness of conveying values has even been questioned in business schools (e.g. Moosmayer and Siems 2012). In other words, do entrepreneurs become automatic moral authorities by virtue of their financial success alone?

Lin et al. (2023) write in their chapter on Chinese leader Mao Zhongqun:

Under the influence of the thought of ‘qiong ze du shan qi shen, da ze jian ji tian xia’ – ‘If poor, one attends to his own virtue in solitude; if advanced to dignity, one makes the whole kingdom virtuous as well’ in Liao-Fan’s Four Lessons, Leader Mao realized that the more moral a person is, the more he should try to influence others.

In other words, the more influential one is, the more one should preach. It is not clear, however, how or by whom such ‘morality’ should be determined. It is reasonable to expect that many successful entrepreneurs who follow a normative approach will feel morally superior, or at least authoritative, if for no other reason than that they believe these approaches brought them success.

Similarly, for many SME leaders (and hidden champions in particular), active communication of product solutions and company values is a core element of their role as leaders and ambassadors for the firm. Often starting from an existential need to ‘advertise’ product and service innovations in order to gain market share, hidden champion leaders eventually extend their advertising to the normative realm as their role requires them to develop a corporate strategy and philosophy (for both internal and public consumption) and to align their growing workforce (often increasingly culturally diverse) behind such a vision.

Business scholars will naturally share the view that communicating one's technological and product innovations is vital for entrepreneurial success. But scholars differ in their views on whether this should also be the case for values and normative beliefs. Much as debates in political science question the legitimacy of NGOs as influencers of societal and legal norms (e.g. Pupavac 2008), business ethics scholars should question whether entrepreneurs are legitimized to shape norms and ethics, particularly going beyond the boundaries of their own firms (e.g. Harman 2016). Academics themselves fail to agree on the extent to which they should try to shape the values of their students and institutions (Moosmayer 2012), even though the strong normative influence of business schools in particular is well established (Chao et al. 1994; Wang et al. 2011). Entrepreneurial values, moreover, are disproportionately shaped by founders at the top rather than through fully discursive and democratic processes. And to the extent that personal values result from one's upbringing and socialization experiences (Rice 2001; Danziger 1971), it is worth asking if members of modern liberal societies (like twenty-first-century Germany) would want such top-down, normative formulae to become the core references of their day-to-day existences.

There is a further important implication resulting from excessive missionary zeal. Preachers typically share *the word*, a belief or a set of beliefs, and aim to maximize *dissemination*, but they may not always seek to optimize their beliefs in constructive and critical engagement with followers, who may be dependent on them in various ways (financial and otherwise). A belief system must be understood if it is to be properly disseminated, but too much doubting or questioning can hinder the dissemination process.

At the same time, the idea that morally developed leaders should preach their leadership philosophy as moral guidance comes with a challenge: A culture of preaching might lead to a medieval court outcome where dependent mandarin subordinates pay mere lip service to the official values in return for the security and benefits of membership—the very opposite of the whistleblowing, truth-telling spirit of intrinsic motivation for productivity that humanistic leaders should, on most definitions of humanistic management, be trying to cultivate among staff in the first place.

(How) Can A Successful Entrepreneur Avoid Fearful Subordinates?

Dictatorship has, in one sense, been the default condition of humanity. The basic governmental setup since the dawn of civilization could be summarized, simply, as taking orders from the boss. Big chiefs, almost invariably male, tell their underlings what to do, and they do it, or they are killed. [...] Only in the presence of an alternative [...] has any other arrangement really been imagined. Adam Gopnik (2019)

Examples of choleric leaders are manifold. Steve Jobs, the paradigm twenty-first-century entrepreneur and model of impactful innovation, has been said to be ‘tough’, ‘petulant’ and ‘not laudable’ in many interactions with others (Isaacson 2012). A relevant factor widely discussed in Volkswagen’s Dieselgate scandal was the personality and leadership style of CEO Martin Winterkorn, which dissuaded top engineers from telling their boss that his expectations were technologically unrealistic (Boutelet 2015). It is scarcely surprising that top managers and corporate leaders know exactly what they want and push hard to get it (otherwise they would not have reached their positions), but to the extent that a precise goal, absolute determination to achieve it, and a clear path to realization are ingredients of entrepreneurial success, the attendant risk of hubris, defined by Merriam-Webster as ‘exaggerated pride or self-confidence’, can never be far away. While hubris is first and foremost a personality characteristic, it is worth considering the wider challenge that leaders—particularly those leaders who openly engage in normative ‘preaching’—may have in getting honest information from subordinates, and thereby in avoiding the hubris trap.

Even the very best leaders receive less than perfect feedback about their ideas, decisions and behaviour from people who depend on them for favours or hypothetical future access. The first law of economics is scarcity; individuals who control large chunks of resources will always be sought out by those who feel they need or deserve more. The ideal organization, where individuals are free to give the best of themselves, is

hence by definition one where everyone is to some crucial extent financially independent from one another; otherwise, the twin spectres of flattery and hubris will lurk to haunt the whole operation at every level. Since such an ideal of financial independence can seldom be fully realized in practice, however, we might expect even humanistically oriented leaders in the real world (like dm founder Götz Werner and Putzmeister boss Karl Schlecht cited above) to have very strong normative business visions that they aim to disseminate among employees they know to be financially dependent on them. Great entrepreneurs, moreover, tend to have views that deviate from accepted common sense and challenge the *status quo*. Why else would Bill Gates have come up with the idea of everyone having a computer at home at a time when a small computer would have taken up an entire lecture hall? We would not have personal computers, smartphones or concrete pumps today without people believing in non-conventional ideas and pursuing them against all resistance. Winning and keeping the best staff—perhaps by treating them with some degree of dignity—is only part of the formula for success, because these dreams cannot be realized by the labour of one person alone. But the entrepreneurial dream—and the confidence and charisma with which the dream is pursued—may precede (both logically and chronologically) the commitment to the dignity and right to free expression of hired subordinates.

David Owen, former British Foreign Secretary, and psychologist Jonathan Davidson have taken a deeper look into ‘hubris syndrome’ among twentieth-century Anglo-American political leaders (Owen and Davidson 2009). They describe hubris as almost automatic character development in an environment where one enjoys significant unbridled control for an extended period of time. Western political leaders like Winston Churchill and Woodrow Wilson, for example, succumbed to hubris after much shorter stints in charge of their democratic countries than many of the business leaders that turned their start-ups into hidden champions over fifty or more years of entrepreneurial excellence. What successful entrepreneurs and politicians have in common, among other character traits, is absolute determination and commitment to an instrumental goal: Entrepreneurs pursue their business ideas, while politicians

strive to win elections and to lead political parties and public administrations. The principles Owen and Davidson (2009) establish thus extend to the private economy (Useem 2017), perhaps even more naturally as business founders often remain in last-word control of their companies for decades.

Over time, a lack of superiors, and even of equals, changes one's ability to adapt to the needs and wishes of others. If one is regularly forced by power dynamics to consider the feelings and priorities of others, then responsiveness is practised and maintained. When one aims for power, one tends to adjust views and behaviours to the expectations of those in power. Once one is *in* power, however, others more or less naturally adjust their views and behaviours to you; it becomes very challenging to surround yourself with people who are open and honest with you while still loyally walking with you. In the absence of deviating opinions, it will be extremely difficult to maintain one's responsiveness to deviating views once they occur, because they can be systematically dismissed as the views of an irrelevant minority ('Confucian entrepreneurship' discourse, meanwhile, is naturally strong on the complex art of critical loyalty and the ethics of responsible followerhood, as Confucius himself spent his life remonstrating with powerful leaders).

When business leaders have hiring-and-firing power over employees who may depend to varying degrees on the money or other benefits of stable employment (i.e. people who do not primarily need their jobs because they love them), information flows will be less than fully transparent, and an atmosphere of self-interested tactics and courtly patronage will to some extent—and inevitably—emerge. A fascinating and under-explored aspect of humanistic management theory is the inherent risk of a certain disconnect between means and ends, an inability to understand that paternalistic 'trustbuilding measures' may achieve the exact opposite of the managerial goal of creating high-performance teams who work effectively together because the individual members love what they do and are hence willing to make an exceptional and sustained effort in the service of their organizations.

Understanding the roots of this potential motivational disconnect in the fundamental inequalities of power wrought by the accumulation of modern capital may in fact be the key that unlocks the entire

riddle of twenty-first-century humanistic management.² In 1940, during World War II, Churchill's wife Clementine pointed out in a letter to her husband:

Someone had confided to her, she wrote, that Churchill had been acting 'so contemptuous' toward subordinates in meetings that 'no ideas, good or bad, will be forthcoming'—with the attendant danger that 'you won't get the best results'.

A better understanding of hubris and other mechanisms that limit leaders' access to full information is urgently required, not least due to the potential impact of such hubris on both company performance and employee well-being. Even a company as successful as Apple under Steve Jobs may have been even more successful if the leader had succeeded in adopting a less instrumental and more truly humanistic attitude towards employees; the same naturally applies, *mutatis mutandis*, to German hidden champions.

3 Towards a Conclusion

We started this chapter by asking to what extent German hidden champion companies place humanistic concern and care for the well-being of employees and other stakeholders at the centre of their operational modes. We approached this question by reviewing some historical and

² Even twenty-first-century firms like Netflix face the same perennial challenges:

In most companies, staff are wary of contradicting the boss. Reed Hastings, who founded Netflix, has said that his biggest mistake in business—a hastily reversed decision to split the company into two operations: one for DVDs, one for streaming—resulted in part from his lack of access to dissenting views. Only afterward did he find out that many of his employees secretly thought his brilliant idea was terrible.

Modern work culture puts such a premium on being a good team player that a crucial ingredient of good teams gets overlooked: open disagreement. "The culture at Netflix had been sending the message to our people that, despite all our talk about candor, differences of opinion were not always welcome", Hastings writes. (Ian Leslie, 'Consider the Opposite Possibility', <https://www.theatlantic.com/ideas/archive/2021/04/case-disagreeing-yourself/618688/>, 25/4/2021 - accessed 26/4/2021).

cultural background to contemporary German business practices. One potential interpretation suggests that some German companies' apparent 'people focus' is actually a knowledge focus—or at best a focus on human beings as carriers of knowledge—and that this cultural trait can be traced back to both the relatively low availability of natural resources and the country's centuries-old apprenticeship system. In addition, geographical and political contexts supporting homogeneity somewhat limit economic inequalities in the country, thus allowing German hidden champions to appear as oases of relative humanism to outsiders. There is, however, evidence to suggest that German firms, particularly in rural areas where many hidden champions are located, are not humanistically oriented as such, but are simply following well-established cultural customs, regional economic necessities, and the manners and modes of the national variety of capitalism, the Social Market Economy. This may still make them more attractive employers than firms in less humanely organized societies, but such relative humanism may be understood primarily as a means to the success of German hidden champions rather than an end in itself.

This doubt about means and ends led us consider three sources of tension in broader humanistic leadership discourse. First, it remains an empirical challenge for management scholars to clarify the extent to which a focus on profitability and an *a priori* commitment to human dignity and well-being can coexist and be harmoniously integrated. Second, we asked to what extent a truly humanistic leader should seek to preach and convey his/her own normative philosophy, and when such proselytizing might extend beyond the limits of respect for individual autonomy in a free society. Third, we identified a tension between strong visionary leadership that imposes specific values and subordinates' freedom to express themselves in dignity and without fear. Taking the humanistic ideal developed by Pirson (2016) and Kimakowitz et al. (2021), which conceptualizes a firm as a democratic collective centred around dignity and individual well-being (as well as the 'leadership among equals' approach pioneered by Dierksmeier and Laasch [2021]), we might be tempted to conclude that stereotypical leaders of German hidden champions are *not* humanistic leaders as such. Hidden champion leaders are not typically accustomed to sharing power over core strategic

decisions. They have little if any genuine interest in seeing subordinates become equal voices in their firms. In this sense of a quasi-cosmopolitan conception of equal human beings working together in a firm to realize a life of common dignity (where the founder's 'vision' is a mere initial catalyst for collective and democratic enthusiasm rather than a loud and running monotone motor), hidden champions would not seem to offer abundant case studies of humanistic leadership—though we might argue, in defence of highly economically successful hidden champion culture, that in hyper-competitive global markets it could not (yet) be otherwise, because the profit motive is simply too urgent and genuine humanistic management too unpredictable in its effects on the bottom line.

In addition to these theoretical perspectives, or perhaps because of them, future research could and should take a pragmatic perspective on leadership in hidden champion firms by empirically measuring the actual impact of different normative systems. Many hidden champion leaders have done significant conceptual work developing their own corporate philosophies and implementing such normative frameworks in their firms. These may not appear to leave much freedom to employees to decide whether and how they implement them, but such imposed value systems may promote freedoms that would not otherwise have materialized. In this sense, the stereotypical hidden champion leader who takes a pragmatic and largely instrumental approach to responsible management might still have a role to play in humanistic management discourse (see Gohl 2020b and Moosmayer et al. 2019 for further exposition of pragmatic thinking).

Many hidden champion leaders develop strong normative frameworks, implement them in their firms and disseminate them in civil society. This does not by any means make them democratic leaders, and many of them would openly argue that democracy is not a suitable approach for running a business anyway. In relation to freedom, leaders might argue that the employees not only have the freedom to leave their jobs at any moment, but also that it is the leader's own philosophy that ensures the ongoing survival of their firm—and thus the freedom of employees to stay in the firm if they want to. Questioning the *bona fide* humanistic credentials of German hidden champion companies does not imply that such companies are not a significant improvement on other,

less worker-friendly business models still prevalent in other parts of the world, or that aspects of hidden champion culture—born in the mid-twentieth century in the aftermath of Germany's war disaster—ought not to survive into the twenty-first. In the best spirit of this culture itself, it would be absurd to make the best the enemy of the good.

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Humanistic Leadership: A UAE Perspective

Yaprak Anadol

1 Introduction

The idea of humanistic leadership is starting to gain greater attention in the time we live in. Especially since the Covid-19 Pandemic, rising climate change-related catastrophes, and the global push to meet the Sustainable Development Goals of the United Nations have all accelerated the awareness of humanistic principles and the value perception of the individuals as well as corporations and governments. Humanistic values, sustainability management and business ethics have been integrated into organizational practices and the leadership styles supporting these initiatives become closer to reality. In addition, management theory that was based on economic models have evolved to become more human-centric with the inclusion of the “human” factor (Pirson

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2019). Although the conceptual grounding of the “humanism” manifesto dates back many centuries, building a humanistic leadership theory in social sciences is a relatively new endeavour. However, there has been a growing interest in humanistic leadership from a cross-cultural perspective recently (Fu et al. 2020). Research on the humanistic approach to leadership that incorporates emotions and spirituality is relatively novel in the United Arab Emirates (UAE) (Anadol and Behery 2020).

In recent years, the country has attracted attention not only for its unique cultural characteristics, futuristic buildings, architectural landmarks and popularity as a trading and tourism hub in the Middle East, but also for its competitive yet human-centred initiatives implemented by the UAE government. In order to understand how humanistic leadership principles are applied in the country, we must first understand the power, presence and influence of the UAE government on business, society and culture.

The UAE is governed by monarchy, which gives leaders the authority to make decisions for their people. Following the Arab Peninsula's truce states period, the country became a federal entity, uniting the seven tribal communities under a unified identity that shares the same cultural heritage of Arab and Islamic values as the United Arab Emirates. Like in the past, the UAE leaders' benevolent and humanistic approaches are well accepted by society today, and they are regarded as the nation's fathers and are well respected by the UAE community. The UAE leaders' decrees and decisions are recognized as government guidelines and strategic directions, which are adopted by the associated governmental and local institutions and transformed into a variety of initiatives, promoting economic and societal well-being while also shaping societal cultural values.

According to the country's leaders, the UAE can be viewed as a testbed for innovation. As a result of the country's agility, it is also regarded as a living experiment for social scientists. The UAE government's decisions can be implemented quickly in response to environmental changes and impending global developments. For example, when the Covid-19 pandemic began, the UAE was one of the first countries to close airports and implement precautions to combat the virus's spread. With only three weeks' notice, the weekends were changed from Friday and Saturday to

Saturday and Sunday as of January 2022. The decisions taken in the country are not only fast, but also need-based. The rules and regulations are solution-oriented and effectively applied, propelling the country forward in the global arena and increasing its competitiveness.

It is interesting to see while the UAE government plans to travel to Mars in its next 50 years, trying to be one of the most competitive, sustainable, wealthy and prosperous countries in the world, it also follows a human-centric approach to create a peaceful and diversified society (UAE Vision 2021). The UAE has become the first country to appoint a 'Minister of Happiness' and a 'Minister of Tolerance' to its cabinet, indicating that the government is committed to maintaining a human-centred society protected by the rule of law. The people of the country embraced these initiatives because they are seen as an extension of the UAE's cultural heritage.

As the leadership theory is still evolving, this chapter intends to identify humanistic leadership practices from a cross-cultural perspective, with a focus on the UAE and its cultural values. This chapter is an extension of the research conducted by Anadol and Behery (2020) to better understand the relationship between humanistic leadership practices and UAE's cultural drivers including Islam, Arab-Bedouin traditions and the National Agenda. The rest of the text organized to cover the updated humanistic leadership theory, contextual background of the country, the methodology of the study, the results and the discussion and reflections of the case in developing humanistic leadership theory.

2 Theory of Humanistic Leadership

While humanistic leadership models are used in a culturally adaptive manner (Acevedo 2012; Anadol and Behery 2020), the concept is mostly associated with practices that include leading with principles to create a meaningful and purposeful human experience (Rodríguez-Lluesma et al. 2014), having interactive relationship with followers (Vora and Kainzbauer 2020), taking into account all stakeholders' interests (Freeman 1994; Pirson and Lawrence 2010; Kimakowitz et al. 2011; Yang et al. 2020; Flores et al. 2022) and their personal growth, aiming

to pursue the common good, sustainability (Rodríguez-Lluesma et al. 2014; Yang et al. 2020; Kim et al. 2020) and demonstrating dignity, wholeness and even spirituality (Melé 2016; Anadol and Behery 2020). The research related to culturally endorsed implicit leadership (CLT) associates humanistic leadership with the leader's "humane orientation", characterizes with modesty and compassion for others in an altruistic fashion (House et al. 2013). Humane orientation is defined as the extent to which a society or organization encourages and rewards individuals who are fair, altruistic, caring, generous and kind to others. Humanistic leadership is evolving to include issues of sustainability as humanity's problems worsen (Colbert et al. 2018).

Humanistic leaders are expected to demonstrate compliance to humanistic principles within cultural norms (Anadol and Behery 2020), and consequently, their leadership practices and implementations are expected to reflect the prevailing culture. Despite differences in context and cultural norms, humanistic leaders are nourished with similar values. For instance, in the Chinese context, a humanistic leader respects people as holistic human beings and sees human resources as the most valuable resource in any organization. They continuously strive to improve themselves while fostering the development of their followers to enable them to reach their full potential (Yang et al. 2020). Based on a humanistic leadership example from Thailand, humanistic leadership entails interaction with and concern for followers along with community orientation (Vora and Kainzbauer 2020). In a Korean context humanistic leaders focus on respect, benevolence, sincerity, self-development and development of others (Kim et al. 2020). In a Japanese setting, a humanistic leader prioritizes societal prosperity, respect, acknowledging one's own shortcomings, listening to others, mutual growth and generating profits for society (Ono and Ikegami 2020).

Given the cultural roots, a humanistic leadership example from the UAE is also consistent with the humanistic leadership framework proposed by Fu et al. (2020). The leader's leadership practices were related to the themes of respect, dignity protection, care, family focus and generosity which are all closely related to the framework's holistic perspective. Leadership development intentions, on the other hand, were linked to mutual development perspective as the leader defined

the concepts as “leaders should create leaders”. Similarly, themes of well-being orientation, fairness, ethics and will with humanistic determination were associated with the humanistic leadership framework’s common good perspective (Anadol and Behery 2020). In the study it is observed that followers accept their leader more readily if the leadership practices and approaches are consistent with the community’s cultural heritage.

The selected leaders’ leadership practices are mostly associated with existing humanistic or human-centric leadership or management literature. For example, protection of dignity, unconditional respect (Kimakolowitz et al. 2011; Pirson 2019) and generosity are regarded (Glanville et al. 2016) as a characteristic of a humane-oriented leader (House et al. 2013). Additionally, tolerance is proven to be highly helpful in dealing with multi-cultural diversity as it is related to the concepts of acceptance, co-existence and respect that uphold morality and sustain social justice (Lozano and Eschrich 2017).

UAE society is close to Islamic culture (Anadol and Behery 2020) of whose principles are mainly found in Holy Qur’an and Hadith (the Prophet’s sayings). These principles shape the society and the UAE leadership as they have a great impact on cultural pillars like values, customs and traditions, customs of the UAE. Aligned with the culture, humanistic leadership is regarded as one of the most prevalent leadership styles in the UAE (Anadol and Behery 2020) as an extension of paternalistic leadership in the Middle East, as the leader supports the work and private life of employees in exchange with loyalty and respect (Aycan 2006; Mansur et al. 2017), maintaining family-like relationships and caring approach of leaders (AlMazrouei and Pech 2015). The salient values of Islam are justice, generosity, respect for the individual (privacy), fairness, truthfulness, integrity, trustworthiness, benevolence, humility, kindness and patience (Beekun 2012; Anadol and Behery 2020) are the core virtues of Islamic leadership that are consistent with the leadership of Prophet Mohammed (peace be upon him—PBUH). Some of those values are closely connected to humanistic leadership and also coincide with the humanistic practices in the UAE.

3 Contextual Background

Historically, UAE was formed as a monarchy in 1971 with the leadership of HH Sheikh Zayed Bin Sultan Al Nahyan. As the father of the country, Sheikh Zayed has always been respected and considered as the visionary and a humanistic leader (Anadol and Behery 2020) of the UAE, he has laid the groundwork for the country to be transformed into one of the world's youngest, but also one of the fastest growing (Gulf News 2019). UAE is a federation of seven emirates with a traditional government that adheres to Arab society's cultural heritage while focusing on future developments through modern business infrastructure and a diverse and competitive economic environment.

UAE National Agenda

With the collaboration of over 90 government institutions, UAE has established a National Agenda as a set of long-term indicators leading the county to achieve the "UAE Vision (2021)", which was launched in 2014 by HH Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai; to measure the performance outcomes in each of the national priorities including the sectors of education, healthcare, economy, police and security, justice, society, housing, infrastructure and government services. The National Agenda representing UAE Vision, become the main drivers of the country's economic, environmental and social initiatives, prioritizing human capital and cultural values. The main themes of the agenda are world class health care, competitive knowledge economy, a sustainable environment and infrastructure, a first rate education system, safe public and fair judiciary, cohesive society and preserved identity. As per the document (UAE Vision 2021) "UAE wants to be among the best countries in the world with an ambitious and responsible Emirati society evolving in a social and economic environment with their traditional family structure following moderate Islamic values and deep roots of heritage to build a vibrant and healthy society".

A Competitive Mindset

The National Agenda focuses on the UAE becoming an economic, touristic and commercial capital in the region with the aim to achieve sustainable growth and prosperity. The UAE well on its way to achieving this goal, as the country has emerged as a regional leader in innovation, artificial intelligence and human capital in recent years. UAE is an example of an agile government where the initiatives are taken and implemented immediately (UAE.Gov. [2022b](#)). UAE's rank has increased from 35 in 2019, to 26 in 2022 in the Human Development Index (UNDP [2022a](#), [2022b](#)). In 2019, it is ranked 25th in the World Economy Forum's Global Competitiveness Report (WEF [2019](#)), in 2020, ranked 2nd for the ICT adoption and 4th in digital framework (WEF [2020](#)). Recently in the latest World Competitiveness Report by IMD ([2022](#)) UAE become the 12th (2022) county among the most competitive economies. A recent IMF staff report (IMF [2021](#)) stated that the GDP per capita of the UAE was GDP: \$38,661 (2020) and the country was considered one of the more resilient countries economically with its recovery from the Covid-19. In the same report it is also stated that the UAE Government established some reforms under UAE 2050 Strategy, focusing on attracting highly skilled professionals, developing domestic human capital, attracting foreign investments, encouraging business dynamism and supporting advanced environment friendly technologies (IMF [2021](#)). All these reforms are in line with the UAE National Agenda creating a balance with economic, environmental and societal sustainability, focusing on the national identity, human development and cultural heritage.

A Diverse Population

Moving forward, compared to many well-established countries, UAE position itself as young, competitive, innovative and future-oriented country, while remaining traditional and embracing its cultural heritage, as well as fostering tolerance and co-existence with more than 200 nationalities living together in a multi-national, multi-cultural society

(UAE.Gov. 2022c). The population distribution of the country is unique, indicating the magnitude of the cultural diversity. Out of 10 million residents, only 12% is local Arab citizens, which remains 88% of the population to be expatriate with 59% South Asians, 10% Egyptians, 6% Filipinos and 13% others Nationalities (CIA, World Factbook 2022). When dealing with the country's diverse population, UAE leaders foster coherence among these communities and take a balanced approach by being both goal-oriented and human-centred. The country's leaders have issued a very clear directive (UAE.Gov. 2022d) regarding the adoption of a humanistic approach that is consistent with mainstream humanistic values (Kimakowitz et al. 2011; Pirson 2019).

Themes of the Years

Dedicating a year to a value or a theme in the UAE is a common practice for implementing the National agenda and to create a societal change. Starting from 2015, the UAE government introduced different themes for each year. These themes were reflecting the priority of the UAE government in shaping the society. These initiatives began with the year of innovation, with the aim of assisting the government in attracting skills and research from the national community in order to lead future generations to prosperity and innovation, and have continued each year after promoting a value that all governmental institutions and the private sector collaborate to achieve by the end of the year. Table 1 depicts these themes, which are mostly related to the UAE society's cultural values and some are reflections of the UAE leaders' humanistic and benevolent.

In 2017, the UAE National Agenda was aligned with the 17 SDG goals of the United Nations Sustainable Development Goals, as 17 Goals were mapped to the agenda and the national implementation plan and operational strategy were established. Integration of the SDGs is one of the indicators of the progressiveness of the country in achieving a sustainable future (UAE.Gov. 2022f).

Table 1 Government initiated 'Themes of the years' in the UAE

Year & theme	Purpose & details for the societal foundations
2015 Year of innovation	Aims to support the UAE federal government by attracting national skills, to increase notable research and lead the future generations towards progression, prosperity and innovation
2016 Year of Reading	The year was declared to create a generation of readers, booklovers, and fuse the UAE's position as a global capital for culture and knowledge
2017 Year of Giving	Charitable actions by the society and philanthropy are encouraged
2018 Year of Zayed	Consistent with the values of the late Sheikh Zayed, wisdom, respect, sustainability and human development efforts are promoted to honour his name
2019 Year of Tolerance	Tolerance is introduced as a value to establish communication and coexistence in the society that encourages openness to other human cultures in the UAE
2020 Towards the Next 50	Aimed to work towards the evolution and betterment of the UAE for the next 50 years in Space programs and limiting the spread of coronavirus pandemic
2021 Year of the 50th	Aims to engage everyone in the country, encourage all UAE Nationals to acknowledge the achievements and values of the country's founding fathers, introducing long-term, inclusive initiatives that encourage residents and citizens to contribute, support and engage the country's youth in contributing to national achievements and shape the future
2022 Year of Distinction & Precedence	To contribute to the fields of education, culture, production and trade To ensure the country moves forward on the UAE's national statement: "a path that unites us with strength"

Sustainable Development Goals (SDGs) Implementation

The following section aims to explain the methodology that is followed to understand the practices and the origins of the humanistic leadership themes found at the first stage of the research.

Table 1: Themes of the Years in the UAE (prepared by the author in line with the government publications (UAE. Gov. [2022b](#)).

4 Methodology

An exploratory research was followed to understand the humanistic leadership practices that apply to the UAE culture. The primary data were collected through in-depth interviews in order to comprehend the prominent and applied humanistic values in the UAE culture through the examples of two eminent humanistic leaders and their followers. Also, secondary data were gathered to support the previous findings regarding the initiatives and policies relevant to humanistic leadership practices in the country.

Initially two highest ranked leaders (No. 1 and No. 2) of two semi-private higher education institutions and nine of their followers were interviewed to identify the source of humanistic leadership practices in their institutions and the UAE society. Face-to-face in-depth interviews were recorded and transcribed. The research utilized open-ended questions with semi-structured interview guidelines. As the participants were selected based on their willingness and ability to contribute to the research, a purposive sampling method was used (Etikan et al. [2016](#); Anadol and Behery [2020](#)) that enabled the research to be conducted through a limited number of observations.

Both leaders interviewed are UAE nationals who are well-known for their humanistic approaches and are highly respected members of the UAE society. They not only hold the highest positions in their institutions, but also serve as strategic members of the UAE's government and higher education councils. They adhere to the strategic directions, rules and regulations established by UAE leaders within their institutions, as

well as contribute to the co-creation and implementation of these policies across the UAE educational system.

All participants had lived in the UAE for at least five years, had worked at the institutions for at least two years, and had worked directly with the leaders. The followers' ages ranged from 30 to 60 years, and their positions included managerial and non-managerial to the faculty. Their responses are mainly used to establish the basis of humanistic leadership themes. The respondents were asked to describe humanistic leadership characteristics that apply to the leader from their own perspectives and to identify values in the UAE culture that correspond with humanistic leadership (Anadol and Behery 2020). They were also asked to provide various humanistic leadership practices that they observed within their organizations and in the UAE specifically. The respondents were also asked the cultural basis or sources of humanistic leadership practices in the UAE. Humanistic leadership applications, according to both leaders and followers, are inspired by Islamic principles, government initiatives and UAE traditions. With this basic information, secondary data were collected concurrently to investigate the UAE National agenda and the relevant publications related to human-centric approaches in the UAE traditions and Islam religion. Both leaders were specifically asked to link these values to the UAE leaders' practices and culture.

An inductive conventional content analysis is utilized for data analysis (Hsieh and Shannon 2005). The researcher was immersed in the raw data during the inductive content analysis process, where stories, concepts, practices and behaviour related to themes were coded, categorized and recorded for future use (Anadol and Behery 2020). The related literature was collected for the extended research, the topics are identified and categorized and coded and the abstracts were retrieved based on the similarity of the categorized themes to explain how humanistic leadership practices are embedded in the UAE culture.

5 Results: Humanistic Leadership Practices in the UAE Culture

Based on the extended interviews, the following humanistic leadership themes are found closely related to the UAE culture. The leaders and the followers shared their observations and opinions regarding the roots of human-centric practices and mainly associated them to Islam, Arab traditions and the UAE National Agenda. The Fig. 1 depicts the model of humanistic leadership themes and their cultural associations. In many cases it was difficult to separate their origins as these benevolent practices are intertwined within the culture. As an extension of the previous study (Anadol and Behery 2020), the results of this study will focus on the national application of the humanistic themes within the cultural context.

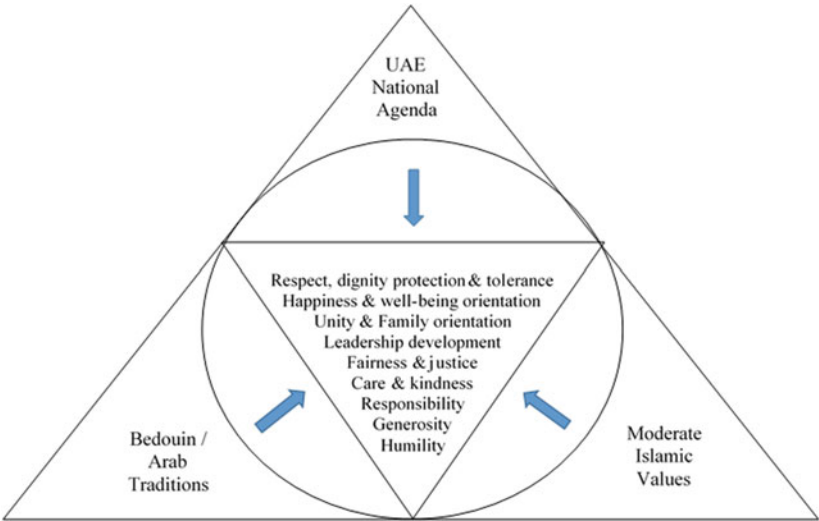


Fig. 1 Humanistic leadership themes in the UAE culture (Source Designed by the Author)

Institutional Perspectives to National Agenda: Humanistic Leadership Practices

Participants identified various initiatives of their organization as the leader's practice of humanistic leadership. These practices include the institution's initiatives that are in line with the National Agenda (Anadol and Behery 2020), such as the formation of a happiness committee, the signing of a government-initiated tolerance commitment agreement, the organization's daily walking initiative as a common practice, the investment of a green campus and achieving net-zero sustainability, promoting Responsible Management and SDGs (Sustainable Development Goals) through UN PRME Principles for Responsible Management Education leadership. As a reflection the leader1 stated that "the aim of humanistic leadership is to place people over profit to make business more sustainable. To thrive and survive, every business needs profit, but, with a humanistic leadership approach, business and people thrive together". All these values retrieved from the study and their cultural linkages to UAE culture are explained in the following sections.

Respect, Protection of Dignity and Tolerance

At the societal level, respect is considered as an extension of tolerance which is the basic requirement of co-existence. Respect for others and kindness are prominent characteristics of humanistic leaders. The leader1 has mentioned:

... the culture says you have to respect the elder people, but the respect should be towards everyone, not only because of the culture, because respect is to be in everywhere...

Tolerance is embedded in the culture in many ways. The leader2 shared his thoughts on customs about respect and tolerance in their culture. He stated that Majlis (gathering) culture, where people sit together, talk and eat on Fridays, spreads hospitality, openness, community, dialogue and respect:

... respect is something embedded in everything we do actually. And when it comes to us even nowadays if I go and meet someone, say 15 or 20 years older than me, I'll give him a kiss on the head for example. Saying that, because we respect their contributions, and their age ... even when boys and girls come and meet their father, sometimes their grandfather they will do the same thing, or grandmother or their mother... they'll show a lot of respect to them. so that's part of our Islamic culture and Arabic culture as well...

.. we have a saying in Arabic: 'Your point of view is always correct. But it can be wrong and other people's point of view is always wrong, but it can be correct' so ..., we always have to take that probability into account...

... many years ago, we started with a different culture at the beginning, and we lived together, so the tolerance was there once we started, and we had churches also a long time ago, we had temples, the tolerance has always been here and it was a part of the success of the UAE and of Dubai...

Human dignity (karamah) is considered as an important value in Islam (Possumah et al. 2013) that is expressed as "God (SWT) created human beings to be in a supreme position, endowed with divine blessing" (Cheraghiet al. 2014).

And when you are greeted, respond with a better greeting or at least similarly. Surely Allah is a 'vigilant' Reckoner of all things. (Qur'an 4:86)

UAE endorses the "tolerance" concept as a national plan, aiming to create a model for tolerance and positive co-existence of different nations, cultures and backgrounds. As a multi-cultural society, tolerance is considered as the enabler in handling UAE's large expat community and diverse population. Any kind of fight is not welcome in the country. The notion of tolerance has been communicated widely to all government and private institutions, stimulating the mutual respect between all stakeholders in the community (Anadol and Behery 2020). The UAE National agenda has been endorsing respect and consideration among the cultural groups and promoting tolerance for the protection

of the society. Consequently, in 2021, the UAE cabinet introduced the 'Ministry of Tolerance and Coexistence' (UAE.Gov. [2022c](#)) to carry out the UAE's cultural traditions of mutual understanding (UAE Vision [2021](#)).

Happiness and Well-Being Orientation

From the humanistic leadership perspective, subjective well-being and life satisfaction is associated with the "common good". The leader1 maintains "happiness" as the common goal while also using it as a means to achieve the organization's purpose or mission.

The leader1 stated that:

... We believe that education, innovation, hard work, good ethics, charity, community service, positivity, and other good deeds create happiness... happiness is a goal. Why am I working? To have a better life to become happy [So as everyone] the goal is to make everyone happy...

The practice was strongly associated with happiness, resulting in a positive working environment that leads to the achievement of an organization's purpose or mission. As part of the National Agenda (UAE.Gov. [2022g](#)), in 2016, a happiness and well-being initiative was introduced and considered as a reflection of humanistic leadership, where the leader "concerns and acts on the well-being of people", mentally as well as physically (Anadol and Behery [2020](#)). Since then to enhance the well-being of multiple stakeholders, a smart government initiative has been established. Using the smart technologies, a paperless digital government is introduced and also the "customer service centres" were transformed to "happiness centres" for all the government and semi government institutions (UAE. Gov. [2022g](#)), Government departments are equipped with the kiosks that are called "Happiness Meters", to capture the happiness levels of the stakeholders from the services that are provided. These happiness metres were linked to the Dubai Government's executive office and merged with the happiness data of the other institutions for comparison, where each institution competes to get the highest happiness score from the residents.

The UAE Government established this initiative to improve community welfare by connecting people's well-being and happiness with global competitiveness reports. The first Ministry of World Happiness was established in 2017. According to the WEF report (2019), the UAE was ranked second in the world for "highest public trust in politicians" because of these initiatives.

Unity and Family Orientation

Family has a great role in shaping the UAE culture. The leader¹ suggested the family gatherings are the times that UAE culture is shared and nourished. As per UAE vision, families are considered as the core of the society and family communication become the main venue for holding on the cultural roots. In the UAE culture, families serve as the influential role model and protectors of the Emirati traditions and unity. Through the Vision 2021, especially the women are empowered to participate in active life and protected against all forms of discrimination at work and in society. The youth and children are being raised to develop their Emirati identities in order to become engaged citizens who can build strong and active communities while also learning to respect others. UAE leadership is paternalistic, as the leadership of the UAE prioritizes safety and protection of dignity, as a father figure, supports the young generation to take responsibility of the future.

Leadership Development

The National Agenda focuses on education of the Emirati youth to develop the leaders of future. UAE government plans an economic transformation to be driven by knowledge and innovation, and where global competitiveness is achieved through investment in science, technology, research and development. This shift can only be achieved with an entrepreneurial environment that harnesses and develop the talent and creativity of Emiratis (UAE Vision 2021). The leader¹ put it forwards as "Leaders create leaders!" He has emphasized one of the main characteristic of a humanistic leader is the ability to develop the next generation

leaders for them to be ready to take responsibility. He elaborated that the best way to accomplish this is to serve as a role model for them and support their growth in terms of skills, knowledge and character. The other leader² also commented as one of the humanistic leadership requirements is the ability to develop people. He stated that:

... being at the top, or being a senior position is not something that lasts forever, and if you cannot develop the people to replace you, if you don't have someone to be in a position to do what you do, or do things better than you, eventually you will be failing the organization... developing people, giving them the opportunity to develop, to progress, to grow is one of the important characteristics of humanistic leader.

The UAE government emphasizes leadership education and development of the youth, as well as the values of ethics, happiness and positivity, creative leadership, science and technology and development projects have been prioritized to fulfil their full potential as the country's future leaders (Anadol and Behery 2020). Leadership development for Emiratis is supported with education and entrepreneurship programs to cultivate a healthy and risk-taking Emirati culture where their innovation, hard work and boldness are rewarded.

Being Humble Is Ingrained in the UAE Culture

According to the leaders, Islam prioritizes human values, which are stated in the Qur'an and the saying hadith of the Prophet Muhammad (PBUH) and humility is recognized as one of his virtues (Beekun 2012) as he (PBUH) worked and contributed to daily life despite his position as a prophet and role model in the community. The leader¹ stated that he was inspired by humbleness of Prophet Mohammed's (PBUH) humility and saw him as a role model. Both leaders highlighted the importance of the humility and identified it as a qualifier of being a true leader. The leader¹ defined a leader as per the following values found in various humanistic leadership themes, with humility being one of the main leadership requirements:

a person that [...] humble, [...] cares about human being, [...] cares about the staff, [...] cares about his followers, [...] cares about people, [...] wants to make sure that everybody is happy, everybody loves to do what they are doing because their environment making them very happy.

Being humble, hospitable, sharing the food and sitting together, all are reflections of a collectivist society and part of the UAE culture that is revealed on the Leader 2's responses.

... humility is in the culture of the UAE... is seen as open door policy, which is carried out by our leaders throughout the history. Maybe it is more difficult now than it was in the past, but in the past, the Sheikh was always available to everyone. And in fact in the old day's people, Sheikhs would be sitting outside the palace... and people would come and shake hand with him and sit and talk to him then leave, and that's how it is... people will sit with each other, eat alongside each other and so on... so that's it... that's part of our culture...

Humbleness is not only a part of the Bedouin culture, but also one of the main pillars of Islam religion as it is related to total submission to the will of God (SWT). Worship is seen as submission to God (SWT) and humility is the necessary part of this submission. The following are the verses from the Holy Qur'an, related to humility.

So glorify the praises of your Lord and be of those who prostrate themselves (to Him)" (Qur'an 15:98)

The 'true' servants of the most compassionate are those who walk on the earth humbly, and when the foolish address them 'improperly', they only respond with peace... (Qur'an, 25:63)

And do not turn your nose up to people, nor walk pride-fully upon the earth. Surely Allah does not like whoever is arrogant, boastful... (Qur'an 31:18)

Promoting progressive and moderate Islamic values, as well as protecting cultural heritage, traditional practices and customs, has become a priority

for the UAE government, and passing on these traditions to the next generation is viewed as the primary responsibility of Emirati families.

Care and Kindness

Caring and kindness are associated with humanistic leadership because the natural responsibility of the leader is to pay attention to the needs, wants and poverty of the followers because leaders are trustees of God (SWT) (Ahmad and Ogunsola 2011; Sadat-Hoseini and Khosropanah 2017).

In Islam caring and kindness are considered a divine command and a religious duty, reflecting the religion's humanistic and holistic approach.

And lower to them the wing of humility out of mercy and say... (Qur'an: 17:24)

Worship Allah 'alone' and associate none with Him. And be kind to parents, relatives, orphans, the poor, near and distant neighbours, close friends, 'needy' travellers, and those 'bonds people' in your possession. Surely Allah does not like whoever is arrogant, boastful... (Qur'an 4:36)

Leader 2 stated that "Culture embraces emotions and poems express the culture of love, desert and people". The leadership of the UAE also endorsed kindness as HH Shaikh Mohammad Bin Rashid Al Maktoum, stated that "the true essence of the UAE society and traditions are deeply rooted in the sons and daughters of this land who steadfastly hold onto Islamic teachings that urge us to be kind to each other and to spread good feelings and affection throughout the community..." (Gulf News 2013). The country focuses on disadvantaged communities, particularly on the welfare of people with disabilities. They are known as "people with determination". It is a very unique approach to protecting the dignity of disadvantaged communities while providing infrastructural support for their social inclusion. Protecting the vulnerable is a common approach in Middle Eastern culture, and it is deeply ingrained in UAE society.

Fairness and Justice

Both the leaders and followers considered fairness and justice among the virtues of a humanistic leader (Anadol and Behery). Leader 2 defined a humanistic leader as:

... a person who does not feel arrogant in front of others just because he has a leadership position, someone who is fair to everyone, someone who performs his leadership role by guiding people to do better... who is fair, who develops people, who understands what skills people have, giving right person the right task... who will be at the same time humble, realistic and transparent...

Justice and fairness are related to ethics and morality. Fair treatment, fair payment and treating others in a just and equitable way are explicitly promoted in Islam (Possumah et al. 2013). In the research participants commented on the leader's fairness as a humanistic characteristic The leader1 stated that:

... once you go against those ethics we will not serve the community because the only way to make the society sober is to go according to the values and ethics required by the society... ethics will make you more stable and realize that there is something that will help you be sustainable...

The concepts of justice and fairness are deeply rooted in Islam. Although the terms are used interchangeably, in Arabic they have different meanings. Words, equity and balance used as "ad" and "qist" and fairness used as "ihsan" (Beekun 2012). Fairness is about observing the rights while giving what the person deserves, and justice is about reaching an accurate conclusion without being biased when giving a judgement. In the Holy Qur'an, truth and justice are endorsed in many verses.

Stand firm for Allah and bear true testimony. Do not let the hatred of a people lead you to injustice. Be just! That is closer to righteousness. (Qur'an 5:8)

Strand firm for justice as witnesses for Allah even if it is against yourselves, your parents, or close relatives. Be they rich or poor, Allah is best to ensure their interests. So do not let your desires cause you to deviate from justice (Qur'an 4:135)

The Ministry of Justice of UAE identifies its mission as “to create a just judicial system through judicial, justice and creative services to develop pioneer legislation that secures the role of law and the production of rights and liberties’ (UAE Gov. 2022h). Similarly, as part of the National Agenda, the UAE promotes a balance in the social and economic development of its emirates with the intention of being an inclusive society that provides equal opportunities to grow, supporting the sense of national unity.

Generosity

During the interviews “generosity” theme appeared as another trait of a humanistic leader while the leader1 was endorsed by his followers for his actions such as volunteering, charity and extending his help to others in the society. He stated “we open our door to all people, and we treat them well”. The leader1 explained the UAE leaders’ generosity as rather than donation, providing resources to produce and improve within the community using these resources.

... and this is also part of our culture, we say a leader who is not generous is not a leader and if you look, for example, to Sheikh Zayed himself, one of the important features of him was his generosity, that make him loved and liked by a lot almost by everyone in the country... and that was one way of getting allegiances, people loved to come to him, respected his point of view, accepted his decisions because he was very generous.

In Arabic, generosity (Sakhawat) means giving freely and is praised highly in Islam.

You will never attain piety until you spend out of what you hold dear, and whatever you may spend of anything, Allah indeed knows it. (Qur'an 3:92)

Leader 2 suggested that generosity, being hospitable and welcoming are part of UAE culture. He added that generosity contributes a lot to the leadership role, to the well-being of the organization and happiness of individuals in the society. UAE National Agenda (UAE Vision 2021) supports grassroots initiatives, charity work and volunteering as they will nurture a common spirit of social responsibility and awareness in the community.

Responsibility

The first word in Holy Qur'an is "Ikra", it means "read", which is related to the responsibility to learn and do better. Working hard towards goals is essential in Islam and the wealth must be earned through hard work (Ali and Al-Owaihan 2008). As per the leader1, a humanistic leader is continuously required to be able to perform in a way following how God (SWT) and His Prophet Mohamed (PBUH) would want him to behave. In the Islamic context, trust, responsibility and accountability (Amanah, taklif and mas'uliyah) are the essential themes in guiding a humanistic leader as leadership means to guide an organization towards realization and the attainment of the common goal, by creating a system that promotes happiness (alfalah) (Jamil 2015; Anadol and Behery 2020). The leader expects followers to achieve the goal with compassion. According to the leader2, understanding the capabilities of the followers was one of the characteristics of a humanistic leader:

... a person who is fair, who develops people, who understands what people skills, who will give the right person right task, we all know all humans are not the same, different people have different skills..., a person who is at the same time humble and realistic...

UAE Vision (2021) promotes safe and secure nation, a sustainable, resilient and stable economy with fairness and justice for all Emirati communities.

The leader¹ highlighted the importance of the sustainability as a main focus of UAE leaders.

... for us (UAE) sustainability is not a choice, it is for the survival of the society... but for us we depend on the outside world, so sustainability should be the main focus of our leaders, and it is the main focus...

The society is expected to grow internationally and built a global success in areas including diplomacy, developmental and humanitarian aid as well as hosting international institutions and events (UAE Vision 2021). As the economic development and the welfare depend on the human capital, UAE has taken measures, to enrich its human capital, to attract talented and skilled individuals to share their knowledge to develop the country and support the youth, which contributes to the societal and cultural diversity of the country. A 10-year Golden visa for skilled individuals, scientists and engineers was recently introduced in order to attract skilled human capital to the country in order to support economic and social sustainability.

6 Discussion and Conclusion

As an extension of Anadol and Behery's (2020) research, this chapter investigated the cultural roots of UAE leaders' humanistic leadership practices. It is found that the UAE governments' presence in economical and societal affairs is very strong and the government initiatives are purposeful, result driven and active, aligned with Islamic and Arab cultural values. Human capital development is a priority. The leaders' approach is demanding, at the same time benevolent, visionary and human-oriented.

Founders of the UAE are well respected and endorsed as humanistic leaders by their followers. The founding father of the nation, Sheikh Zayed believed that the highest rewards for individuals, families and

society are to invest in people's well-being (happiness), their knowledge and capabilities (Anadol and Behery 2020). As a role model to his nation, treating everyone with unconditional respect, regardless of gender, nationality, religion or status, in his lifetime, he valued the contributions of the expatriates in building the country (UAE. Gov. 2022i) and promoted today's ethnic and cultural diversity of the community.

The UAE preserves Islamic culture, which includes a rich Arabic language that is widely used to spread the nation's progressive values. UAE is considered as a collectivist society, where the unity and family orientation are the core values of its local culture, yet hosting a multicultural, multi-national diversified population applying human-centric policies where tolerance and co-existence is prioritized.

The country's governmental initiatives are intertwined with its cultural identity and declared in the UAE National Agenda and Vision 2021. The vision suggests that UAE federation uphold the legacy of their founding fathers following their vision and leadership. The presented leadership behaviours show that the UAE's leadership is in line with the components of the theory (Fu et al. 2020), which include respecting people as whole people, caring for his own needs as well as those of his followers, mutual development as they continually work to improve themselves while assisting others in realizing their full potential, and working on common goods. These initiatives focus on unity and are consistent with the Arab-Islam roots of the county. The themes covered here are respect, dignity protection and tolerance, happiness and well-being orientation, family orientation, care and kindness, fairness and justice, generosity, humility, responsibility and leadership development. Supporting this point, recently, in 2022, a royal decree from the leaders of the UAE represented the principles as: "UAE focuses on peace, openness, and humanity that protects human dignity, respect for cultural diversity, and strengthen human fraternity while respecting the UAE national identity with openness, tolerance, the preservation of rights, the rule of justice and the law" (Initiatives of next 50).

UAE leaders are eager to achieve a sustainable future for the country where the prosperity of people is flourished. The country, unlike many, is creating a balance between the triple bottom line. The government initiatives are not only economically feasible but also human and recently

nature centric. No one knows if the future will be as planned, however, the leaders are setting the targets now and take actions to reach the planned future using humanistic, holistic and a balanced leadership.

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Caring for Employees and Society: Exemplifications of Humanistic Leadership Values in Japan

Kaori Ono and Jusuke J. J. Ikegami

1 Introduction

People-centric management and leadership styles have long been used in Japan. For instance, Itami (1987) explains that Japanese management focus more on their employees than their Western capitalistic counterparts who focus more on monetary gains. He points out that, while US firms place a high value on shareholders as the firm's owners, Japanese companies are managed by employees and executives who are also considered employees. Furthermore, it is observed that Japanese business leaders prioritize societal contributions (Ono 2022), and empirical studies have demonstrated that the words “contribution to society”

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rank high in Japanese company philosophies (Wang 2009). Witt and Stahl (2016) have shown that Japanese business leaders consider society to be their firm's most significant stakeholder.

Following the Japanese asset price bubble burst in the early 1990s, most Japanese companies disappeared from the list of the world's top companies, and Japan recorded near-zero economic growth. This slump has lasted for the past 30 years, prompting accusations that Japanese human resource systems are extremely generous to employees while failing to produce innovation that leads to profit growth. Consequently, Japanese companies have since oscillated between traditional Japanese and Western approaches. However, even in Western countries, economy-led leadership and management styles have recently been questioned. Thus, leadership styles such as authentic leadership and ethical leadership, which primarily address the ethical aspect, as well as responsible leadership, which argues there are responsibilities that a leader must accept, have been discussed. However, these discussions rarely address financial performance as a result of leadership. In this regard, Japanese humanistic leadership, which focuses not only on the economy but also on society, could serve as a model for future leadership research.

In this context, we choose Konosuke Matsushita and Kazuo Inamori as modern-day management representatives and examples of Japanese leaders who achieved financial success by adopting a humanistic approach. Using Eiichi Shibusawa's and Baigan Ishida's principles as a foundation, we examine Japanese leadership characteristics from a historical perspective (Appendix 1) as well. The discourses of Matsushita and Inamori in the media, official websites, and books are used as data for identifying their behaviours and thoughts for this analysis, as humanistic leadership is dependent on the leader's values and beliefs. Furthermore, to develop propositions, we review research papers in the special issue in the *Cross Cultural & Strategic Management*, which called for contributions to identifying humanistic leadership characteristics and behaviours through an indigenous lens (Fu et al. 2020). However, because the purpose of this study is to understand the characteristics and mechanisms of humanistic leadership in a for-profit organization, we exclude research papers that examined leaders of non-profit organizations.

We then present a process model and propositions that describe how humanistic leadership works in the Japanese context. These will help to build the theory of humanistic leadership in future studies and practitioners seeking to pursue this leadership style.

2 Attributes and Mechanism of Humanistic Leadership

Given that the purpose of leadership is to direct individual functions in an organization towards specific purposes or goals, the definitions of leadership and organization must be understood before analyzing the humanistic leadership behaviours of Konosuke Matsushita and Kazuo Inamori. It is noteworthy that these business leaders held the full responsibility for their respective organizations.

Although there is no universal definition of an organization, we extracted four elements commonly associated with an organization by scholars (Daft et al. 2010; Tolbert and Hall 2015). An organization is (1) composed of more than two people, (2) a system that is intentionally structured and coordinated to produce activities of members, (3) for achieving common goals, and (4) operating within a society. Similarly, there is no universally accepted definition of leadership. Most scholars describe leadership using terms such as “influencing individuals” and “achieving common goals” (Northouse 2019; Robbins et al. 2019; Yukl 2012). Therefore, we define leadership as the process of influencing individuals in a group to work towards a common goal. Following these definitions, we examine humanistic leadership characteristics and reflect on the 10 behavioural attributes associated with it (Table 1).

Table 1 Attributes of humanistic leadership

Definition of leadership/organization	Behaviour attributes of humanistic leadership
Setting common goals and functioning within a society	Setting humanistic purposes to guide oneself and people in the organization
Achieving goals	Doing business fairly and paying attention to benefits for all
Influencing people	Understanding human nature Taking care of employee well-being economically and mentally Respecting individuals: <ul style="list-style-type: none"> • Communicating with openness and transparency • Developing people • Constantly improving self
Composed of more than two people	Everlasting gratitude to employees Creating humanistic organizational systems Building “wa” (harmony)

3 Setting Common Goals and Functioning Within a Society

The goal of establishing an organization is to achieve goals that an individual cannot achieve alone. A leader's job is to set such goals and lead others towards achieving them. Traditional leadership theories, which consider profit maximization as an organization's goal, generally regard leadership as a means of improving employee performance. Conversely, humanistic leaders pursue profits to contribute to societal development and support their employees' lives. According to Inamori (2000), “A company should never be considered as a tool to pursue the private profit of a business leader. Its mission should be to achieve the happiness of all its employees along with material and intellectual growth as well as to contribute to the advancement of society and humankind” (p. 140). Matsushita and Inamori, however, did not have these kinds of thoughts at the beginning of their leadership journeys. They, like other founders, initially focused on launching new products and achieving results for the

growth of their businesses. During that time, they were exposed to the following events that altered their perspectives on humanistic beliefs.

Although Matsushita's company grew, he felt something was missing. After receiving repeated requests from an acquaintance, he accepted an invitation to a religious group one day. He was astounded to see believers cheerfully working in the noble spirit of service. Religion, he realized, had a mission to save people by providing spiritual support. Similarly, the true mission of industrialists would be to improve people's lives by providing material support (PHP Sōken 1992).

A similar event changed Inamori's perspective as well. Three years after establishing Kyocera Ceramics, he experienced a difficult negotiation period with his young employees, who asked him to guarantee their future income, such as an annual wage increase and a bonus. This was because they were forced to work until late at night and on holidays. For three days, the negotiation continued not only at the office but also at his home. These three days shifted his business goal from focusing solely on the success of his technology to caring for his employees who had entrusted their lives to his small company. Thus, the phrase "to achieve the happiness of each employee working there along with material and intellectual growth" was included in the company philosophy (Inamori 2001). This philosophy was later adopted by the employees of Japan Airlines (JAL), who held his philosophy in high regard (Hara 2013).

4 Achieving Goals

Once an organization's goals are established, its members must work to achieve them. In the case of humanistic leadership, the method of execution is critical. Both Matsushita and Inamori believed that business goals must be accomplished through fair business practices. Following scandals in the upper echelons of companies in the US, a leader's responsibility has become the focus of debate, and new leadership theories based on ethics, such as authentic leadership and ethical leadership, have emerged. However, such leadership theories primarily address the ethics of a leader's integrity to protect an organization. Furthermore, the focus of modern leadership theories has shifted to the external stakeholders of

an organization with the emergence of climate change, environmental issues, and sustainable development goals. These theories, however, are still limited to an introspective mindset; that is, ethical behaviour implies not harming others or the environment as a part of an organization's responsibility to protect itself. Therefore, it is necessary to identify the stakeholders to whom a leader or company is accountable.

According to our findings, a humanistic leader's concerns extend beyond this. Matsushita and Inamori advocated for doing business fairly while considering how all parties involved in their business operations could benefit. Matsushita believed in setting fair and reasonable selling price. This fair price is the addition of a minimum profit on costs that allows a company to survive and avoids the struggle of lowering prices in the face of competition (PHP Sōken 1992). He warned that if a company does not make a profit, its resources are depleted and no societal value is created. Healthy competition facilitates the creation of wisdom for the benefit of both competitors and society (PHP Sōken 1992). Furthermore, customers benefit from purchasing goods at a reasonable price. He expressed this attitude of doing business fairly using the terms "co-existence and co-operation" (PHP Sōken 1991), while Inamori expressed the same, using the term "an altruistic mindset" (Diamond, Inc. 2015). Furthermore, Inamori always thought about whether he was being selfless and contributing to society when making a decision (Azuma 2018). This self-discipline was applied to every decision he made, including negotiations with AVK Corporation (Inamori 2015a), entry into the communication market (Azuma 2018), and accepting the Japanese government's request to rebuild JAL after bankruptcy (Hara 2013).

5 Influencing People

The goal of leadership, as its definition implies, is to influence people. One of the three key components of humanistic leadership is that humanistic leaders respect individuals as holistic human beings by caring for their employees and their multiple needs and motives (Fu et al. 2020). This section delves deeper into this aspect of the definition to better understand what treating employees with respect entails. In this

regard, we identify three traits of humanistic leaders: understanding human nature, focusing on employee well-being, and respecting individuals. We explain each of these characteristics by citing Matsushita's and Inamori's discourses and behaviours, which demonstrate humanistic leadership characteristics.

Understanding Human Nature

According to Inamori (2000), "Management is how to treat a gathering of humans. So, we can't talk about management without referring to people's minds, and we can't manage by ignoring the human mind" (p. 178). However, until the late 1980s, business schools were primarily focused on improving their students' technical skills such as economics, accounting, and quantitative analysis, with little emphasis on human ethology or interpersonal skills (Robbins 2005). Understanding human beings forms the foundation of humanistic leadership. We find strong evidence of this in Matsushita's and Inamori's speeches and interviews. Matsushita learned the complexities of understanding human feelings through his experiences as a servant boy at the age of nine. According to Inamori (2000), who understood human minds when he started his small business with 28 colleagues, "Human minds are said to be easily changeable. Yet, there is nothing stronger than the human mind" (p. 104). His first action point for JAL's revival was to change employees' mindsets (Hara 2013). Matsushita later established the Peace and Happiness through Prosperity (PHP) Institute to facilitate further research into human nature. Moreover, both leaders wrote several books about people and their minds. These, along with their management books, have been read by millions of businesspersons to date.

Taking Care of Employee Well-Being

Employee well-being, which includes their families, is a fundamental tenet of humanistic leadership. It recognizes that business leaders are responsible for their employees' well-being, both financially and psychologically, and it represents respect for people as holistic human beings.

Employee well-being has recently gained attention as an important management concept in the West; however, in Japan, business leaders have long recognized employee well-being (happiness) as an important managerial element. Matsushita aimed to match Western countries' pay for his employees' materialistic happiness (PHP Sōken 1991). Throughout the high-growth period of the Japanese economy, Inamori continued to raise his employees' salaries every year (Inamori 2015b), as he declared employees' economic satisfaction as one of the objectives of his company's philosophy.

Although their actions reflected the social situations of the time and may not be applicable today, they demonstrated their will to ensure their employees' economic well-being. They provided salaries that were higher than the average for Japanese manufacturing companies. Matsushita also implemented a series of benefit packages, including the construction of a hospital, recreational facilities, and company housing (PHP Sōken 1992). For their employees' mental well-being, both leaders focused on enabling employees to find a "*raison d'être*" through their work, as setting high goals and achieving them at work gives people a sense of joy or worth. This motivation cannot be satisfied with money, and it is a leader's responsibility to infuse a passion for goals as well as a sense of job satisfaction in their employees (Inamori 2012b; PHP Sōken 1992). Therefore, Matsushita would always question whether his employees could live meaningful lives by working in his organization (PHP Sōken 1992). His company was the first among Japan's large corporations to implement the five-day work week system. Matsushita believed that using the remaining days to achieve mental and physical well-being and development would result in higher attendance rates (PHP Sōken 1991).

6 Respecting Individuals

Humanistic leaders respect each employee in their organization. They appreciate the value of each individual and take care of them regardless of their positions in the firm.

The first manifestation of humanistic leadership in individuals is the communication style through which leaders directly transfer their

thoughts to their employees while also listening to them with openness and transparency. Their ideas and management policies are equally communicated to each employee, with an enormous amount of energy and effort (Inamori 2000; Ono and Ikegami 2020). Matsushita held morning or evening meetings to communicate his ideas, including the company philosophy, to all his employees. He attempted to elicit their opinions by visiting factories and asking questions or soliciting suggestions from even junior technical engineers (PHP Sōken 1992). Consequently, the company philosophy has supported the organization for more than 100 years, and his ideas have remained prominent at Panasonic to this day.

Similarly, the company philosophy created by Inamori in Kyocera has been carried on by his successors (Hara 2013), even at JAL, an organization with no direct link to Kyocera. This occurred as a result of his direct communication with each employee when he contributed to JAL's revival (Hara 2013). Inamori also brought to JAL his communication style of having a drink after work or a "get-together" with his subordinates. He recognized that employees are more likely to listen to their boss in a casual environment. His employees, regardless of their positions within the organization, had an open and honest dialogue with him at these informal social gatherings. He recalled attending all of Kyocera's year-end parties, even after the company had grown to 1000 employees (Inamori 2013). Although several employees were initially opposed to him organizing such gatherings at JAL, the managers of JAL eventually joined these get-togethers and managed to turn them into friendly and effective opinion exchange opportunities.

Furthermore, while working in JAL, Inamori visited front-line employees such as airport workers, cabin crew, and technical engineers. His visits were intended to convey the message that they should "work together to make the company better" (Inamori 2013, p. 41). His communication style changed his employees' mindset. As a result, JAL executives developed a company philosophy that reflected Inamori's ideas. He considered that if he had forced them to reform their consciousness, the change in their mindset would not have occurred (Hara 2013). Both leaders' actions clearly demonstrate the importance of direct communication with employees in terms of understanding each

other, which in turn builds trust in their relationship. Recalling the JAL case, Inamori states, “The reform of an organization doesn’t last long only by applying technique or skills” (Hara 2013).

Individual development is the second noteworthy focus of humanistic leadership. It involves valuing each individual’s personality and unleashing their potential. Matsushita and Inamori had a strong desire to develop honourable people. Therefore, their education principles included not only technical skills but also personality development. Matsushita stated that his company’s second mission was to develop people (PHP Sōken 1991). Moreover, he has instructed his employees that “when you’re asked what Matsushita Electric Industrial company does, you state that the company produces people” (PHP Sōken 1991).

Although Matsushita and Inamori reprimanded their employees, they firmly believed that developing honourable employees was essential and that a leader must teach with affection and enthusiasm (Inamori 2012a; PHP Sōken 1991). Matsushita recalled that the employees he reprimanded understood his thought process and went on to become great individuals (PHP Sōken 1991). He appreciated everyone, saying “The preciousness peculiar to human beings is uniform for every person, but the unique beauty and taste of each person are all different. And I think that the beauty peculiar to the person is born from the effort put into work and the person comes to life” (PHP Sōken 1992). He aimed to ensure appropriate people management in his organization to make everyone happy at work. Inamori believed that we needed to care for people who could not achieve their goals despite working hard because they would lose motivation if their efforts were not recognized (Inamori 2012a).

Humanistic leaders not only develop their employees but also strive to constantly improve themselves. Both Matsushita and Inamori devoted a significant portion of their lives to this goal. Their self-development process as business leaders began with the events that inspired their management beliefs. According to their company philosophies, their top priorities were employee well-being, providing good products and services, profit making, and contributing to societal development. To achieve these objectives, they developed self-awareness and identified the gap between their weaknesses and target models. Matsushita was aware

of his disadvantages, which included not having a good education or good health (PHP Sōken 1991). Inamori was aware of his immaturity (Inamori 2012a). Therefore, they strived to improve their personalities, gain respect, and develop their management skills to fulfil their responsibility as business leaders. According to Inamori (2012a), “Leaders must always search for new ideas and implement something creative; otherwise, they can’t help an organization to progress and develop. If leaders are satisfied with the status quo, then their organization will decline before long” (p. 252).

They studied philosophy and religion to gain a better understanding of human nature (Inamori 2012a; Matsushita 1972). Inamori (2012a) explained the effect of improving his personality as, “If leaders develop themselves and elevate their mind, then they are respected. Then employees will automatically make efforts towards achieving the objectives set by the leader” (p. 188). One notable feature of their self-development was learning from their employees, which is seldom mentioned in existing leadership theories. They were open to negative feedback from their followers (Inamori 2013; PHP Sōken 1992). Matsushita sought clarification on issues he did not understand, even from younger employees, and gained wisdom from others (PHP Sōken 1991). Both leaders emphasized the importance of having a flexible mind as a fundamental attitude (Inamori 2013; PHP Sōken 1992).

Moreover, self-reflection was a part of their self-development process. They defined the criteria of their behaviours that could meet their beliefs if they remained in positions of business leadership. For example, Matsushita would ponder whether he was qualified to be a business leader as the fate of a company is solely dependent on the business leader, who bears all responsibilities (PHP Sōken 1991). Inamori rigorously disciplined himself to behave fairly with everyone (Inamori 2000) and often asked himself whether he made decisions based on selfish interests (Azuma 2018). According to Inamori (2000), “A leader must continue in an effort to enhance their personality to become the business leader that all employees respect and think from the heart for” (p. 136).

7 Composed of More Than Two People

An organization is composed of more than two people who work together to achieve common goals. Humanistic leaders regard their employees as not only a resource to be used to establish the organization but also valuable peers with whom they could develop the organization.

Everlasting Gratitude to Employees

Humanistic leaders are constantly grateful to their employees. This is also one of the characteristics that is rarely discussed in current leadership theories. This is most likely because most existing leadership theories have been developed by Western researchers in the North American context, where the salaries of CEOs and employees are vastly different. Both Matsushita and Inamori made great efforts to hire people at the beginning of their journeys and ensured that they were properly credited. Inamori also emphasized the significance of being grateful for the company's continued existence because all its employees worked tirelessly (Inamori 2013). Furthermore, given that Matsushita was physically weak, he had to delegate certain tasks to others (PHP Sōken 1991). He never missed an opportunity to express his gratitude towards his employees. While speaking at Matsushita Electric's 60th anniversary, he expressed his appreciation by taking three deep bows to his employees with whom he had shared hardships (PHP Sōken 1992). In Matsushita's words, "There were only three persons when I founded Matsushita Electric 60 years ago... Now after 60 years, it has 130,000 employees including the affiliate companies... It's like a dream for me that all these people work in Matsushita Electric... I started from zero... Thank you to all of you" (PHP Sōken 1992, vol. 24, pp. 237–248).

Creating Humanistic Organizational Systems

The core principle of humanistic leadership is to consider employees' well-being by responding to their hearts and minds. This is unlike traditional leadership theories, which, while recognizing the leader's behaviour

as being beneficial to increasing employee motivation, focus more on efficiency and regard people as mere tools to maximize the company's profit. Therefore, while a humanistic leader's organizational systems are based on human nature, they are also concerned with making a profit, which is the necessary condition for a company's survival and growth. Both Matsushita and Inamori encouraged their employees to pursue profit as an organizational goal. Matsushita said, "A company needs to make profits while in business as it uses society's resources such as manpower and money. Hence, if a firm fails to make profits, it is not allowed to operate. It must ensure that it gives back to the society" (PHP Sōken 1991, vol. 6, p. 183).

Nevertheless, humanistic leaders do not pursue profit maximization. Both Matsushita and Inamori believed that a company's mission is to contribute to society by adding value through their products or services and selling them at reasonable prices. Inamori (2000) explains, "Improving an additional value means we provide something more valuable in the market with fewer resources. Moreover, it becomes a precondition to contribute to the development of society along with the lifestyle improvement of employees through business activities" (p. 115). A few examples of structures and systems created by Matsushita and Inamori are discussed as follows.

Matsushita introduced the profit centre approach (dividing the organization into three parts based on the products) to delegate his responsibilities, thereby developing his employees. When an organization is small and people can see a connection between what they do and the company's performance, they feel motivated to work. However, as an organization grows and each member's task becomes merely a part of the overall process, they become stagnant and lose motivation to work. Matsushita detected this issue in his organizational structure and the consequences of his employees' behaviour (PHP Sōken 1992). Another example of focusing on employees' minds is the system of respecting each individual's uniqueness. He followed a human resource policy of placing the right person in the right role. He believed that this system benefited both the company and the employees by improving their ability to perform better and to find their life's purposes through work (PHP Sōken 1992). As an organizational structure, Inamori designed the "Amoeba

Management” system. This system is “a unique business management method in which the organization is divided into small units and operates using an independent market-oriented divisional accounting system. This promotes leadership development, gives all employees management awareness, and facilitates “Management by All”—a method of engaging every employee in the day-to-day operations of the business” (Kyocera Corporation, n.d.).

Furthermore, the double-checking system Inamori implemented covers the human mind’s weak side. He understood the frailty of human nature, which resulted in employee and organizational unhappiness. From the perspective of employee protection, he made them cross-check things, confirmed whether the system was respected, and encouraged employees to have a conscious will to safeguard themselves from misbehaviour (Inamori 2000).

In this way, Matsushita and Inamori implemented their own systems to improve each employee’s personality and motivation while also making a profit. As a result, both leaders had a flexible attitude towards the seniority system, which is one of the characteristics of the Japanese management style. They were in favour of promoting younger employees if they were deserving (Inamori 2012a; PHP Sōken 1991).

Building “*Wa*” (Harmony)

Building *wa* can be considered as a system for effective organizational functioning. While all the aforementioned systems were visible and physical, *wa* was invisible and spiritual. Matsushita and Inamori prioritized the building of *wa* in their organization for two reasons.

First, it unifies people and guides them in the same direction. An organization is made up of more than two people and is designed to improve the activities of its members to achieve common goals within a society. Leadership is the process of influencing people and achieving common goals. Both leaders used their respective company philosophies to unify people and work as one team to achieve common goals (Inamori 2012a; PHP Sōken 1991). Second, building *wa* facilitated the creation of a comfortable working environment, especially in

terms of communication, not only among employees but also with the leader. For instance, Inamori created opportunities and organized get-togethers to speak candidly with his employees over a drink (Inamori 2013). Matsushita established “Hoichi Kai” (company association) to improve *wa* (harmony) among all employees, including himself (PHP Sōken 1992). Through these activities, the leaders decreased the distance between themselves and their employees, thereby encouraging employees to share their opinions without hesitation.

The concept of *wa* has existed in Japan for more than 1500 years, during which time the Analects of Confucius and Buddhism, which discussed *wa*, had already arrived from China. The first article of Japan’s first constitution, established by Prince Shōtoku in 604 A.D., discusses “Respecting *wa*,” which means “Do not quarrel. Discuss in harmony with anyone regardless of the hierarchy. Then, things will go well.” This is a positive Japanese cultural value that was adopted by both leaders. They built *wa* to promote productive discussions and improve individual performance through unification. However, Matsushita clearly states that, while he listened to all opinions, the final decisions were his own (PHP Sōken 1991). Figure 1 illustrates the Japanese humanistic leadership approach.

8 Shibusawa and Ishida: Pioneers of Humanistic Business Approach

This section introduces Eiichi Shibusawa and Baigan Ishida, two of Japan’s most influential persons, and examines their impact on Japanese management and leadership styles to demonstrate the historical roots of modern humanistic leadership ideas. Eiichi Shibusawa, an entrepreneur, had a profound impact on the way business was conducted in Japan and on entrepreneurship (Miyamoto 2016). His influence is so ubiquitous that modern managers may be unaware that they are influenced by it. Regarding Ishida, Matsushita and Inamori discussed how Ishida’s ideas influenced them (Diamond, Inc. 2015; Ishida 2016). Therefore, we see several similarities between their ideas, such as morality in business and fairness in making profits.

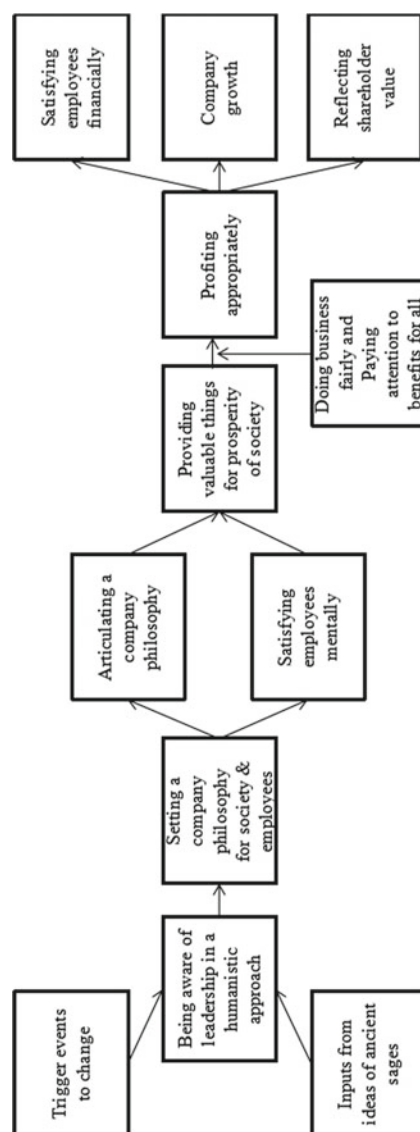


Fig. 1 Japanese humanistic leadership process

Meiji era industrialist Eiichi Shibusawa (1840–1931) had a significant impact on Japanese business practices and merchants' mindset. Shibusawa established and managed more than 500 banks and trading companies during his lifetime, earning him the title “father of Japanese capitalism.” He did, however, believe that economic activity and morality were closely linked and that public interest should take precedence over profit (Shibusawa 2020), which led him to be associated with nearly 600 social welfare organizations. Instead of profit maximization, Shibusawa advocated for moral and economic harmony, and encouraged commercial enterprises to prioritize public interest over financial gain (Shibusawa 2020).

Shibusawa's management philosophy contrasts with the Nobel-prize-winning economist Milton Friedman's (1912–2006) Friedman Doctrine, which promotes shareholder capitalism. Shibusawa contended that companies should assume social responsibility, account for both ethical and financial considerations, pursue private interests through the realization of public benefits, and adopt sustainable business models to create long-term value. He stated that if a manager becomes wealthy, but much of society suffers as a result, the manager cannot be happy. Wealth can stand the test of time only if it is built with integrity. Therefore, the seemingly separate disciplines of “rongo” (human virtue) and “soroban” (rationality and economy) must be merged to realize a sustainable society (Shibusawa 2008).

Shibusawa advocated a “modern Japanese capitalism” that combined Confucian ethics with modern Japanese capitalism by studying Chinese and Japanese classics and drawing on his experience as a financier and businessman. Shibusawa's ideas have had a profound influence on contemporary Japanese business leaders and serve as the foundation for the Japanese stakeholder approach. Shibusawa's ideas, for example, influenced Konosuke Matsushita, who argued that companies are “public institutions of society” and must be useful to the society. Shibusawa, according to Peter Drucker, “raised fundamental questions regarding the relationship between business enterprise and national purpose, and between business needs and individual ethics... The rise of Japan in this century to economic leadership is largely founded on Shibusawa's

thought and work” (Drucker 1986, p. 22). Shibusawa was the first to recognize that “responsibility” is the essence of management.

Shibusawa recognized that modern economic reforms in Japan would necessitate the following: a more favourable government attitude towards commerce, technological and business practice innovations, dispelling the Tokugawa-era image of the merchant as a parasite on society, and establishing a positive image of the modern Japanese businessman. In the mid-nineteenth century, Japan was a hierarchically regulated society in which commoners were expected to respect their superiors. Shibusawa later stated that as a young farmer, he believed this idea of “respecting the government authorities and despising ordinary citizens” was a major impediment to the development of Japan’s wealth and military power. His travels in Europe also convinced him that more private entrepreneurship was required to strengthen Japan’s national power; two centuries of peace had allowed the commercial economy to flourish and overcome political and social hierarchies. Facing to reform the political, financial, military, and legal systems, Shibusawa stated that he realized that the Meiji leaders were adhering to old patterns of thinking. Shibusawa also believed that for the country to develop and merchants’ status to improve, the old perspective regarding them needed to change.

Shibusawa claimed in his commentary on the Confucian view of learning that learning was not for personal gain. Rather, one should work on developing one’s character and morality. The study of application was referred to as practical learning. He also stated that since entering the business world in 1873, he had applied the teachings of saints and worked for the harmonization of morality and economy. Many people today can say beautiful things but lack the courage to put their principles into action and apply them to management (Shibusawa 2008). Shibusawa sought to position business as not only something necessary for building Japan’s wealth and strength but also a noble profession if pursued for the right reasons, by downplaying profit and emphasizing loyalty to family, friends, and the state. He also emphasized the importance of successful businesses to national security and prosperity and advocated that business owners and managers must earn the society’s trust and respect by working for the benefit of the public.

Several prominent Japanese business leaders have thus preached “compatibility between morality and economics.” While Eiichi Shibusawa insisted on “*rongo* and *soroban*” (morality and economy), Konosuke Matsushita stated that “Contribution to society is our mission and our reward is profit.” Such philosophies can be traced back to Baigan Ishida (1685–1744), who lived during the mid-Edo period. The Sekimon-Shingaku schools founded by Baigan Ishida in the mid-Edo period were established in 173 locations across 45 countries over more than 100 years from the mid-1700s to the end of the Edo period, where many individuals, ranging from merchants, townspeople, and farmers to warriors and feudal lords, benefited from his teachings. Ishida repeatedly emphasized the significance of “honesty” in commerce, stating that honesty earns people’s trust, and trust makes businesses successful. He taught that anything contrary to one’s inner moral principles must be avoided, even if it is not illegal (Ishida 2016). The criteria for judging right and wrong in the West are “external,” such as God or the law.

In contrast, Japanese people tend to have their own mental “yardstick,” such as “You can deceive others, but you cannot deceive your own mind.” Ishida’s unique Japanese “honesty” has been passed down to the present day as the collective consciousness of the Japanese people. Furthermore, Ishida highlighted the significance of “thrift.” The surplus generated by thrift is used for societal benefits. He explained that practising frugality on a regular basis helps in the restoration of the human virtue of honesty (Ishida 2016). The existence of Sekimon-Shingaku, according to American sociologist Robert Bellah, was a factor in Japan’s rapid modernization during the Meiji era. To achieve the aforementioned way of life, Sekimon-Shingaku emphasized diligence, thrift, and honesty. According to Bellah (1957), this was critical in fostering a disciplined and sustained approach to people’s daily work.

Baigan Ishida’s representative work “*Tohimondou*” (1739) contains a statement to the effect that the merchant’s goal is to make a profit by selling goods and that the greatest pleasure to be gained from labour is the ease brought about by diligence. Ishida emphasized the importance and purpose of work as obtaining “peace of mind.” This contrasts with the Western view of work, in which labour is hard work and one

finds peace through holidays and family time. However, labour and diligence are enjoyable for the Japanese because they are useful to the world and those around them. Ishida also strongly supported the practice of merchant profiteering. Confucianists who advocated agricultural fundamentalism had a negative attitude towards commerce owing to the Edo period's hierarchy of samurai, farmers, artisans, and merchants. Thus, in his book, Baigan used the example of Confucius' student Zi Gong to explain a fair way for merchants to earn a profit. In Ishida's (2016) words, "The profit a merchant gains from buying and selling is the same as a samurai's stipend. The absence of profit from buying and selling is the same as the absence of wages for a samurai" (p. 138). The merchants desired to discover the worth of their own existence. Therefore, acceptance of Ishida's ideas was a contemporary demand (Yamaoka 2014).

9 A Process Model of Japanese Humanistic Leadership

We distil our findings into a conceptual model of the Japanese humanistic leadership process. Essentially, the model contends that the goal of the Japanese management style is to make their employees happy, which will result in the production of products and services that will benefit society. This results in better financial performance and reflects shareholder value. Therefore, they do not prioritize or identify the stakeholders to whom a leader or company is accountable. Humanistic leadership is concerned with two aspects of employee happiness. One is their mental happiness, which improves individual performance as a result of the leader's humanistic practices. The other is their financial happiness, which they obtain after providing valuable products or services that contribute to societal prosperity. Japanese humanistic leadership achieves three goals through their leadership process: societal prosperity, employee happiness, and organizational profitability (Fig. 2). This model also reveals the importance of two factors, namely ethics and morals, which are required for humanistic leadership. The two leaders analyzed in this study, Konosuke Matsushita and Kazuo Inamori,

acquired these values as a result of events that altered their attitudes towards their employees and management style, as well as ideas from ancient sages. Then, by establishing their beliefs as company philosophy, they disciplined themselves and provided directions to their employees, thereby conducting business fairly without seeking profit maximization.

Based on the model, previous studies on humanistic leadership (Table 2), and other types of leadership styles, we offer the following six propositions for future studies.

- Proposition 1: *Humanistic leaders guide employees by showing their humanistic attitudes as a model.*
- Proposition 2: *Humanistic leaders strive to build a relationship of trust with stakeholders through open and transparent communication.*
- Proposition 3: *Humanistic leaders are constantly improving themselves through continuous learning and reflecting.*
- Proposition 4: *Humanistic leaders are committed to developing people by respecting each individual's unique talents.*
- Proposition 5: *Humanistic leaders prioritize righteousness and fairness over profitability when making decisions.*
- Proposition 6: *Humanistic leaders are committed to considering the interests of multiple stakeholders' interests when making strategic decisions.*

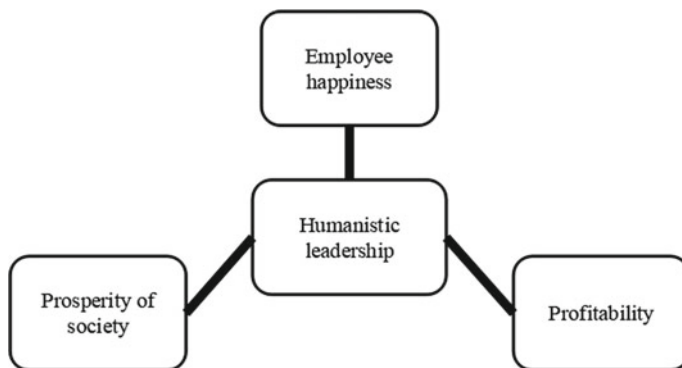


Fig. 2 The three aspects of humanistic leadership

Table 2 Country-wise attributes of humanistic leadership¹

Country	Humanistic leadership attributes
Japan	Setting humanistic purposes to guide oneself and people in the organization
Japan	Doing business fairly and paying attention to benefits for all
Japan	Understanding human nature
Japan	Taking care of employee well-being economically and mentally
Japan	Communicating with openness and transparency
Japan	Developing people
Japan	Improving self
Japan	Everlasting gratitude to employees
Japan	Create humanistic organizational systems
Japan	Building "wa" (harmony)
China	Understanding others by putting oneself into others' position
China	Making a profit by doing the right thing
China	Developing others by cultivating oneself first
China	Aligning the knowing with doing
China	Seeking the balancing point amid different things
India	Adherence to the founder's philosophy and the basic core values
India	Leadership with trust
India	Community as the key purpose of the enterprise
India	Senior leaders as mentors and role models
India	Abiding by the ethical code of conduct
India	Employee focus
India	Tacit alignment with Indian cultural values
Korea	Respect for all mankind
Korea	Benevolence (seeking the greater good)
Korea	Sincerity (building trusting relationships with stakeholders)
Korea	Continuous learning and innovation (developing self and others)
Thailand	Providing direction and structure
Thailand	Bridging refers to linking between different parties
Thailand	Emotionally supporting
Thailand	Socializing
Thailand	Indirectly communicating
Taiwan	Putting people first (focus on human well-being and take care of their needs, and try to satisfy the interests of all stakeholders while serving the common good)

(continued)

¹ Note This list is extracted from Chou and Cheng (2020), Kim et al. (2020), Tripathi and Kumar (2020), Vora and Kainzbauer (2020), Yang et al. (2020).

Table 2 (continued)

Country	Humanistic leadership attributes
Taiwan	Righteousness over profitability (long-term orientation, insists on appropriate behaviour or morally proper conduct even if this may sometimes come at a loss)
Taiwan	Ethical regulations and leading by example (guide people by virtue and exemplary behaviours and regulate them by their sense of propriety)
Taiwan	Cultivation of virtues and competence (development orientation; cultivate employees through training and education to keep their humanistic values complete)
Taiwan	Integrity and honesty (treat others fairly and honestly and with information transparency)

10 Conclusion

Although the notion that future leaders must consider society and employees in addition to economic profit originated in the West, there have been few concrete studies on such leadership. This study clarifies that humanistic leadership satisfies these three aspects (society, employees, and economic profit) by functioning as a chain reaction and not by balancing them, as a balance among stakeholders can enhance complexity and ambiguity. Thus, humanistic leaders make decisions based on fairness in doing business and do not pursue profit maximization. Furthermore, we identify that two factors are required to be a humanistic leader: learning from ancient sages and encountering an event to change his/her mindset. This signifies that education and professional experiences develop humanistic leaders. Extant leadership studies have paid little attention to a leader's values and beliefs as underlying assumptions. Understanding how humanistic leaders are developed will be critical for leadership development in the future.

This study presents the characteristics and mechanism of Japanese leadership based on a limited number of cases, which must be expanded into a more structured comparative study in the future. Furthermore, this study has a limitation in terms of cultural context to develop propositions of humanistic leadership, which are extracted from research papers only with Asian context. Considering the cultural value differences between

the West and East, as clarified by cross-cultural researchers, it is imperative to examine occidental humanistic leaders to enhance the study’s theory development.

Appendix 1: Historical View

Name	Years alive	Japanese era	Biographical sketch/Comments
Baigan Ishida	1685–1744	Edo era	“Japanese scholar who originated the moral-education movement called Shingaku (Heart Learning), which sought to popularize ethics among the common people” (Encyclopædia Britannica Online 2022)
Eiichi Shibusawa	1840–1931	Edo era-Meiji-Showa	Founder of Daiichi Bank. Involved in the establishment of nearly 500 enterprises and economic organizations. Known as the father of modern Japanese capitalism

(continued)

(continued)

Name	Years alive	Japanese era	Biographical sketch/Comments
Konosuke Matsushita	1894–1989	Meiji-Heisei	Founder of Matsushita Electric Industrial Company (now Panasonic). Established an organization called Peace and Happiness through Prosperity (PHP). Business leader of Japan's post-war economic world, known as the "God of Management"
Kazuo Inamori	1932–2022	Showa-Reiwa	Founder of Kyocera and DDI (now KDDI). Rebuilt Japan Airlines after bankruptcy. Founded Inamori Foundation

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Organizational Flourishing Through the Lens of Three Top Executives in Colombia: How They Relate to the Inner Development Goals-IDs

Carlos Largacha-Martinez

1 Introduction

Gabriel García Márquez (1998) once said that, “*Five centuries later the descendants of both [Indigenous & Spaniards] still do not know who we are*”. He was referring to Latin Americans, but also within a Colombian taste. Concomitantly, the great Colombian sociologist Orlando Fals-Borda (1968: 191) argued about the Latin American reality that “The one who wants to dive into the bedlam of such society and maintain his/hers own conscience and investigator role, must withdraw his/hers reduced points of view and be ready to encounter what seems to be illogic”. And for some foreigners, we are illogic, or better stated, we have *different logics*, not only the rational-mathematical one, which emerged historically from Aristotle’s *Law of the Excluded Middle*. For

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example, relating to time, Latin Americans have a circular-elliptic vision of time, in contrary to most of the cultures in the Global North where a linear version is present (Paz 2000; Prigogine 1997). Hence, Octavio Paz (2000: 52) argues that for us “time ceases to be a succession and returns to being what it was, and is, originally: a present where past and future are finally reconciled”. This phrase could be seen as illogical for some. Is this present in Latin American management and leadership styles? Yes and no. Depends. Again, non-linearity.

There is a history in Latin America with very similar roots. The indigenous population, the ones that really discover America, staple part of what we are. Spaniards, the ones that invaded us, and tried to destroy part of our roots, also gave us part of what we are. But as in almost every nation-state in the world, there are a lot of regions, sub-cultures, and stereotypes. Hence, talking about ‘Latin-America’ as a unified culture is not right. Even talking about Colombia as a unifying culture is not right. This explains why Garcia-Canclini talks about ‘Hybrid Cultures’, and Paz about the ‘double influence’, both referring to our Indian-Hispanic reality and inheritance. So we are non-logic, non-linear, hybrid. As Octavio Paz (2000: 102) puts it beautifully “In the same way that an Aztec pyramid sometimes covers an older building, religious unification only affected the surface of consciousness, leaving primitive beliefs intact”. Maybe that explains why the great historian David Bushnell (1993) titled his book about Colombia “The Making of Modern Colombia: A Nation in Spite of Itself”.

Does traditional managers in Latin America take all these traits into account. I don’t think so. Very few. Traditional management is another type of colonialism. It creates structures that goes against dignity, regardless of the culture or ethnicity you are part of. Carlos Fuentes (2000: 15) expressed it in the first pages of his journey through the history of *America Latina* when he wrote that “too often, we have sought or imposed models of development without much relation to our cultural reality”. We could change the word ‘development’ for ‘traditional management’ and it will work well. Bureaucracy, as Max Weber defined it after visiting North-American factories plus Taylor’s Theory X, are some of the bedrocks of traditional management that still continues to be in 95% of companies in the world (Collins 2001). Latin America is not

the exception. However, when we talk about humanistic management and organizational flourishing things work in a different fashion, as will be seen in this chapter. Is there a Model? No. But cultural traits must be taken into account, so a humanistic manager ought to be sensitive to these traits. You will have more success if managing humanistically a Latin American company. For example, Octavio Paz highlights that “any pretext is good to interrupt the march of time... we are a ritual people” that paired with the Latin American reality that “our calendar is full of holidays” (2000: 51)—the majority of religious spirit. So if you are managing a Latin American company, you should create rituals for celebrating successes; understand our holy days, we don’t want to work in them, and have celebrations for as much as you can: birthdays, anniversaries, weddings, and so forth. If you paired that with humanistic management, your productivity and engagement will rise, as you will read in the three Colombian companies presented here. Before briefly presenting them, let’s review some research done on styles of leadership in traditional management in Latin America.

One of the most salient scholars in this topic is Enrique Ogliastri. It is interesting that he did two investigations in two different moments, one in 1999 and the other in 2015. These articles are based on the GLOBE studies. They found that there are some commonalities in Latin American values, regarding leadership styles (Ogliastri et al. 1999), and that those have not changed so much by 2015 (Castaño et al. 2015). Three sustained patterns that today exist, and that are explained due to our historical reality already presented, are paternalistic leadership, hierarchical leadership, autocratic styles, legalistic imageries, and social bonds (Castaño et al. 2015). Part of this can be traced to the ‘*hacienda*’ spaniard inheritance, as well as the *cosmovision* brought by invaders about kingship and elitism. Also, it can be traced to the importance of social relations and the family, which is in part explained by our catholic milieu (Castaño et al. 2015). It is important to highlight here a structural trait that challenges any discourse about management. Informal firms, informality understood as businesses that does not have all the legal/social benefits to employees, accounts for 40–50% (Garcia-Verdu 2007, as cited by Castaño et al. 2015). In some newly developed regions in Colombia, goes

to 70–80%.¹ The results of the GLOBE analysis by Castano-Ogliastri team found that “several attributes that reflect inspirational and visionary leadership (first-order CLTs) were found to contribute to outstanding leadership in all Latin American countries” (Castaño et al. 2015, p. 588). Since traits have not changed in the 15 years between both studies, it is salient to cite the findings in 1999 study where Ogliastri et al. found,

Both the description of their culture and the preference for certain values were measured. Latin American managers expressed the following cultural values: a) Latin America lives in a situation of high uncertainty with very little control over unexpected events, but it is one of the regions of the world that would most prefer to avoid uncertainty; b) they are societies with elitist values, but very strongly would like this to decrease; c) the values of family collectivism and loyalty to the group are among the highest in the world, and also the preference for it to remain so; d) they are individualistic societies, but there is a great desire for the common good to prevail over individual advantages; e) from companies that are only moderately oriented towards performance, they would like companies that are predominantly oriented towards the achievement of high objectives; f) from societies that discriminate against women, would strongly prefer gender equality; g) from present-oriented societies, they would like cultures more focused on the future; h) they would like to have a society that is a little more humane than the current one, generally located below the international average; i) Latin Americans want to maintain a culture of gentle interpersonal treatment.

With these in mind, now we can turn into the analysis of the two Colombian companies that are described and studied here. Particularly, the leadership styles of the three top executives from these companies are scrutinized here. The two companies are Views Co., a *multinatin* marketing research company, and Energeticos, an oil service business, part of the Scottish firm Woodgroup. The two CEOs and one CDO,² respectively, are Daniel Perez, Peter King, and Juana Cardozo. Juan and Peter retired from Energéticos in 2013. Daniel continues to be the CEO and co-founder of Views. Through the whole chapter, I will refer to

¹ This is an empirical data based on a research done by the author in the Uraba region in Colombia.

² Chief Diversity Officer.

the three as CEOs. The two companies are part of the research done by the Colombian Chapter of the Humanistic Management Network-HMN. Both are present in the publications done by the HMN. Views appeared in the Spanish version (Largacha-Martinez et al. 2014) of the book 'Humanistic Management in Practice'. Energeticos appeared in the Vol II of the HMN Book (von Kimakowitz et al. 2022). For this chapter, some parts of the Spanish version were translated by the author. For Energeticos, a draft version of the Spanish version, not published yet, was used and translated by the author.

In the next part of the chapter, a brief description of the company and their management practices are presented, so the reader can have an image of these two inspirational business cases. After that, the results of the interviews about soft skills done to them are presented. Later, the reflections by each one regarding the patterns between their personal soft skills and the 23 presented in the IDGs framework is presented.

2 Views Corp

Daniel started working for one of the most important construction materials companies in the country. For six years he had a complete immersion in the world of marketing, which allowed him to gain experience in this field and stay until his formal arrival at what would in the future be his own marketing research company. There he learned about how a large construction company treats people well, respects family and society values, and creates value in its employees.

On the other hand, Felipe, after graduating from university, began working in market research in 2003, with a deep knowledge of marketing research discipline. In 2004 he was hired by a multinational audit and financial consultancy for the risk audit area. There he worked as an auditor, restructuring processes, doing costing, formulating investment budgets, and managing payroll, in addition to various trades from which he rescues: "It is knowledge and learning that is only obtained with experience".

In 2005 Daniel and Felipe decided to live together. Economically they couldn't be better off: they lived in one of the most luxurious neighbourhoods in Bogotá, with an apartment that exceeded their needs, good cars, trips, drivers, and parties. They had achieved what society prized as *top executives in suits*. However, they were missing the most important thing, the most relevant thing: a purpose. Thus they verified what, as Martin Luther King had once said, "*If a man has not found something worth dying for, he is not fit to live*". Their lives, although economically stable, consisted of a work routine full of loads and responsibilities that demanded physical and mental exhaustion. Their time was being absorbed: "There came a point where we realized that we were not happy. We had the money to live very well, we went out sometimes, we ate in good restaurants, but it was there that we realized that without a real and meaningful purpose, life is not worth it".

Because all said, in 2006 Daniel and Felipe decided to create a company that would help them fulfil their dreams and their desires to emerge as social entrepreneurs and, in addition, that would be capable of changing the assumptions that exist about work and the traditional management of "*command and control*". As a starting point, they established those desires that had never been sustainable in their lives as employees: being happy at work, enjoying flexible hours, feeling respected, getting fair pay, among others, were the factors that they raised and finally synthesized on three clear objectives, which have remained intact to this day and are the pillars of Views' organizational culture: **to be happy, to be great, and to give back.**

In 2009, the dream finally became a reality. By this time, Views was recognized as one of the ten best market research companies in Colombia and had growth options in other countries (Panama and Venezuela), with multinational companies as clients. The achievement could be justified because the purpose and values had always been above all else and, furthermore, because little by little management practices had been included that impregnated that sense in all its employees. Some of these practices were:

- All employees have 20% of their working time paid to work on topics they like, to be with their family, and not to bring work home or leave late.
- Weekly breakfasts on Tuesdays to talk about whatever they want (it cannot be work). Views invites everyone to get to know each other better and to make the environment as pleasant as possible.
- Friday Plenary: They meet almost every Friday about the three pillars of the company, so that everyone internalizes them and so that they are sure that they do want to work at Views.
- Don't kick people out in difficult times. For example, in the 2009 crisis, when sales dropped by almost half compared to 2008, Daniel and Felipe decided not to fire anyone. Due to this, by the year 2014 Views had not made the first distribution of profits to the partners.
- The construction of houses for socioeconomically excluded people. As part of *paying back*, but above all within their philosophy of giving meaning and purpose to life, from the first year of operation they set the goal that by 2016 they would build 1 house per year. They built three houses and more than 100 people went to help—including family members, friends and couples.
- Support employees to create their own company. To anyone who dreams of being an entrepreneur, within the scope of Views' cash flow, they lend without interest to achieve it.

There are more stories to be told, but this will suffice for the reader to make an image of this inspiring company. However, not everything was working as beautiful as they thought. Behind the scenes something bad was happening that put their philosophy and three pillars to a big test. It challenged them to a point that they had to review their souls and dreams.

At the beginning of 2010, the company was the victim of a robbery by their own workers, who using the organization's own resources, time and clients, generated a side business. One out of four employees at Views were involved. It was discovered that more than U\$250,000 had been stolen, in under-invoiced contracts. The company's core process had been destroyed (quantitative investigation) and senior management had been compromised: one of the department heads had spearheaded the fraud,

creating another market research company and convincing 11 typists to carry out the work in 20% of additional time—remember the good practices.

What would you do? We have presented this case in several undergraduate and graduate courses, and in national and international conferences, like the Academy of Management in Boston. The majority of the participants always said, almost screaming: fire them all! Some even cry when we ask them, ‘what are you feeling’. It was for Daniel and Felipe devastating. And it is when they tell the story. And I guess it is somehow right now for you, our reader. What would you have done? Some answer that they will have fire only the top executive. A very few said to forgive all, and give a second chance. But what we always highlight at this point of the case study is that firing them and putting more control was against their three pillars. What a challenge!

“The first thing we said when the three of us sat down was: No! The Views model doesn’t work. We failed”, recalls Daniel Pérez. In turn, Felipe affirms: “It was a critical moment for us because we did not understand how it was that the people we had collaborated with, in whom we had placed a lot of trust, did this to us. We believed in them”. According to a logical and ‘normal’ sequence of the neoliberal model, this story could have an expected ending: the 12 would have been fired. Some advisers and friends even told them to sue them. They had all the evidence. However, in Views things were and are different.

The reaction surprises for being completely authentic. Although advice was received such as reporting the incident to the police or somehow collecting the stolen money, the managers decided to forgive and offer a new opportunity. The question to be asked is why? One of the purposes of this chapter is to try to explain the concept of mental models and how they determine how we act. Being clear that this company is based on a different model, we could assure that it is a non-linear administration that has broken with traditional paradigms and schemes of the management and leadership in Colombia.

That is, they are a company that truly practices Humanist Management. They are not perfect, but they do try their best to fulfil their purpose as a company. They are a company where the most important thing is human growth and flourishing, so forgiveness is part of a double

growth process: of the one who regrets what he did, as well as of the one who forgives the offender. It's not easy at all, but they did it.

Forgiveness means accepting the other's mistakes and accepting the other as a human being, vulnerable to making mistakes. Returning what has been received—paying back—means offering a new opportunity, dignifying the other for what he is, not judging and, on the contrary, creating a learning environment in the face of a problem situation. Daniel reminds us that they “deserved to be forgiven. In my life I made many mistakes and I always had a second chance. By mistake we could not interfere in the dreams of these people. They have their family and, more than employees, they are people who can make mistakes”.

The big challenge was that after being forgiven, they continued with their illegal practices, so Daniel told them to leave the company. It was another tough moment. And don't forget the other 36 employees that were asked to forgive them as well. They were angry with Daniel and Felipe. They have done nothing, they love their company, and now they have to work with burglaries? No! But the learning process and the inner development is part of Views. So finally after the 12 left the company, they started a new and inspiring process with the 36 loyal workers, including the two brave whistleblower women.

Two months after leaving the company, the new Views corp culture was relaunched. The *Viewers* were created, two caricatures with a big heart and a brilliant mind, who are the company's *pets* and emulate what it wants to be. During the launching, the fraud incident was briefly commented on, but it was stressed that the objective was to continue along the same path that the two founders had set for themselves, committed to the three initial pillars. The response was massive, the enthusiasm was felt by all those attending the launching. A video was made with interviews with clients, friends, and family about why it was worth working at Views. The commitment is so great that several times it happens that when they are in meetings at Views, one of the collaborators knocks on the door to say: “Felipe, my father came to see my company and wanted to introduce it to him”. After the theft, at the end of 2010, productivity increased by 66% and quality remained the same. Currently, Views and its partners are a benchmark in terms of market research in Colombia and Latin America. They have already

opened offices in Panama, Venezuela, and Mexico and have just won a large contract in Brazil. Sales exceeded one million dollars and by 2013 they expected to double them. They are 40 employees and they are still great.

The way Daniel ends the presentations of this case in the Undergraduate Leadership and Graduate Humanist Management classes is: “Why do I have to become a mediocre manager? Why do I have to punish my dreams and purposes in life? Because a quarter of the employees can’t tell what’s right from what’s wrong? Well no, we are going to continue fighting to demonstrate in Colombia and in Latin America that it can be done. So when our friends and advisors ask us how we’re doing, we say, ‘We’re doing well’”. And Daniel concludes: “I tell my new employees: ‘If they want to rob us, they can do it, because I am not going to change my values because of others who had no one to teach them’”.

Energeticos (WoodGroup³)

This is the story of a Colombian engineering company that grew from 60 employees in 2006 to over 1200 in 2012. Not surprisingly, Energéticos (an engineering services company based in Bogotá, Colombia) developed a culture and a unique work model, which focused on the new generation of young engineers, allowing them to freely contribute to the development and operation of the company. When the Wood Group acquired Energéticos in 2001, it was a small company (50 people) and it remained at this level until 2006 when it began to grow at a substantial rate. The growth of a company within a growing market is not uncommon, but in the case of Energéticos the growth was done in an innovative way and mainly by ensuring that the employees were happy first and foremost. Traditional management tells us that we should consider the company’s shareholders first, customers second, and employees last. At Energéticos we turned this tradition around. We decided that employees should be

³ When the first part of the research on Energéticos was done, the Scottish firm’s name was Woodgroup. As today, March 2023, the name changed to Wood. Visit: <https://www.woodplc.com>.

our first consideration. They would deliver what the customer wanted and therefore provide shareholder value.

We thought about what a generation of engineers would want and how, in these changing times, we could make the company more flexible and responsive and at the same time give employees (now called “talent”) the opportunities they were looking for. We remember the experiences we had working with other companies with traditional organizational structures and we didn’t want that.

We built a fully flexible organization that could change not just every month but *every week* if necessary. This allowed us to respond to any changes or needs of our clients very quickly. How did we do it? We basically hand over the responsibility of leading the delivery of the work to the employees themselves. During the seven years, the employees took the lead in many parts of the company such as their working hours, vacations, recruiting, training, and much more. These changes were not easy to apply. The managers at Energéticos had been traditionally trained and could not understand how this could work. Outside the company, people were asking, “How can this work?” or “it would never work in my company”. The truth is that it works anywhere. It refers to treating people as human beings and not as a resource that works better if you give it a pat on the back or a high protein lunch! That is why we prohibit the use of the word ‘productivity’ and replace it with ‘efficiency’.

The development of this culture was the primary factor in the company’s success and revenue growth from \$4 million per year to \$56 million per year, making it one of Wood Group’s fastest-growing companies. multinational energy services company with 43,000 employees⁴) in the world. Energéticos was also unusual as an engineering company in that 51% of its employees were women and almost 100% of the employees were Colombian. Unlimited trust and freedom in the potential of its employees were the main factors in the growth of the company, with all employees helping to ensure that everyone was happy before anything else. Energéticos benefited from this contribution in many ways with highly motivated employees, their participation and respect in the

⁴ As per year 2012, when Peter retires as CEO.

development of the company helped to find innovative solutions to many issues.

Being a young organization, with an average age of 36 years, there was a great desire to work in an environment that was different and there was an abundance of energy to participate in the development of the company's organization. These young workers were looking for a different culture where they were allowed to perform, contribute, participate, and develop their ideas. **Unrestricted freedom** to contribute was key in the development of the company. We demonstrated that treating this new generation of employees with trust and allowing them to make decisions was the main factor, not only in the growth of the company, but also in the quality of the work produced. We experience levels of engagement not usually seen in traditional organizations. Trust produces a sense of responsibility, maturity, and loyalty.

It's not easy for a management group to suddenly deliver unconditional trust. Normally, trust is associated with conditions such as: "I trust you, if you show me that...". This type of trust typically fails because the conditions can never be verified. Making the decision to **trust everyone without conditions** was a giant step. During the seven years of implementing the culture, what surprised us the most was the dedication, commitment, dedication, and ability to lead of all employees.

Creating an organization like Energéticos is not based solely on an initiative, but on a combination of many innovative changes (**small actions**) in order to break down the limits seen in traditional organizations to the point where it becomes a lifestyle, not just impacting the success of the company, but in many cases, the families of the employees as well.

Describing in a short space all the innovative management practices that Energeticos did in those seven years is a big challenge. So we took some of these small actions—some are really big, but Peter want to treat it this way—and are below. Each one can give a longer description, but I think they represent the core of the culture change and transformation. These *small actions* are:

- Deleting the organization chart: Their main flaw is that they put people in boxes, with predefined expectations and roles. One person

leaves and you try to fill the box with a similar person. Human beings are not like that. We removed the organizational chart in order to allow each employee the opportunity to contribute something different to our company.

- Allowing everyone to decide their own work hours: This was the biggest change we implemented. It enabled people to take responsibility for their time so that they could organize their work hours around what their families required instead of trying to force their families to stick to “traditional” company hours. This initiative did not reduce the commitment to deliver projects on time anywhere. In fact, I improve delivery times.
- Employee participation: Many of the employees were reluctant to participate at first, mostly out of fear. But with a little encouragement and also because they were young (the average age was 36) they soon rose to the challenge. Many of the employees began to manage parts of the company (training, educational assistance, office layouts, etc.).
- Eliminating overtime payments. All with monthly salaries: Once we removed the working hours it was impossible to determine who was working overtime or not. Overtime is a very divisive way of working because you’re paying by the hour and not by the work turned in and it’s not conducive to engineering work where thinking and analysis is a big part of the job. It also focuses on the work of being at a desk and not on producing quality work.
- Eliminating annual evaluations: From our experience in other companies we knew that annual evaluations do not work. Many of the evaluations we had seen were 5 or 6 pages long and filled with objectives and roles that in many cases the individual had very little control over the results. The conclusion of all those years of suffering in other companies was that we should stop doing them.
- Eliminating policies and procedures: Policies are needed at a very high level in an organization, mostly because investors and shareholders want to see that you are serious about issues associated with occupational health, ethics and finance. But at the operational and local level, managers create policies so they don’t have to make decisions. It is easy to say “but company policy says this...”. Policies at the local level

impede the freedom to assess particular circumstances or make decisions related to those circumstances. Similarly, procedures do not allow the organization to develop or improve ways of working since many procedures are mandatory and it is very difficult to change them. The concept that one person develops a procedure to tell another person how to do their job seemed strange to us. Therefore, we decided to eliminate all procedures and policies and developed a system based on Guides, on non-binding guidelines.

- Eliminating Roles and Responsibilities: Roles and Responsibilities limit employees from using their full abilities by limiting their jobs by putting them in boxes that tell them what to do and how to do it. If they have ideas beyond their defined roles in many companies they are not accepted because they are not part of their role. We didn't want that, we wanted everyone to use their full abilities, take responsibility for their work and not just focus on what they were hired to do. This worked exceptionally well and many employees surprised us with skills we didn't know about. If we needed someone with skills that we thought were not available in the company for a particular job, we would ask all employees first. Without exception we always find someone with those particular skills.

It is very interesting that after eliminating the overtime payments, the percentage of workers taking by themselves the overtime was reduced by 85%. This is huge, not only the number, but the inner development that creates this type of management style. For example, during the 2006 World Soccer Cup, Peter put big TV screens so everybody could see it, if they want it. All the employees went and saw all the matches. After 4 years of this change in corporate culture by Peter, in the World Soccer Cup of 2010, with more TV sets available, only 30% saw the matches. Why? Why do you think that happened. Because there were treated as human beings, real ones. Now their sense of responsibility and engagement were so high, that even though they want it to see soccer, the company was first.

Last but not least, eliminating all the procedures, including financial planning, sounds impossible. Maybe for Jack Welch and the neoliberal CEOs, but not for Peter. The way he did was interesting. Almost all his

ideas had a lot of resistance from Top Executives, and a lot of support from the rest of the company. So in his top management meetings he always end up stating to the General Managers: “lets try it three months, and if it doesn’t work, we return to what we have today”. Yes, I know, Peter was the CEO, so he had the power to do it. But they relentlessly said yes to all the changes, and with all the inspiration and engagement from the rest of the workers, almost all of the changes had a very positive response, making it the most profitable and most innovative company of WoodGroup holding out of 40 companies around the world.⁵ Changing a whole book-long procedure into a 2 page-long guide for engineers was impossible. They did it. And to ISO surprise, became the first company in the world to get ISO certifications without written procedures, only 2 page-long *guides*.

Leadership and Flourishing [Soft] Skills at Views and Energeticos’ CEOs

During the three interviews done between January and March 2023, there are several insights that are worth mentioning. Since the idea was to establish the soft skills used to manage the realities of both companies, a framework, a benchmark was used to achieve this goal. The Inner Development Framework—from now on, IDGs—was selected, since to the best of my knowledge, it is the most advanced one in the Management Discipline. Obviously, the *Three-Step Approach* done by Ernst von Kimakowitz was taken also into account, but the three-step is a holistic view of businesses and their connection with society. So it does not dwell specifically about soft skills. The other very advanced framework is the *Fifth Discipline: the field book*, by Peter Senge and his team at MIT. Although written in the 90s of last century, continues to be the best management book ever written. However, they talk about five disciplines and, again, not specifically about soft skills.

With that in mind, the first pattern that emerges about their soft skills is that they didn’t have a recipe. There is no model to be presented here

⁵ This indicator comes from an internal competition done in 2011 by Woodgroup.

in the ‘traditional management’ format. This is not really a surprise. The successful business cases selected in the two volumes by the HMN are those that are way beyond traditional management. To say, you can’t be in those books if you continue to ‘command & control’—the traditional management mantra since nineteenth century. During the 70 minutes—on average—interviews, what I found was a personal view of management, not a model, not a formula. As Peter explains “the way we move it forward was saying to my managers, ‘lets try it for six months’, and if it doesn’t work, then we will return to how it was before”. And they never returned before. But the ‘small’ things presented above do not respond to a ‘management model’. This flourishing humanistic management or humanistic leadership is very unique to each case, and depends on the context, on the workers—since they do have a voice, and the dialogues that emerge day-by-day in the company.

Then, how can we transfer this knowledge? That would be the right question. And there is not an easy answer. Yes, there are some patterns that emerge from all the companies of the HMN two volumes. But even those patterns are unique for each company, as I experienced in these three interviews. Each one has her/his own tone, own mood, and own version. So here lies a very important message, that it is also a pattern. If you are a manager and are reading this chapter you must develop the following skills: *authenticity* and high *self-confidence*. One could say that authentic beings have self-confidence. Maybe. The message is that the three CEOs in this chapter totally believe in their ideas, and in the process of *exploring*—test and error—of their visions. *Visioning* is, then, another pattern that emerges from these interviews, and from the two volumes of the HMN’s books. They have the *courage* to try new things, to *embrace uncertainty*, to accept when things were not going well and not punish them or another colleague. *Loving mistakes*—to be very bold—would be another pattern. These CEOs and their management styles love, embrace, and cuddle mistakes. This is contrary to traditional management, which explains why it is not present in the majority of companies around the world (see Collins 2001; Gallup 2017).

Although it is not a result of these interviews, it is good at this point to show the patterns that emerge in one company that was published

in the HMN two volumes. After reading the two books, several articles, and interviewing Joao Vendramim, one of the top executives that help Ricardo Semler convert SEMCO in one of the most innovative and profitable companies in the world, I created this concept map. It helps the reader see some of the patterns, and then crisscrossed them to the ones presented below (Fig. 1).

Regarding the interviews, the process was as follows. First I contacted them either by email (Peter) or by phone, calling them or via chat. Once they said yes to participating in this research I sent them by email the two questions, plus the probe/proxy reflective questions. I told them that it was a short questionnaire, open-ended, semi-structured type of questions. At the end, it became more like a *'dance'*. Each one, as said before, was putting their seal to the interview, and my role as a sensitive researcher was to conduct—dance—the interview to achieve the goal. The three interviews were done virtually.

The interview had two moments. For each moment, one question. First I started with question #1, and within the dialogue I add the 1.1, 1.2, and 1.3 questions—based on how it was going. Once I have finished with the first part, I did a short, very short, introduction of the Inner Development Goals. It was not important that they had a lot of context

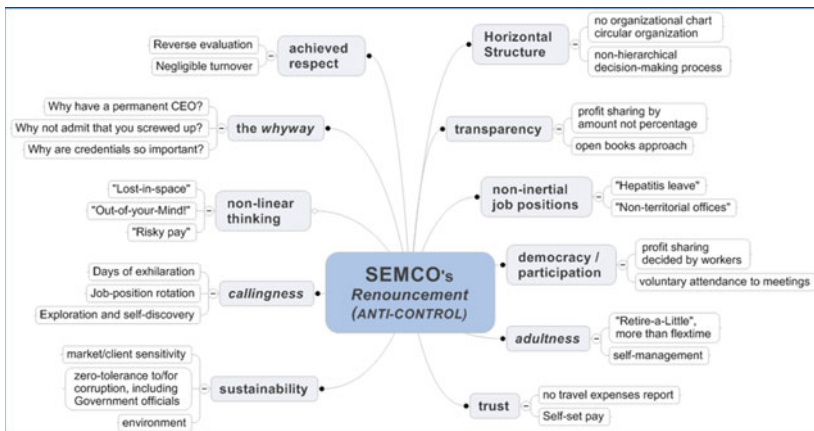


Fig. 1 Semco's Conceptual Map of Management Pillars (Source Largacha-Martinez, from "Humanistic Management in Practice" [2011, vol. 1])

and history, since the goal with the second question was to compare their responses to the first question with the 23 skills on the IDGs. So I showed them the 23 skills and allowed them to review them. I gave them between 2–3 minutes—while I was in complete silence. After that, I started to say things like ‘any correlation?’, “do you see or feel any connection with what you just describe to me in the first question?”; or even like “Do any of these skills resonate with you? ... make sense to you?”. At this moment I shared my screen and I put the 23 skills—organized in five categories. See the next figure taken from the IDGs website⁶ (Fig. 2).

At this moment I allow them to talk freely. I didn’t want to bias in any form the connections that I was experiencing from the first question with this framework. Here are the two questions, and sub-questions—probes:

1. What soft skills do you have that made possible the successful business case?



Fig. 2 Five Dimensions and 23 Soft-Skills from the Inner Development Goals-IDGs (Source Inner Development Goals, open-source material. Found in ‘Resources’, IDGs website. 2023)

⁶ Visit: <https://www.innerdevelopmentgoals.org/framework>.

- a. How did you acquire those skills?
 - b. Do you have or developed any methodology to self-developed those skills?
 - c. Did you create any methodology or structure to train your teams in those soft skills?
2. What is your opinion about the IDGs' framework?
- a. Do you see any correlation between the first question and the 23 skills presented?
 - b. Any suggestion in how to develop these skills globally—in other businesses?

It is important to clarify here that the IDGs framework does not want to present the 23 skills as a must have. It is more a portfolio of options. Even like scenarios, and it is the goal of each manager to resonate with them and strength those that are applicable to that specific business and/or organization. IDGs is not stating that you have to become a 'super-manager' in order to have inner development in your organization. Also, IDGs state that this is the first version, and that it is constantly in revision. The list is 23, but they had 50 more skills that didn't get after a grounded theory qualitative analysis done with more than 1000 surveys responded voluntarily. Hence, I sent this message when showing the figure above.

Not easy to define what a skill or capability is. Also, it is not easy to be crystal clear of the causality. One skill leads to inner development? Or is an attitude of exploration, of inner development, that leads to the emergence of an inner development skill? These questions are not part of this chapter, but are being raised in the Global Scientific Advisory Team to the IDGs' CEO. The important point here is to reflect on their answers, based on a real case and real situations that happened in the last decade in both companies. As a summary and bridge to the last part of this chapter, here are the skills, ideas, and reflections that emerge during the interview about the second question—in chronological order:

Daniel (Views Corp.)

- ‘In some way, I mentioned a lot of the 23 skills. Maybe with different wording’
- Inner compass for me is self-motivation
- Forgiveness it is really close to third category and all inside it—appreciation, connectedness, humility, empathy & compassion
- The second and third category for me is like problem-solving

And then Daniel, like in a ‘second revision’, ended the interview highlighting other skills:

- Long-term orientation and visioning
- Humility
- Openness and learning mindset
- Optimism
- Self-awareness

Two comments here. One, forgiveness is not a current skill on the IDGs framework. However, they have been working into the decision of including it. Asa states that “It could be the 24th skill”.⁷ The other challenge with these interviews is that I didn’t present to them the definitions of each one, so they worked with their internal definition of each one, based just in the ‘title’. Actually this is another topic that is being discussed globally, within a highly culturally diverse world. So what is ‘visioning’ to Daniel maybe is different from what I have in mind. And if I had read the ‘definitions’, maybe Daniel could have changed his answers. However, this is not a problem in this research, since the importance is to find the resonating ones for each CEO.

Juana, CDO—Energeticos-Woodgroup

Before showing the IDG framework, Juana talked about the following:

⁷ IDGs Gathering: Forgiveness - the latest contribution to the IDGs Framework? 16 Feb 2023. Visit: <https://www.youtube.com/watch?v=popHBLZ4f4Q>

- Observation skill—nonjudgmentally
- Listening—although I realize at the beginning that I wasn't good at it
- Creating spaces for dialogue
- Creating spaces for dialogue within different mindsets and age-cohorts
- Holistic thinking vs. individualistic ones
- Connectedness—for relations and within contexts
- Patience

Once I showed the 23 skills, she then referred to:

- Openness and learning mindset
- Integrity and authenticity
- Sense-making
- Empathy and compassion
- Co-creation skills
- Courage

Her recall of what happened in the 2007–2013 years of their support to Peter's ideas is very interesting, since she was in charge of creating the methods, trainings, and conversations so the corporate culture that Peter want it to create, actually happen. So her description has more details than the ones presented by Peter and Daniel. Both went to their histories in life to explain why they did what they did. While Juanita explained what she designed and structured so the success happened. Juana told me that “Since at the beginning was a lot of resistance, specially from the top managers, we decided with Peter that he would work with the managers—top-down, and meanwhile I will work with the rest of the organization, in a bottom-up approach”. For me, it was a very interesting and strategic approach, and other companies would have to learn from this business case.

Peter, CEO—Energeticos-Woodgroup

Imagine you don't know Peter, and you start speaking with him. After a while a lot of ideas will cross your mind, and very unlikely, that he made a miracle in a company that was going to bankruptcy. So here is one of the pillars that appear in this type of leader, humbleness or humility.

However, they are so humble, that they never accept that (see Collins 2001). Peter and Juana received the ‘Leadership Everywhere Challenge’ award by the MIX, McKinsey and Harvard,⁸ by being one of the best nine Leadership cases in the world. And still, Peter during the interview he was so humble and modest, that impress. So he never mentioned it after the second question ‘humility’. But he surely is, make no mistake about it.

When asked about what skills he has that made possible this business *miracle* he humbly stated “It is not easy. I have been thinking and took me to think about the things that happened in my life. The first thought is justice”. For Peter, justice is very important, but not in the legal sense of the word. When recalling his professional journey, he also argued that “I was being interviewed, with an arrogant guy, I couldn’t stand it. Honestly, I don’t know why [I am the way I am]. It is unacceptable that if you have power, then you can do whatever you want”. So justice is about being fair, compassionate, and inclusive. And for him, justice is also about a fair organizational structure, so he said that he has always worked towards “Getting rid of the crap [bureaucracy]”. For Peter it is non-logical and hardly understandable how companies have so many stupid processes that don’t add value to nobody, only to bureaucrats that need their power to feel good going to bed every night.

So his model, when asked, is ‘getting rid of the crap’. After that, I showed the IDG framework, and in a similar fashion that with Daniel and Juana, I allowed Peter to calmly read the 23 skills and hear his reactions. These one stood up for him, with some of his comments:

- Integrity. What it is not happening in UK today, for example. It goes with justice as well. ‘Acting on what you said’.
- Complexity awareness. I always try to simplify things.
- Appreciation is important. Appreciating the work that a waiter does in your table. You see too many people look down of some work.

⁸ <https://hbr.org/2013/04/where-does-leadership-sit-in-Y>. And visit: <https://www.managementexchange.com/blog/announcing-winners-leaders-everywhere-challenge>.

- Empathy is important, I think. Again, what is happening in UK with the new law of refugees. Horrendous, totally horrendous, against UN declaration, human rights.
- Intercultural competence. Maybe because of a lot of places that I have worked.
- Trust, very important. 99.9% all want to do a good job, that is my thought. But the majority of managers thinks the other way around, that 99% are robbery
- Creativity more than the others.
- Listening and communication are important and linked to openness and learning mindset.

Lastly, I asked Peter about his vision about the usefulness of the IDG global initiative and the IDG Framework. His answer reaffirms the importance and urgency of drastically changing the ‘traditional management’ that it is being taught in the majority of universities in the world (see Mintzberg 2011). Peter commented that “I don’t have an MBA. Every MBA course that I looked at, it is too technical. Maybe some about communication. How much of the IDGs skills do you see it in MBAs? So we should send this [IDG framework] to Universities to change their curriculum”. Some people normally said when looking at the IDG framework that “this has never being taught to be, neither in my MBA, nor in my management undergraduate degree”.

In the next chapter, an analysis of the patterns encountered in these three CEOs is presented. It helps to conclude the chapter, and it will serve to compare to other chapters in this book about some particular Colombian characteristics within our humanistic leadership.

Patterns and Conclusions

The first and more important pattern is that all of them found very useful the IDG framework, and all of them reflected on the 23 skills in some form or another. They connected with some of the skills. Also, they talked about some of the IDG skills before showing them to Peter,

Juana, and Daniel. This is very important. Obviously, this is not a quantitative study with a big sample, but it is a qualitative analysis that gives light and hope of the need of accelerating the IDGs around the world.

Another pattern that emerged after talking with the three CEOs refers about language, semantic, and definitions. This is a current challenge within the Global Advisory Group that I am part of. When you show the 23 skills to a manager, each one could have a different definition of the term. ‘Inner Compass’ for example, will have a different definition from the Global North than from the Global South. The other challenge is the translation. For example, just starting with the name of the global initiative, the word ‘development’ has been challenged from the global south. In current psychology, the idea of ‘stages’ is no longer valid. Because of this, I decided to allow the three CEOs to put their own, internal meaning-definition, and flow with that one. I decided not to show the definition-description that the IDG framework has. Again, I have two, the English version, and the Spanish one. However, the Spanish version is being translated as of 2023, but has not been reviewed by certified translators that are voluntarily working with the LATAM group. Since almost all of the skills are very close to soft skills, emotional intelligence, and/or spiritual-awakening wording, there is a challenge to define them in an objective manner. Concomitantly, the IDG global initiative has the challenge in how to measure them, since are subjective skills. Hence, legitimizing their main goal, using the IDGs to achieve faster the SDGs, becomes an interesting conundrum.

A third very relevant pattern that qualitative emerged after the three interviews is not easy to describe. It is subtle. Although they found value in the IDG framework, and they really want this initiative to grow globally, when informally talking with me during the interview and talking about past experiences and about the business case and their *miracles*, their messages and the meaning within their phrases can’t be ‘put into boxes’. In an abstraction and because of the interview format, they found some meaning-connection with some of the 23 IDG skills. However, their talk—as with any conversation—is a holistic one. Language cannot be divided into words. Actually, babies don’t read words but meanings. The same with adults. We don’t experience the world in ‘boxes’, in categories or abstracted skills. So that is one of the challenge that we have had

at the Humanistic Management Network as well. Yes, we have published these great business cases, but when it comes to transfer that knowledge to other managers, the challenge is really big. Converting the tacit knowledge of Peter, Daniel, and Juana into tacit knowledge to another manager is the never-ending conundrum of education. Holistic realities, soft skills, and spiritual subjective realities cannot be taught, so how can we achieve something with the HMN and the IDG?

Practice, practice, practice. And after that, reflection, reflection, and reflection. So this chapter, this book, and the others by the HMN business series are tools for inspiration and reflection, but without practising them won't be interiorization. And once practised and applied, the manager will get insights in how to create her own approach. This is another pattern that emerged from the interviews. Each one has done it the way s(he) thought was the best way to do it, not following a recipe or a 'To-Do' list, which is what normally happens in Business Schools.

Finally, the next table presents together the skills that were highlighted by the three CEOs, so the reader can make her own analysis and found his own patterns. I am going to make a final comment on that table as a conclusion for future research. It is important to highlight that forgiveness is not, yet, one of the IDG skills, but very likely will be included. Daniel, since his case is about that, is an example of the importance. So he found that forgiveness relates directly with all the skills of the 'Relating' category (Table 1).

More than a pattern is a challenge that the IDG framework has. How to 'named' the skills. How to encapsulate the emergent meaning after doing grounded theory. That is the case, for example, with 'Integrity and Authenticity'. Both are huge words, but after reviewing more than 1,000 surveys world wide, they had to end up with a list—kind of portfolio of meanings to reflect one, not a recipe. Peter, Juana, and Daniel made emphasis in 'listening'. The ability to be present to the Other and deeply listen the other. The ability of embrace our own vulnerabilities, to be transparent to the Other, and then, only then, we could construct a trustful relation, and then, only then, we could have a dialogue. Dialogue is different from 'communication'. But this paragraph resembles the discussion that the IDG research group had when ending with the 23 skills. When looking the definition of 'Communication Skills',

Table 1 Core values of the three CEOs

Daniel	Juana	Peter
Inner Compass	Integrity and Authenticity	Integrity and Authenticity
Self-awareness	Self-awareness	Appreciation
Long-term Orientation and Visioning	Sense-making	Inclusive Mindset and Intercultural Competence
Humility	Empathy and compassion	Empathy and Compassion
Openness and Learning Mindset	Openness and Learning Mindset	Openness and Learning Mindset
Optimism	Co-creation Skills Courage	Trust Creativity Complexity awareness Communication Skills
All of third category, related to Forgiveness: application, connectedness, humility, empathy, and compassion	From her vision: coexistence with the Other, caring for the Other, innovation-exploration, cognitive interaction with the Other	

they stated⁹ “Ability to really listen to others, to foster genuine dialogue, to advocate own views skillfully, to manage conflicts constructively and to adapt communication to diverse groups”. They highlight the ‘really listen’ need. And they have ‘Trust’ as another skill. So the knowledge is there, but as presented before, they are all interconnected. This is a holistic reality, as with almost all in the universe.

Although this was not thought as a comparison activity, four skills are repeated more. One is in the three of them ‘Openness and Learning Mindset’. Three are repeated at least two times ‘Self-awareness’, ‘Integrity and Authenticity’, and ‘Empathy and Compassion’. Humility is only in one, but as presented above, it is a sign of humanistic leaders, so they don’t want to mention it. But these ones are interesting to make a conclusion of this chapter. Learning. The never-ending process of learn and grow. This is present in great business cases. Learning with the space of

⁹ <https://www.innerdevelopmentgoals.org/framework>.

mistakes is the recipe for innovation and creativity, fuelled with openness. Reflection is very important. You cannot have inner development if you are not open to reflection, to grow, and accept your mistakes. And finally, the two that for me are the bedrock of humanistic management, humanistic leadership, inner development, and global sustainability: Authenticity and Humbleness. The challenge is that current socialization around the world is not structured, neither designed to promote neither humbleness, and much less to be authentic. The importance is to be seen as 'normal'. So, for a final statement, if you want to be a great leader, BE YOURSELF, and don't compare yourself with the norm.

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Humanistic Leadership and the Paradoxical Pursuit of Sustainability and Profitability: A Case Study of the Tata Group in India

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During the second wave of the COVID-19 devastation in India, Tata Steel—one of the 30 industries housed under the Tata group in India—made an unprecedented announcement: the surviving family of the employees who died of COVID will continue to receive their last drawn salary, medical and housing benefits, until the deceased employee's retirement age of 60; additionally, the company pledged to cover the educational expenses of the deceased employees' children until graduation (Tata Steel 2021). To any profit-making, capitalistic corporate organization, this would make little financial sense. Many organizations laid off their employees and a few offered short-term financial help; however, Tata Steel's long-term commitment to their employees and their families during the pandemic was unique and exemplary. This was

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second only to the financial and infrastructural aid that Tata provided at the national level to tide over the unforeseen crisis of the pandemic at its outset in 2020.

Such acts of employee commitment, community orientation, and national service are not new to the Tatas. The very core of the Tata group rests on the vision and philosophy of the founder, Jamsetji Nusserwanji Tata (b.1839–d.1904): ‘In a free enterprise, the community is just not another stakeholder in business, but the very purpose of its existence’ (Jamsetji Tata, Tata group, n.d.). Long before labour laws and human resources management practices were part of business parlance—in India or anywhere else in the world—Jamsetji Tata, in his first major industrial venture of a textile manufacturing plant in the 1880s, introduced exceptional employee welfare measures such as a crèche for working mothers, shorter working hours, well-ventilated workplaces, provident fund, gratuity, and accident compensation (Jamsetji Tata, Tata Group, n.d.). 150-plus years later, the Tata group, diminished neither in profits nor in purpose, has achieved impressive scale on both. Estimated at \$128 billion in revenues in 2021–2022 and a \$21.3 billion brand value in 2021, Tata is India’s most valuable brand with a global workforce of 935,000 workers (Business Overview, Tata group, n.d.). This is next only to its spot in sustainability leadership. The 2022 GlobeScan Sustainability Leaders Survey 2022 ranks the Tata group at number 1 in the Asia Pacific. The group has now featured in the global top 15 for the second time in three years and is the only Asian company to do so (Globe Scan Sustainability Survey 2022). Moreover, Tata has been able to show how its ongoing community initiatives align with UN’s 17 Sustainability Development Goals (SDGs)—the most holistic and comprehensive plan of sustainable living which includes human rights and social justice, besides biodiversity and environment (for Tata’s report, see Stories of Change SDGs Compendium 2019). Even before the UN SDGs came into the picture as streamlined global efforts for countries and organizations to participate in, Tata already had made its mark in initiatives that fit well with the 17 SDGs mission and agenda.

How does the Tata group manage to remain a forerunner in both profitability and sustainability? How does the Tata group sustain the founder’s vision and philosophy? The answer, as we showcase in the

chapter, potentially lies in their uniquely humanistic approach to leading a for-profit organization. In previous research (Tripathi and Kumar 2020), we looked at how the leadership ethos in the Tata group theoretically aligns with the tenets of “humanistic leadership”; ‘[Humanistic leaders are] those, who (1) respect people as holistic human beings by taking care of their own needs as well as their followers’ multiple needs and motives; (2) continuously improve themselves while developing the followers to unleash their full potential and (3) recognize and try to take into account all stakeholders’ interests while striving to pursue the common good’ (Fu et al. 2020, p. 534). Using narrative stories in semi-structured interviews with top-management leaders and middle-managers, we inductively derived insights on how humanistic values translate to leadership behaviours in the corporation. Our analyses of the stories revealed that humanistic leadership in the Tata group was realized through (1) adherence to the founder’s philosophy and the basic core values, (2) leadership with trust, (3) community as the key purpose of the enterprise, (4) senior leaders as mentors and role-models, (5) abiding by the ethical code of conduct, (6) employee-focus, and (7) tacit alignment with Indian cultural values. Moreover, these leadership values get conveyed and institutionalized in the organization through strategic initiatives such as the Tata Business Excellence Model, Tata Code of Conduct, Tata Trusts, and the preservation of the Founder’s Legacy. This synergy of personal values, national cultural ethos, and organizational strategy helps the Tata group realize the humanistic leadership objectives, while also achieving success as a business.

In the present chapter, we extend the theory by qualitatively analysing how Tata leaders navigate the seemingly paradoxical pursuits of profitability and sustainability. We draw upon three sources of information to build our narrative and insights. First, publicly available online sources such as the Tata group websites, digital archival sources, media interviews, and social media posts; these help us understand how the leaders in the Tata group espouse and implement sustainability practices in their business. Corporates increasingly rely on conveying sustainability communication through digital sources, and these have been the focus of empirical scholarly research (e.g., Sánchez-Chaparro et al. 2022; Siano et al. 2016). Second, we review business case studies on the Tata

group published in practitioner-oriented journals such as Harvard Business Publishing (e.g., Khanna et al. 2022). Finally, scholarly journal articles and books provide historical information on the Tata group because Tata's historical legacy, especially the founder's philanthropic vision, deeply influences their present-day ethos and code of conduct. The historical account is particularly relevant to the research on the Tata group because the group prides itself in upholding the founder's vision and values. As Mircea Raianu, a scholar of modern South Asian history, aptly notes: 'Tata's path reflect the broad transition from trade to industry to services, its corporate structure is capacious enough to contain every stage at once, rarely shedding the weight of the past. In this sense, Tata is an apt microcosm of Indian capitalism, both synchronically and diachronically' (Raianu 2018, pp. 816–817). Dynamic as the organization is in terms of innovation and global expansion, certain foundational values are non-negotiable and lend stability and continuity to the culture of the organization, hence its historical accounts are key to understanding any aspect of business in the Tata group. Finally, in the present chapter, we weave direct verbatim quotes with the narrative to capture the authenticity in voice and diction (see Corden and Sainsbury 2005).

By studying the humanistic orientation inherent in Tata's approach to sustainability, we aim to contribute to both theory and practice in business management. The exploration would help academic scholars advance the theory of humanistic leadership while also providing practical insights to practitioners on how humanistic values drive business and sustainability goals simultaneously in a corporate organization—without one goal being compromised at the expense of the other. Academic scholarship sees corporate sustainability as a paradox because economic, social, and environmental goals must be met simultaneously (e.g., Luo et al. 2020). Profitability and sustainability are inherently seen as mutually exclusive. The case study of the Tata group would potentially help scholars understand how the two goals could be interdependently realized. The discussion is also relevant to the literature on corporate sustainability (CS) and corporate social responsibility (CSR) as scholars debate on the conceptual origins of the two phenomena; CSR arose as normative demand for more moralistic organizations whereas

sustainability originated from a systems perspective, especially towards environmental concern (Bansal and Song 2017). Against the UN's broadening of sustainability and the 17 SDGs, in practice, the conceptual distinction seems blurred because the Tata group's ongoing efforts seemed well-aligned with the UN SDGs.

In order to substantiate the above themes, we organize the chapter in the following sections: (1) The fundamental values that drive Tata group's approach to business, (2) Tata's holistic approach to sustainability, and (3) Institutional and governance mechanisms that help Tata achieve sustainability goals.

1 Fundamental Values Driving Tata Group's Approach to Business

Tata group's orientation to running a profit-making organization derives from certain primary values that are integral to all aspects of organizational functioning and culture. We label these values as: (a) Wealth and profits: not a goal but an outcome, (b) A virtuous cycle of giving many times over, and c) Ceaseless momentum of the founder's vision.

Wealth and Profits: Not a Goal but an Outcome

Ratan Tata, former Chairman of the Tata group (1991–2012, 2016–2017) and present Chairman of Tata Trusts, in a co-authored practitioner-oriented journal, explained the Tata group's orientation towards business in the following manner:

There is a persistent myth in the contemporary business world that the ultimate purpose of a business is to maximize profit for the company's investors. However, the maximization of profit is not a purpose; instead, it is an outcome. We argue that the best way to maximize profits over the long term is to not make them the primary goal... companies need a purpose that transcends making money; they need sustainability strategies that recognize that you can make money by doing good things rather than the other way around. (Tata et al. 2013, p. 95)

Tata leaders, generation-after-generation, have continually emphasized this philosophy that ‘doing good’ is the primary aim of business and this yields long-term growth and success. Sir Stanley Reed, the British journalist who was the longest serving editor of the *Times of India*, in the introduction of the 1925 chronicle of Jamsetji Tata by Frank Harris, wrote ‘[Jamsetji Tata] was not in the least indifferent to money nor to the things which wealth can provide.... But wealth was never an end in itself; it was the means to an end, the greater prosperity of India’ (Harris 1925, p. xi).

Reed further noted that the idea of ‘service to the nation’ was primary and wealth generation secondary, which was counterintuitive to business groups, but the founder of the Tata group held the belief with deep conviction:

I can imagine the cynic raising his eyebrows at the thought that the pursuit of wealth through the development of industry can be dominated by the idea of service. Indeed, who has not heard sneers at the suggestion that the acquisition of wealth can have any other object than the mere mechanical swelling of a fortune already large? But to ignore the missionary spirit in business is to be blind to one of the strongest forces in the world; to fail to discern the patriotic objective in Mr Tata’s enterprises is to miss the real lesson which the life of this great Indian has for the present generation. (Harris 1925, p. vii)

Academic scholars have found it intriguing how Jamsetji remained both an enterprising businessman and a dedicated serviceman in colonial India (Kumar 2018; Worden 2003). One point to consider is that Jamsetji had to liquidate his father’s cotton business in 1864 when cotton prices dipped; this unexpected event resulted in Jamsetji adopting an attitude of balance between bureaucracy and the rational corporation, between national and international trade, between privacy and public access, and between business and politics. To this end, Jamsetji adopted a cosmopolitan approach towards talent acquisition, employing specialists and talented non-relatives, a leap forward in a country characterized by caste and family-oriented businesses. Employees at all levels were empowered to build the Tata group to remain profitable while also building a humane and equitable economic order. To avoid overly trusting a

fragile market, Jamsetji employed more transparent and reliable modes of financing than his competitors. By insisting on profit-based commissions, he also sidestepped the prevailing corrupt system of ‘managing agency’ where a small group of individuals extracted commissions from companies regardless of their profitability (Raianu 2021).

Such motivations also map onto the Indian cultural values of *nishkam karma*—detached and selfless action. Even British India officers, during the colonial era, did not fail to notice this detached approach to wealth. Sir Lawrence Jenkins, Chief Justice of Bombay High Court, 1905, summed up Jamsetji Tata’s character and approach to wealth:

Wealth came to him in full measure, but he remained to the last what he was by nature, a simple, modest gentleman, seeking neither title nor place, and loving with a love that knew no bounds the country that gave him birth. (cited in Harris 1925, p. 309)

Scholars and associates observed that Jamsetji was uniquely perceptive: on the one hand, was his extraordinary vision and ability to conceive complex projects and on the other was his sharp eye towards small details. They document him as a rare individual who interacted freely with people from all sections of society and combined his wealth with his imagination to generate schemes that benefited his fellow citizens (Wacha 1914). What explains this motivation is primarily the ‘national ideals which governed all his industrial work’ (Reed in foreword to Harris 1925, p. vi). Jamsetji’s chronicle writer, Frank Harris continually emphasizes the love for the country as the primary motivation: ‘So eager was he for the well-being of his country, that it only needed a spark to kindle the fire which was already laid in his heart [for extending the business]’ (Harris 1925, p. 123). The seeds for the love for humanity also derive from the Jamsetji’s Zoroastrian faith in which the cardinal values of *Humata* (good thoughts), *Hukhta* (good words), and *Hvarshta* (good deeds) govern one’s day-to-day living and thinking. These three words and the message they convey are so important to the Tata group that these can be found inscribed in a key place in offices and buildings.

Jamsetji was one of the leaders of Indian industrialization, and his establishment of Tata Steel shifted the focus of the Indian economy from

trading to manufacturing. In doing so, Jamsetji demonstrated nationalism before it came to be identified as a national movement in the Gandhian era. Not only did Jamsetji have the foresight to envisage India's potential future through the intelligent use of science and technology, but he could also focus on specific progressive areas like steel and hydro-electric power. Despite such intellect, his concern for the country and people was paramount.

From the mainstream Western literature on leadership, Jamsetji's leadership would be seen as exemplary. In *Good to Great*, Jim Collins describes five tiers of leadership: level 1 leader contributes to organizational results using their skills while level 5 leaders execute at a level that makes their company successful even in their absence, and sets up their successors to succeed (Collins 2005). Jamsetji clearly was a level 5 leader who placed people above profits: for example, he installed the first humidifiers, water filtration plants, and fire sprinklers in India to keep his workers in safe and comfortable working conditions. He offered pension funds to retirees and accident insurance to employees injured at work. He established employee provident funds, apprentice schemes, grain depots, and dispensaries in Tata companies. When the plague broke out, he personally arranged to have his household staff and visitors inoculated. He brought home plants and animals he encountered during his visits abroad and arranged to grow them to enhance our flora and fauna. He pursued national development, and people development, as his calling.

A Virtuous Cycle of Giving Many Times Over

The Tatas have a unique approach to philanthropy. Jamsetji Tata believed:

'There is one kind of charity common enough among us, and which is certainly a good thing, though I do not think it the best thing we can have. It is that patchwork philanthropy which clothes the ragged, feeds the poor, and heals the sick and halts. I am far from decrying the noble spirit which seeks to help a poor or suffering fellow-being. But charities of the hospital and poor asylum kind are comparatively more common and fashionable among us Parsis. What advances a nation or community

is not so much to prop up its weakest and most helpless members as to lift up the best and most gifted so as to make them of the greatest service to the country. I prefer this constructive philanthropy which seeks to educate and develop the faculties of the best of our young men.' (cited in Lala 2004, p. 34; originally attributed to an interview with Jamsetji Tata published in *West Coast Spectator*, 9 February 1899)

Jamsetji Tata also laid the foundation of organized philanthropy by a business group by setting up the J N Tata Endowment in 1892 to provide for higher education of Indians aspiring to go abroad. In 1896, he donated half his wealth, 14 buildings, and four landed properties, to set up an advanced institute of science, presently called the Indian Institute of Science, Bangalore. To further streamline these philanthropic initiatives, his sons, Sir Ratan Tata and Sir Dorabji Tata, set up Trusts, in the early decades of the twentieth century, even before India's independence from the British rule in 1947. The two sons, walking in their father's footsteps, bequeathed a large portion of their personal wealth for welfare measures. The philanthropic activities of the Tatas steadily advanced over the years, and currently, 66% of the shares of the Tata Sons—the primary holding company of the Tata group—are held by Tata Trusts, the philanthropic arm of the Tata group. Tata Trusts is as active in community initiatives in healthcare, education, rural livelihoods, and ecological preservation as the Tata group is in industrial enterprises and business expansion in India and abroad. JRD Tata, Chairman, Tata group (1932–1991) put it:

The wealth gathered by Jamestji Tata and his sons, in half a century of industrial pioneering, formed but a minute fraction of the amount by which they enriched the nation. The whole of that wealth is held in trust for the people and used exclusively for their benefit. The cycle is thus complete. What came from the people has gone back to the people many times over.

This approach to philanthropy also reflects in the governance of the Tata Trusts. Russi M. Lala, the director of Sir Dorabji Tata Trust, for 18 years and the co-founder of the Centre for Advancement in

Philanthropy and its chairman from 1993 to 2008 reflected in an interview:

I was in the Tata trusts for almost 20 years. JRD Tata had asked me to join the trusts.

He never interfered, even though he was the Chairman and had the power to do it. That is the great thing about leadership in business, to know when to use power and to know when not to use power... The real power lies in the Trust, that is where it rests. The Trusts have the moral influence over the whole Group. (Thomas 2012)

The overarching philanthropic orientation of Tatas has piqued the interest of academic scholars and researchers. As noted earlier, some attribute it to Jamsetji Tata's upbringing and early socialization as a Parsi priest—a faith in which *Humata*, *Hukhta*, and *Hvarshata* (good thoughts, words, and deeds) are seen as the cardinal virtues (Mohapatra and Verma 2018; Worden 2003). Others see it as 'pragmatic gift-giving' which was paradoxical in nature, in that it adhered to scientific organized principles of giving such as trusteeship, while also deriving from intuition and an empathic approach of '*danam*' or selfless giving and service (Kumar 2018). The abiding sense of humanistic orientation—of using business to create resources of the common good, nation's upliftment, and human welfare—is a common theme in all theoretical interpretations.

The Ceaseless Momentum of the Founder's Vision

Tata group's present-day credo of 'Leadership with Trust' and its mission and values of 'Integrity, Responsibility, Excellence, Pioneering, and Unity' owe not only to the founder's vision but also to the steadfastness with which the successive leadership has held the vision. Sir Stanley Reed, the British journalist, seems to have foreseen the missionary zeal it when he wrote the introduction to Frank Harris's (1925) chronicle of Jamsetji:

By the time Mr. Tata's own life was spent, the foundation work had been so well and truly accomplished, his sons and lieutenants, were so firmly

imbued with his own ideals, that the momentum he had given to these great ideas drove them irresistibly forward. His sons, and in particular his eldest son, Sir Dorabji, regarded the execution of their father's project as a solemn filial obligation; his lieutenants were proud to devote their lives to the completion of the work of their revered chief. Others reaped, but he sowed; the harvest is as assuredly his as if he had actually garnered the fruits of his careful, courageous, and imaginative sowing. (Harris 1925, p. ix)

The founder's vision is a sacrosanct philosophy and a non-negotiable deep-rooted value in the Tata group. The group considers this their driving force. For example, Tata Sons current Chairman, Natarajan Chandrasekaran—the first non-family affiliate—when asked in a leadership awards ceremony, if he would like to change anything in the Tata group, spontaneously replied:

The biggest strength of the group is that its ethos and values are deeply ingrained. I won't want to do anything with the ethos. I would say we have, over the last 150-odd years, built a reputation of tremendous trust. The only thing I worry about is to continue to behave in a way to deserve that trust. Change is constant—I would like us to be more agile, performance centric, more digital, sustainable... we are making huge changes. What we are attempting to do in this decade is a huge transformation. Because we want to be ready for the next 50 years, but the ethos and values have to be intact. Everything else can change. (Majumdar 2022)

Successive leadership has adapted their founders' view in a structured manner adhering to national and global standards of sustainability management. The Tata Business Excellence Model (TBEM), a foundational tool driving business operations across all organizations in the group, focuses equally on stakeholder engagement and sustainability. Sustainable human development is measured annually for each company using the Tata Index for Sustainable Human Development. The index measures business outcomes at three levels of sustainability: systems, people, and programmes. The Tata group also recommends ISO 14001 certification for all its member organizations (Haugh and Talwar 2010).

Jamsetji Tata's calling of service to the nation is so firmly entrenched in the Tata group that many strategic decisions that *prima facie* seem counterproductive in business dealings are driven by this value. In a recent case study written by Harvard Business School scholars Tarun Khanna and colleagues debate how prudent Tata's acquisition of the loss-making and debt-ridden Indian public airlines, Air India, in October 2021 was. One key observation that feeds in case writers' analysis of Tata's decision is the signature trait of the Tata group, 'Many of its pioneering efforts were led by the belief that what was good for India was good for the Tata Group' (Khanna et al. 2022, p. 2). The group—to present day—remains firmly committed to the Founder's mission and vision.

2 A Holistic Approach to Sustainability: Environment, Society, Governance, and More

One key facet of sustainability—environment—was as natural a concern to the Tatas as employee orientation. Jamsetji Tata treated Bombay (now Mumbai) with a homeowner's care and respect. To sustain low pollution levels in the city and to keep a constant supply of electricity, he envisioned a hydroelectric power in Mumbai. Although he did not live to see the completion of the project, his sons Sir Dorabji Tata (1859–1932) and Sir Ratanji Tata (1871–1918) set up the hydroelectric company which also used India's first clean energy plant. Tata Power as it is now called, rigidly maintains the environmental sustainability principles, as stated in its public statement:

Sustainability being our core philosophy, Tata Power leads the way in generation of non-emitting sources of energy that provide low-cost electricity and help reduce carbon emissions. With a 30% clean energy portfolio, aiming to be 80% by 2030, Tata Power comprises the entire gamut of alternate sources to power the world. Tata Power influences and is influenced by different stakeholder groups across our value chain. Our objective in sustainability is to engage with and address their

needs, ensuring we practice leadership with care. (Tata Power—Our ESG Philosophy, n.d.)

The present-day articulation of Tata Power's environmental sustainability goals resonates with what JRD Tata envisioned decades earlier:

I believe that the social responsibilities of our industrial enterprises should now extend, even beyond serving people, to the environment. This need is now fairly well recognized but there is still considerable scope for most industrial ventures to extend their support not only to human beings but also to the land, to the forests, to the waters and to the creatures that inhabit them. I hope that such need will be increasingly recognized by all industries and their managements. (Foreword in Lala 1992)

In 2017, the Tata group published its report, *We Dream of a Better World*, to showcase how its initiatives align and contribute towards UN's 17 Sustainable Development Goals (SDGs) to be achieved by 2030. The report states:

The Tata group believes that the role of business is not just about giving back to society from its profits but also about ensuring that the processes it employs to earn these profits are ethical, socially responsible and environmentally sound. Sustainability is built into the Tata group's business processes through a well-defined policy, a value system committed to social expenditure and environmental preservation, and through a governance structure that engages employees and other key stakeholders. (p. 3)

The report contained 65 case studies chronicling different initiatives of companies in the Tata group across geographies, and of the Tata Trusts' philanthropy efforts in India. The Tata group not only showcased how its socially and environmentally conscious activities are aligned with the SDGs but also meticulously decoded what a particular Tata initiative did, what was the impact, what were the key success factors, what were the challenges, what were the value levers for the company. Mukund Rajan, Chairman of the Tata Global Sustainability Council, and a member of the Group Executive Council at Tata Sons, reflected:

We continue to be guided by Jamsetji Tata's business philosophy and by the new opportunities that the SDGs present to us, to meaningfully impact the global discourse, design and developmental agenda. So, this report is a testimony to the difference we are making in the world through our business innovations or by helping the communities in need. (Tata Releases Report on Contribution to Sustainable Development Goals 2017)

Mukund Rajan while taking stock of Tata's sustainability policies, and how Tatas take sustainability personally made an eloquent concluding remark in a mainstream article:

Bombay House, the group's headquarters, became the first and only heritage building in India to be awarded the 'Platinum Rating' of the Indian Green Building Council (IGBC). Proof, if any were required, that the group will continue to build on its rich heritage of commitment to sustainable development. (Rajan 2016)

In May 2019, the Chairman of Tata Sons, signed the Tata Sustainability Policy with the philosophy, 'The Tata group is committed to integrate environmental, social and ethical principles into its business which is central to improving the quality of life of the communities we serve globally and enhancing long-term stakeholder value.' The 'principles' outlined in the document mentioned that the Tata companies shall:

- Integrate sustainability considerations into all business decisions and key work processes, with the aim of creating value, mitigating future risks and maximizing opportunities.
- Follow the highest standards of governance and transparency.
- Embody principles of product stewardship by enhancing health, safety, environmental and social impacts of products and services across their lifecycles.
- Provide employees and business associates with working conditions that are clean, safe, healthy and fair.
- Strive to be neighbours of choice in the communities in which we operate and contribute to their equitable and inclusive development.

(Tata Sustainability Policy [2019](#))

The ‘commitments’ in the Tata Sustainability Policy included that all Tata companies will:

- Aspire for global sustainability leadership in the sectors in which we operate. To achieve this, we will:
 - Constitute a governance structure to oversee our sustainability commitments.
 - Identify relevant and material sustainability issues and develop comprehensive sustainability strategies with goals, targets, mitigation and adaptation action plans to address them under the aegis of our boards.
 - Report in line with global reporting frameworks.

(Tata Sustainability Policy [2019](#))

The formalization of a comprehensive sustainability policy came close on heels with other governance mechanisms such as the Tata Sustainability Group.

3 The Tata Sustainability Group: An Integrative Platform for Sustainability Knowledge, Advisory, and Execution

To consolidate the sustainability initiatives of individual companies within the Tata group, a central nodal agency, the Tata Sustainability Group (TSG) was formed in 2014. As articulated in the TSG website: ‘TSG is driven by a mission to guide, support and provide thought leadership to all Tata group companies in embedding sustainability in their business strategies and demonstrating responsibility towards society and the environment’ (Tata Sustainability Group, n.d.). TSG represents the Tata group in international sustainability platforms by

providing 'knowledge, advisory, and execution services' to the Tata group companies.

Knowledge Services

TSGs knowledge services include three subgoals: awareness creation, capability building, and advocacy and memberships. This is done through compiling the best practices, research studies, and organizing workshops, events, webinars, and training modules for dissemination purposes.

Advisory Services

TSG helps define the group-level agenda and policies on sustainability. It helps assess the overall sustainability performance of the group. In addition, TSG helps align the sustainability goals of the Tata group with individual companies, hence acting as an 'in-house advisor,' on various facets of sustainability as described below

Through our advisory services we help Tata companies undertake stakeholder engagement and materiality assessment, leading to the development of their sustainability strategy which outlines the KPIs and goals for material sustainability issues. We work with them on detailed strategies and roadmaps for material issues such as climate change, water stewardship, strategic CSR, volunteering, supply chain sustainability etc. We also provide advice on governance and reporting, helping companies put in place sustainability governance at Board level, developing mechanisms to engage the Board on sustainability and reviewing their sustainability disclosures. (Tata Sustainability Group, n.d.)

Execution Services

TSG's execution function covers two key services: (1) implementing the group volunteering programme, Tata Engage, and (2) responding

to humanitarian emergencies and strengthening disaster risk reduction strategies through its Disaster Management team.

Tata Engage

TSG streamlined and organized the employees' group-level volunteering service activities by launching Tata Engage on 3rd March 2014, the 175th birth anniversary of the founder Jamsetji Tata. The platform's website (www.tataengage.com) eloquently defines its philosophy:

At the Tata Sustainability Group, we believe that the Group's legacy of 'giving back' can best be practised by rolling up our sleeves and being the change that we wish to see in this world. Volunteering is one of the key mechanisms that we have chosen to channelize our most valuable assets, our people, towards societal good. (Tata Engage, n.d.)

Tata Engage platform helps volunteers contribute their time and skills via three different channels – experiential volunteering events through Tata Volunteering Weeks, skill-based, weekend projects through ProEngage and volunteering for Tata Disaster Responses. Since its inception, Tata Engage volunteers have clocked over 1 million volunteering hours annually, placing Tata Engage among the top 15 corporate volunteering programmes globally. (Tata and the Community | Tata Group, n.d.)

Disaster Response

In the face of emergencies like natural calamities or man-made disasters such as riots, the Tata group provides rescue, relief, and rehabilitation. Historically the disaster response team was the Tata Relief Committee but now TSG has taken over this role under the umbrella of 'One Tata.' Relief mechanisms range from emergency services to family food kits, safe shelter, and counselling camps. Tata Disaster Response guidelines are streamlined for quick response; they also 'set down the broad principle of enabling the Tata ecosystem to respond better to disasters, rather than just writing cheques as a response to communities in need' (see The Tata Disaster Response Guidelines, n.d.). The policy is guided by ten core

values where value no. 1 is ‘we want to do good.’ The disaster response team has very granular guidelines, but a simple mantra of ‘doing good’ keeps the team responsible.

Apart from ongoing projects, the Tata group hosts two annual sustainability-focused events: **The Tata Sustainability Conclave**.

This is an annual conference-style event which provides a platform for Tata leaders from across the organization to come together and share their sustainability initiatives and experiences. For example, the 2019 conclave (Tata Sustainability Conclave, n.d.) included field visits, plenary sessions, and technical sessions for the participants. Field visits included Tata Consultancy Services’ biodiversity efforts in their urban campus to tribal village where interventions in sectors of education, water, livelihood, health and sanitation have been introduced, and other social initiatives on social and educational fronts. Plenary sessions had experts talk on topics such as ‘Resource efficiency and circular economy,’ and plenaries included discussions on social inclusion, health, and water management, culminating in awards for companies which excelled in the ‘Tata Volunteering Week.’ Besides knowledge-sharing, such an event helps showcase the best practices and precedents set by the Tata group across different geographical regions and industries.

Tata Sustainability Month

In order to commemorate the World Environment Day, TSG has instituted the month of June as the Tata Sustainability Month (TSM). This month draws concerted efforts and action on three key goals:

Unpack sustainability: to have a common understanding of the term and what it means for the Tata group

Mainstream sustainability: position it at the heart of business, by disseminating attributes of Tata sustainability policy, philosophy, principles and commitments

Inspire colleagues: to bring about a change in their lives through sustainable actions, making sustainability a habit. (Tata Sustainability Month, n.d.)

A Group Chief Sustainability Officer, Tata Sons is appointed as the head of the TSG. Present incumbent, Mr. Siddharth Sharma, opines:

As the world moves forward in the decade of action, the urgency and criticality of achieving the SDGs has never been starker...Amidst these challenges, we are also witnessing renewed hope and confidence as governments, businesses and civil society come together to forge new partnerships to ensure sustainable development. The Tatas, as a responsible corporate citizen, have always played a part in partnering with the government on national priorities and ensuring that our growth impulses are firmly aligned to the requirements of sustainability and judicious use of scarce resource (Sharma [2022](#), p. 213).

TSG, embracing the ‘brand identity’ of Sustainable Meaningful Actions for a Responsible Tata (SMART) (Tata Sustainability Month, n.d.), stays committed to the following goal:

The Tata group has shown that tradition can be embedded into its future vision. In keeping with that vision, Tata companies are building multinational businesses that seek to drive sustainable, profitable growth through customer-centricity, innovation, trustworthiness and values-driven business operations, while balancing the interests of diverse stakeholders, including customers, employees, financial stakeholders, value chain partners and the environment and society at large.

(Tata Sustainability Group, n.d.)

4 Tata Steel: Ensuring Sustainability in a High-Stakes Environment

Tata Steel is Tata group’s oldest and the most prized venture, not only for its economic and commercial value but also for its social-emotional legacy. Set up in pre-independent India, it symbolizes Tata group’s commitment to take India to higher levels of industrialization and self-reliance and the founder’s oft-quoted remarks of building a town around the steel plant which symbolizes Tata’s commitment to

humanistic values of community service, environmental care, equality, and harmony; Jamsetji Tata wrote in 1902, five years before the steel plant was to begin operations to his son, Dorab: 'Be sure to lay wide streets planted with shady trees, every other of a quick-growing variety. Be sure that there is plenty of space for lawns and gardens. Reserve large areas for football, hockey and parks. Earmark areas for Hindu temples, Mohammedan mosques and Christian churches' (Lala 2004, p. 12).

Currently, Tata Steel is a Great Place to WorkTM organization. With its subsidiaries, associates, and joint ventures, Tata Steel Limited is spread across five continents with an employee count of over 65,000. Consolidated turnover is US \$32.83 billion in the financial year ending 31 March 2022. Tata Steel Limited and Tata Steel Europe have been recognized as 2022 Steel Sustainability Champions by the World Steel Association and have been consistently ranked among the top 10 steel companies in the DJSI Corporate Sustainability Assessment since 2016.

The mining industry poses unique challenges to the Tatas. Land, where raw material is available, is often the home of indigenous tribal groups, also called *adivasis*, and the construction of manufacturing plants requires that local inhabitants be displaced. Their humanitarian approach and welfare programmes for the rural and indigenous populations notwithstanding, the Tatas have had to face resistance from *adivasis* who harbour natural resentment and systemic distrust around displacement issues. The Tata Steel plant planned in Kalinganagar was one such project. Tata Steel had bought the land through government mediation but the *adivasis* resisted the construction. On 2 January 2006, protestors turned violent when police opened fire and shot dead 13 tribals leading the protest. The tribals came together to build resistance organizations called Bhumi Suraksha Sanghatans (BSSs) which stopped the projects. They continued to occupy the disputed land while the government attempted to woo them with settlement for rehabilitation. Increased settlements were paid and the tribals refused to move, constantly protesting any local industrialization. Tata Steel eventually acquired the land through government intervention (Banerjee 2011). However, typical of the Tata group, this incident did not go uncared for

in terms of organizational learning. It inspired deep thinking and reflection, and subsequently concrete action from the leadership, as recorded in a business case study:

Although three years had now passed, the events of Kalinga Nagar still influenced thinking at Tata Steel. Mr. Dasgupta, the vice president of corporate services, reflected on how the firm had learned many lessons over the years, one of which was to develop deeper relationships with the community. While the firm had previously focused on a single aspect of social service, such as education or health care, to avail of economies of scale, the emphasis now shifted to a holistic approach based on “listening and learning” from the stakeholder. The firm took up blocks of villages to integrate health care, education, and empowerment, not only to increase social welfare, but also to sustain better quality of life through employment and higher income levels. (Joseph 2011, p. 5)

To integrate tribals into the mainstream economy and to increase national awareness of their unique challenges, Tata Steel built a platform called *Samvaad* in 2014. It started as a 4-day festival of tribal art and culture, featuring expert panels and documentaries on Indian tribes. Although it was initially a one-off event at Jamshedpur, increasing interest and participation by tribals have resulted in local events across Kerala and Gujarat. At this annual event, there are discussions around core issues that tribals face like identity, land ownership, culture, and employment. Tata Steel now offers fellowships to tribal students looking to complete their professional education (Tata Steel Press Releases 2020). A similar platform for community engagement is ‘Arunima’ which aims to develop children, youth, and farmers in Kalinganagar (Tata Steel Foundation Annual Report 2020). In the health domain, Tata Steel operates in Odisha the Lifeline Express train, a mobile hospital equipped with doctors and adequate infrastructure for surgery. Tribals and others across the state may use the facilities for free to get adequate medical care. Tata Steel Foundation (TSF) also focuses on capacity building of the tribal population by building Industrial Training Institutes (it is) in the area. Sourav Roy, chief, Corporate Social Responsibility, Tata Steel,

said, 'TSF's focus will be on reaching out to excluded communities, especially in the tribal belts, where youths receive specialized skills, the right knowledge and know-how to apply them' (Telegraph India 2022).

The interventions oriented towards the tribal were in line with the idea of 'inclusive growth' that Tata's espouse. In the aftermath of the Kalinaganer incident, the then Managing Director, Mr. Muthuraman, had underscored this philosophy in the following manner:

Inclusive growth has been our founding philosophy, the *raison d'être* of our existence...As we grow and globalize in the new century of our history, we once again, much like we did in our initial years, have the opportunity to work with nations, diverse communities and groups. Business practices established by us through good times and difficult ones reaffirm our faith that even as inclusive growth may change in form and character to evolve with time, it will always drive sustainability, and through it, profits (quoted in Joseph 2011, p. 9).

Tata Steel, therefore, exemplifies, how the humanistic goal of caring for the community, can help overcome the challenges of backlash and resistance from the locals. Industrialization, if carried out sensitively in a sustainable manner, can be the engine of growth and development, for the neighbourhoods and local communities.

5 Conclusion

Academic scholars see corporate sustainability as a paradox because economic, social, and environmental goals have to be met simultaneously (e.g., Hahn et al. 2010; Luo et al. 2020). Further, researchers warn against conceptual fuzziness associated with corporate sustainability and corporate social responsibility because the origin of the two literatures is distinct; responsibility arose as normative demand for more moralistic organizations, whereas sustainability originated from a systems perspective especially towards environmental concern (Bansal and Song 2017). Considerations of the Tata group's achievements in sustainability, responsibility, and profitability, suggest that the fountainhead of success in these

dimensions is the adherence to the humanistic ideal of ‘community not being another stakeholder but the very purpose of its existence.’ The group’s loyalty to the founder’s vision has been institutionalized through the Tata Trusts and through governance mechanisms such as the Tata Sustainability Group.

The 17 SDGs outlined in the United Nations’ 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, have shown comprehensively how ‘sustainability’ is meaningfully defined and measured. That the Tata group has had ongoing activities in many of those SDGs attests to the foresight and imitativeness Tatas have shown towards adopting a holistic sustainability goal. Tatas have shown their formal commitment to the SDGs, reinforcing the idea that the SDGs can be accomplished with combined efforts of governments, private organizations, and civil society.

The Indian Companies Act (2013) legally mandates CSR spending as well as CSR governance for organizations having a net worth of rupees five hundred crores or more (roughly 60 million USD), or turnover of rupees one thousand crores (125 million USD) or more or a net profit of rupees five crores (625 thousand USD) or more during any financial year. However, Tatas contribution is exemplary: they have gone above and beyond the legal mandates to adhere to organized philanthropy of serving the nation which suggests that it is a moral imperative not a legal mandate. The problem with mandatory measures is that they lead to regulatory compliance, but rarely to active participation (Krishnan 2019). According to a 2018 survey linking SDGs with corporate actions in India conducted by the Federation of Indian Chambers of Commerce and Industry, one key impediment to offering active support to SDG is the lack of appreciation for the alignment between SDGs and the priorities of business. In taking note of the sustainability contributions of other Indian organizations, Tata group, again, is well-represented followed by other traditionally family-owned organizations such as Birlas and Mahindras. Again, it could be the case that older pre-independence era organizations in India owe their longevity and growth to adherence to the sustainability ideals owe their longevity and growth to adherence to the sustainability ideals espoused by their founders.

The Tata group systematically implements sustainability as a company-wide priority embedded into its corporate value systems as well as institutional practices. Sustainability is not restricted to the occasional discourse by leadership but translated into action on a daily basis. Also, sustainability requires collaborative action across organizations and functions, and the Tata group has multiple initiatives with this specific intent. Involving employees from diverse backgrounds is a positive step because it creates buy-in and affords them opportunities to learn while working on projects with tangible social and environmental impact. For example, employees of Tata Chemicals in Gujarat built a biodiversity reserve plantation and seed bank, resulting in the reforestation of 90 acres and protecting several at-risk native species. Other projects include conserving whale sharks and promoting ecotourism ventures. Finally, sustainability becomes an integral component of long-term organizational strategy with avenues for organizational learning and expansion of current organizational knowledge systems (Haugh and Talwar 2010; Preuss and Cordoba-Pachon 2009).

The Tata group upholds the humanistic value that organizations can do good by being good. For large organizations with access to resources, achieving sustainability targets requires leadership commitment. Tata leaders, right from the founder to the present chairman have championed the cause of human and social welfare, and have considered profitability as secondary to sustainability. Tata's institutionalized practices such as Tata Trusts, and Tata Sustainability Group have helped the leaders translate the abstract ideas into action. When performed to scale, sustainability initiatives can drive social change while enhancing corporate reputation. In this manner, the vision of the Tata group and its founder to prioritize social and human welfare has contributed substantially to the national development.

The case of the Tata group lends itself to theory-building in humanistic leadership, in that the group's adherence to sustainability as the primary goal, giving back many times over to the community, and commitment to the founder's vision can be seen as key markers of abstract humanistic principles. Researchers can undertake empirical studies to assess how much do organizational leaders prioritize these goals

in designing and running corporate organizations, and whether integrating these values with the organizational culture helps mitigate the dissonance arising out of seeing sustainability and profitability as paradoxical. In the case of the Tata group itself, researchers can undertake experimental empirical research to understand the causal pathways from the adoption of humanistic values to business profits, say by introducing novel ways of priming the values and seeing the effect on work outcomes such as motivation, job engagement, productivity, etc.

Implications

What are the key take-aways then for business leaders and enterprise builders? Tata group's case study reveals one key point which resonates strongly with the tenet of humanistic leadership—'take into account all stakeholders' interests while striving to pursue the common good' (Fu et al. 2020, p. 534). In Tata's case, community is seen as the very purpose of business. This conceptual mapping may seem like an abstract idea, but deductively we can arrive at the conclusion that when a humanistic philosophy, an ideal, or a value that serves as the guiding principle for all organizational activities then the growth of business derives from this value, rather than being tertiarily imposed on it. So, adoption of a central humanistic value, and ways to keep this value deeply ingrained and broadly manifested, is the message that practitioners and leaders may draw from Tata group's case study.

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Humanistic Practices



Engaging Employees Through Cultivating Habitual Behaviours: Humanistic Leadership Practices at the Fotile Group

Boxiang Lin, Pingping Fu, and Bo Yang

1 Introduction

Many scholars have recognized the importance and influence of organizational culture because it penetrates into organizations by influencing every aspect of organizational behaviours (Saffold 1988). Organizational culture is the DNA, which represents the present and future of the organization (Barrett 2008). Organizational culture includes the

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beliefs, values and assumptions shared by organizational members, which could be passed from one generation of organizational members to the next generation (Cameron and Quinn 2011; Deshpande and Webster 1989; Schein 1990, 2010). The shared beliefs, values and assumptions influence the behaviour of organization members by guiding their decisions and actions (Schein 2004). Many empirical studies have shown that organizational culture affects outcomes at multiple levels, such as employee productivity (e.g., Joseph and Dai 2009), self-confidence (e.g., Triwahyuni et al. 2014) and organizational commitment (e.g., Nikpour 2017) at the individual level and organizational innovation and effectiveness at the organizational level (e.g., Denison and Mishra 1989; Feldman 1988). Improving employee engagement is a significant approach that causes organizational culture to influence organizational performance (Meng and Berger 2019).

Employee engagement was first proposed by Schaufeli et al. (2002), who believed that it is an individual behaviour characterized by vitality, dedication and concentration, which help employees feel immersed and engaged. Many studies have tested the effects of company cultures on employee engagement, and the results show that engaged workers demonstrate deep, positive and emotional connection at work and will do their best to be engaged at work (Jindal et al. 2017; Saks 2006). Fernandez (2007) also found that engaged employees can increase productivity, foster a positive work environment within the team and have a positive impact on organizational performance. Numerous studies have also shown that employee engagement has an important impact on predicting employees' work attitude, performance, turnover intention, organizational commitment and organizational reputation (Bakker and Leiter 2010; Christian et al. 2011; Gruman and Saks 2011; Karatepe and Olugbade 2016; Saks 2006).

However, despite the obvious positive effects of organizational culture on employee engagement, which then positively influence organizational performance, very few studies have examined the specific practices that help employees internalize organizational culture and specific ways to stimulate employee engagement (Ritchie 2000). This chapter aims to fill this gap by introducing the approach used by Fotile Kitchenware Group

Company Ltd. (hereafter, Fotile) to improve the company culture and job engagement.

This chapter introduces the “Five Ones Happiness Method” (hereafter, “Five Ones”). The “Five Ones” include “setting a goal”, “reading a classic book”, “showing filial piety”, “correcting a mistake”, and “doing a kind deed”. Fotile uses this method to encourage employees to internalize a positive company culture and improve employees’ engagement. The “Five Ones” method is an important starting point for implementing the organizational culture. The company founder uses the method to integrate the teachings of Chinese sages and to promote creative transformation. The foundation of the “Five Ones” is the Chinese traditional classics, including the *Analects of Confucius*, *The Great Learning*, and *Liao-Fan’s Four Lessons*. Under the influence of Fotile’s culture, employees show a high level of engagement. As a result of the changes, Fotile was awarded the “Best Employer” in 2017 and all employees’ satisfaction levels reached 86% in 2021 according to HR consulting firm Hewitt Associates. We first introduce the concept of organizational culture and leadership in the literature and then introduce the case company and its humanistic leader. After discussing the content and the effectiveness of the “Five Ones”, we discuss how they can be implemented.

2 Organizational Culture and Leadership

Research on organizational culture has received considerable attention, with more than 8000 related articles on the Web of Science. Due to the large number of studies in this field, we mainly focus on the meta-analysis of organizational culture, so we can summarize the impact of organizational culture. One of the most popular classifications of organizational culture is the Competing Values Framework (CVF) model proposed by Quinn and Rohrbaugh (1983). They present four types of organizational culture: clan (group), adhocracy (developmental), market (rational) and hierarchy. The assumption of clan culture is based on interpersonal relationships so people are likely to behave appropriately when they have trust and loyalty to the organization.

Under adhocracy culture, people show appropriate behaviours after understanding the importance and influence of the tasks. The basic assumption is that change promotes the creation or acquisition of new resources. Market culture is based on achievement, and the characteristic behaviours are goal setting, emphasizing competitiveness and enterprising spirit. Under market culture, people show appropriate behaviours according to the rewards they received from their achievements. Hierarchy culture assumes control, stability and predictable efficiency, so when employees' roles are clearly defined, they meet expectations. The corresponding characteristic behaviours are routinization, formalization and consistency (Quinn and Kimberly 1984).

Hartnell et al.'s (2019) meta-analysis showed that different organizational cultures are associated with different types of leadership styles. Organizational culture not only originates from leaders but also evolves and changes due to leaders' behaviours (Bass and Avolio 1993; Schein 1992; Kotter 1996). Leaders control mechanisms that influence organizational culture, including establishing working groups, shaping the environment, creating systems of task forces and exerting significant influence on people around them by setting goals and encouraging them to achieve goals (Schein 1992). Especially in the organizational formation and development process, the actions of organizational leaders and founders have a more important impact on organizational culture, because leaders establish the goals, principles, and values for organizational members to address internal integration problems and solve external adaptability problems (Trice and Beyer 1993; Schein 1991). Klein et al.'s (2013) empirical research confirmed the influence of leaders on organizational culture. After investigating 2662 individuals from 311 organizations, they found that leadership style has an impact on organizational culture and that leaders' leadership skills are a key factor in creating and strengthening cultural norms. Organizational culture also has a positive impact on organizational effectiveness.

Empirically, transformational leadership has been shown to relate to an innovative, bureaucratic, supportive and learning orientation organizational culture (e.g., Gong et al. 2009; Sarros et al. 2008; Van der Voet 2014). However, ethical leadership has a negative relationship with

a transactional organizational culture (Toor and Ofori 2009). In addition, a moral organizational culture is associated with long-term ethical leadership (e.g., Sama and Shoaf 2008). Authentic leadership is positively associated with a commitment culture (Lee et al. 2019), and a learning and innovation orientation organizational culture through the honesty and clear guidance of leaders (Gardner et al. 2005; Jung et al. 2021). Servant leadership has a strong positive effect on a clan culture, innovative culture and market culture, while it is negatively related to a hierarchical culture (Xia and Huang 2015). Paternalistic leadership is associated with an innovative and creative-oriented organizational culture through stimulating innovative and knowledge-sharing behaviours (Ağalday and Dağlı 2021; Tian and Sanchez 2017).

Unlike these leadership styles that promote one or two characteristics in the culture, humanistic leadership is associated with multiple characteristics, including high engagement, trust (respect) orientation and supportive and socializing organizational culture, particularly in taking care of employees (Anadol and Behery 2020; Ono and Ikegami 2020; Tripathi and Kumar 2020; Vora and Kainzbauer 2020). The most popular definition of humanistic management was proposed by Melé (e.g., Melé 2009, 2013, 2016), who defined humanistic management as “management that emphasizes the human condition and is oriented to the development of human virtue, in all its forms, to its fullest extent” (Mele 2003, p. 79). This definition has been widely cited. Fu et al. (2020) defined humanistic leadership in a special issue on Humanistic Leadership across Cultures as leadership that “(1) respects people as holistic human beings by taking care of their own needs as well as their followers’ multiple needs and motives; (2) continuously improves themselves while developing the followers to unleash their full potential; and (3) recognizes and tries to take into account all stakeholders’ interests while striving to pursue the common good” (p. 538).

Although organizational culture has shown a positive relationship with employee engagement (e.g., Reis et al. 2016) and that leadership is a key factor that affects organizational culture (e.g., Klein et al. 2013), few studies have examined how to help employees internalize organizational culture. In addition, in the literature on organizational culture and work engagement, numerous studies have focused on the relationship

between organizational culture and work engagement. However, these studies have failed to describe how organizations can build and implement the corresponding culture (Gupta et al. 2018; Reis et al. 2016). For example, Huhtala et al. (2015) found that an ethical culture is related to high-level work engagement, but he did not describe how to build and implement an ethical culture. Thus, few studies have shed light on how companies can help employees internalize organizational culture and stimulate employee engagement. This chapter used a case study of the Fotile company to illustrate how they have internalized organizational culture and achieved high employee engagement under the influence of humanistic leadership.

3 The Case Company: Fotile

Fotile was founded in 1996 in Ningbo, Zhejiang Province, with fewer than 100 employees. Over the next 26 years, Fotile has emerged from a small family business to the top brand in Chinese kitchenware with 19,000 employees with sales revenue of over 15.5 billion RMB. Driven by its mission, vision and values, Fotile has always adhered to its strategic positioning of “professionalism, high end and responsibility” since the beginning. The company strives to align the character of each employee, the enterprise and the products to ensure that they are consistent with the Confucian core values of benevolence and altruism. The effects have been impressive. By 2020, it had been listed in Asia’s 500 Most Influential Brands for seven consecutive years. As of 2021, Fotile had acquired more than 5,500 authorized patents and participated in the formulation/revision of more than 130 industry standards.

Fotile established itself as a successful company in 2006 after the four stages, as shown in Fig. 1, each of which is explicitly based on Confucian values. Prior to that, Mao focused on building the brand. Although Mao benefited from his father who had built a successful company before him, he created a new company to focus on the high end of the market because his father’s business scope was too limited. The new company succeeded in its first attempt and developed very rapidly.

They also managed to attract talents from leading multinational companies. However, because the people had worked for different companies before joining and brought different cultures to Fotile, it created many headaches for Fotile leadership.

As an electronic engineer, Mao had no idea about what to expect, so he, like many of his peers, worked on an EMBA degree from the Shanghai-European International Business School (CEIBS). However, the two years in the programme only taught him many American theories and Japanese styles, but nothing on the Chinese context. Mao said. “I told myself it would not be possible that it would still be the case 15 years later”. He wanted to build a management model based on the Chinese culture and started searching for answers by flying to Beijing on the weekends. He attended classes on Chinese classics at Peking University and Tsinghua University, known as the “Harvard” and “MIT” of China. The two years of learning enabled him to realize the power of Confucianism. In an interview with one of the authors, he said he decided to adopt Confucian virtues as the company’s core values because “It is in

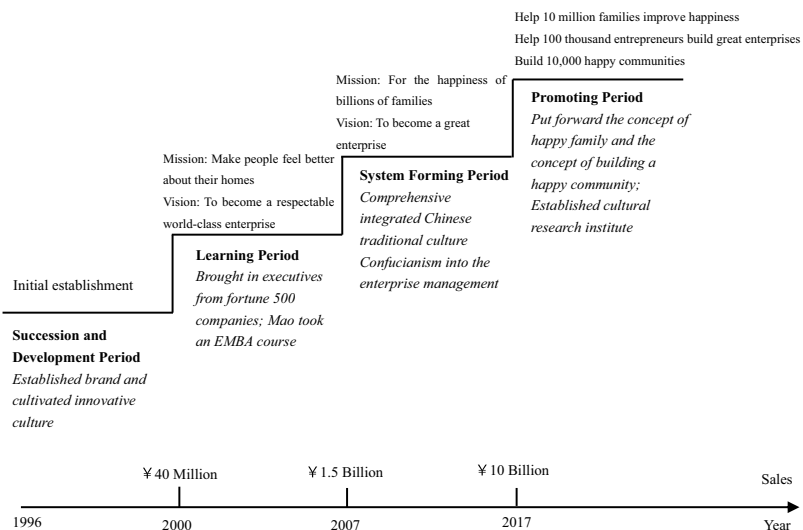


Fig. 1 Major developmental stages of Fotile

every Chinese's blood. All I need to do is to arouse it; I do not need to instil anything from outside".

Since 2018, Mao has led Fotile into the period of cultural promotion, proposed the concept of happy family and happy community, and established the Fotile Cultural Research Institute, which aims to enable 100,000 entrepreneurs to become great enterprises in ten years.

4 Mao Zhongqun: Founder and Humanistic Leader

Mao is a typical humanistic leader, who is caring and responsible for the employees and is fully committed to what he set out to achieve. Shortly after Fotile was established, he realized the need to integrate Western management practices with the Chinese traditional culture. He tried to become educated by attending classes in different schools. His years of learning enabled him to pull together different thoughts. He finally developed the 16-Chinese character Fotile developmental principle: “中学明道, 西学优术, 中西合璧, 以道御术 (to learn the Dao through Chinese classics, learn tactics from the West, integrate the East and West, and guide the tactics using the Eastern philosophies)”. Mao has advocated for greatness through love, bringing love and positive energy to others through the transmission of traditional Chinese culture and spreading the wisdom of happiness. He believes in the importance of remaining true to original aspirations and striving for perfection. He often says, “Everyone can achieve greatness through love”.

Mao believes that leaders' words and deeds are exemplary and instructive in the formation of corporate culture, which can be consciously or unconsciously imitated by employees. If the leader does not take the lead in practicing corporate culture with practical actions, employees will not believe what leaders say, but they will only become tired of resistance. Even the best corporate culture design will become ineffective, which is also the Confucian thought of “*ji suo bu yu, wu shi yu ren*”.¹ Mao is very self-disciplined and self-restraint. He advocates for the reading of classics

¹ Do not do to others what you do not want others to do to you.

and reads for an hour every morning so he can personally share about the classics with employees. He stresses conscientiousness, insists on solving problems before leaving work and personally participates in product research and development meetings with employees. Mao also benefited from learning and practicing Confucian philosophical values, and he strongly believed it could help his team and employees at Fotile improve their internal strength. This resonates with the Confucian thought of “*ji yu li er li ren, ji yu da er da ren*” (Analects, 6.30).

Mao emphasizes benevolence, practices having a good mood when facing the staff and respects each person. He leads Fotile to provide humanistic care to employees and treats them as holistic persons. He also eliminated the policy of punishing people for being late because it was against the Confucian thought of “*qi zhi yi li, you chi qie ge*”.² Instead, he requires the supervisor to talk to the employees to inspire the feeling of shame. In so doing, employees can correct the mistakes consciously, and the error rate decreased by 50%. Fotile also provides an above average welfare package. The company has adopted an ancient Chinese “body-share” system, offering employees annual dividends based on the shares they own in addition to their annual bonuses. They are also entitled to additional paid leaves for family visits. Mao also actively takes care of the relationship among multiple stakeholders to achieve the common good for the reason that “*ai ren zhe ren heng ai zhi, jing ren zhe ren heng jing zhi*”.³ Mao believes that a caring person will always think of others and will do things well with his heart, which is reflected through self-reflection when challenges arise.

5 “Culture Is Business”

Mao believes that corporate culture is the motivation, method and spirit of business under any circumstances. Benevolence is regarded as the source of innovation while the R&D Department at Fotile is oriented

² Under the guidance of rites, there will be a sense of shame and conscientious improvements.

³ He who loves others is constantly loved by them. He who respects others is constantly respected by them.

to benefit others and users' experience and feelings, which is different from the common approach of most profit-oriented companies. In the research and development of kitchen ventilators, non-quantitative indicators, such as "no smoke allowed to escape" and "best smoke inhalation effect" were introduced to reduce the risk of lung cancer from kitchen fumes. They combined the characteristics of Chinese and Western products to develop cross-border products with significantly better performance than similar original products. Social responsibility is also a concern of Fotile. They managed to exceed the national standard with the oil separation rate from the kitchen ventilator, which has a positive impact on the air quality. In 2010, Fotile decided to create a Chinese-made dishwasher. At that time, the market penetration rate of foreign brands in China was low, mainly because European dishwashers occupied a market share, but the average space of Chinese kitchens was small, making it difficult to instal dishwashers. To improve Chinese families' happiness, the Fotile R&D team began to study Chinese families' cooking habits and spaces and visited more than 1000 families to understand customers' needs. Based on this research, Fotile decided to create a sink dishwasher that can wash both dishes and vegetables. Faced with the uncertainty of the market, the R&D cycle and cost, as well as several challenges, the R&D team worked for five years to produce a dishwasher that addressed the nine challenges of foreign dishwashers.

The world's first sink dishwasher that could also remove 90% of pesticides from fruits and vegetables, took 150 design iterations and nearly 300 conferences. With hundreds of patented technologies, the sink dishwasher drove the overall development of the Chinese dishwasher market. Fotile's efforts resulted in receiving all nine awards issued by the Chinese government and international well-known institutions that year and they achieved over 40% market share after four years. This experience reinforced Mao's belief that innovation should be based on principles that are reasonable and abstemious. He believed that the company should return to the essence of the product and customer experience rather than stimulating customer demand and pursuing intelligence and diversification blindly. Only in that way can innovation be valuable and meaningful to achieve long-term development.

The mission of Fotile “For the happiness of billions of families” not only targets customers but also refers to employees’ family members and society. Fotile’s main concern is “The growth of employees” that cares about employees holistically, which in turn, affects employees and stimulates their sense of autonomy. Fotile’s humanistic care is comprehensive, including competitive salary, extra welfare, holistic development and annual dividends. For example, Fotile provides loans with low interest rates to their employees for purchasing their first house.⁴ It grants bonuses to staff members at all levels who have worked for over two years without spending their own money to acquire the shares. Through these benefits, employees have a strong sense of security, belonging, respect and achievement. With humanistic care as the foundation, Fotile educates employees, gives them a clear vision of the mission and adds significance to their lives so they will act according to the virtues.

The education process is a long period of both direct teaching and indirect influence. Mao believes that “Example is better than precept and leading by example is the best way of education”. Fotile’s education for employees starts with leadership modelling. An important way for leaders to demonstrate the virtues is to focus on the “Five Ones”. Fotile has also developed principles to solidify the results of education. “*Dao zhi yi de, qi zhi yi li*”.⁵ Through the joint effort of education and principles, employees develop initiative behaviours that help develop the whole team.

The corporate culture of Fotile is the starting point and forms the principles for actions. Without the heart of caring about customers, they would not have initiated innovative ideas for the sink dishwasher. Without engineers’ perseverance, the sink dishwasher could not be successfully developed. Without employee engagement, the sink dishwasher could not open the market. Therefore, the unity of the culture and business has led to Fotile’s success. The company’s success exemplifies an important way to implement the company’s culture: the “Five Ones”.

⁴ House is a very important issue for Chinese families, especially for marriage and children’s education.

⁵ Guiding others through morality and rites.

6 “Five Ones”—A Strategic Approach to Help Employees Internalize the Company Values

The “Five Ones” practice has been a great achievement for Fotile in its effort to instil the company values for over 25 years. The main content of “Five Ones” is shown in Fig. 2. It promotes employees’ work engagement by cultivating their personal behaviour and habits and workplace literacy.

Our research revealed numerous examples showing how employees benefited from practicing the “Five Ones” in the company. For example, Li, a shop assistant in one of Fotile’s retail stores in Shanghai, used to be a bottom performer at work. He was good for nothing, cared only about pleasure after work, and was hundreds of thousands RMB in debt. In addition, he had no sense of responsibility for his wife and children. However, thanks to the daily practicing of the “Five Ones” for four years, he realized that he should improve himself instead of being pushed or

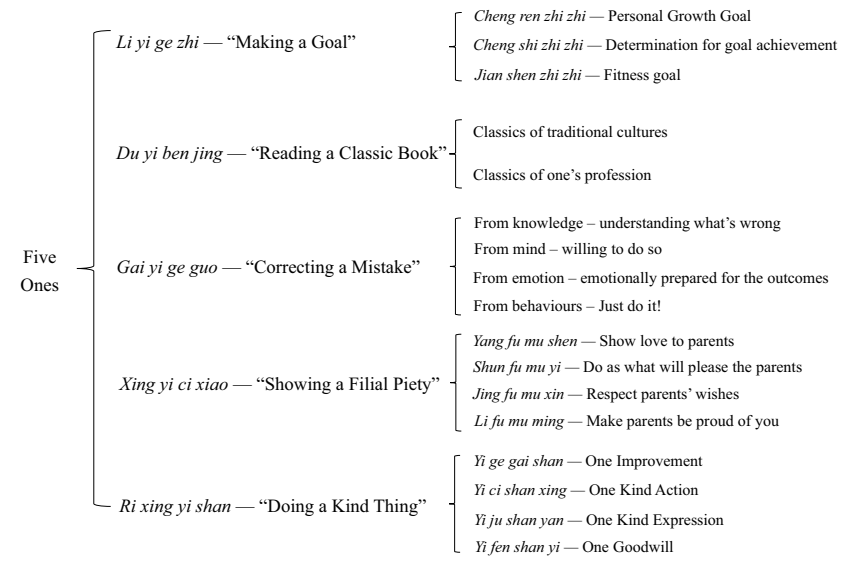


Fig. 2 Content in the Five Ones

pressured by his supervisor to do things. His work performance significantly improved. He has not only paid off all the debt but also bought a house in his hometown. He became a team leader with excellent performance. The “Five Ones” approach has enabled grassroots employees and even outsourced employees to behave according to the company values, benefiting both employees and the company.

***Li yi ge zhi*—“Setting Up a Goal”**

The word “*zhi*” is more than a goal. It refers to the will to become a particular type of person, to accomplish a meaningful endeavour or the will to maintain a healthy body. To encourage Fotile employees to set high aspirations, Mao presented the five types of people in “Confucius Family Ana”: “*yong ren*” (mediocre person), “*shi ren*” (common person), “*jun zi*” (gentleman), “*xian ren*” (a person of virtue) and “*sheng ren*” (saint). He publicly pledged to become a “saint”, who is selfless, conforms to nature and cares about the world. Employees can set “*zhi*” for what they want to achieve or simply what they do daily to be healthy.

At the early stage of establishment, Fotile was committed to creating the first high-end brand in China’s home appliance industry. Today, Mao is determined to work “for the happiness of billions of families” and leads employees to actively practice corporate social responsibility and promote social development. Cultivating oneself to become a gentleman (or women) is the highest ideal of self-cultivation and governance in Confucianism, “*nei sheng wai wang*”.⁶

Actively practicing goal setting and constantly reflecting is another important process for employees to identify with the organizational culture. Zhou, a sales manager at Fotile, set the goal to reach a certain number of sales when he started to practice “Five Ones”, because he believed that the most significant success was making contracts. Under the influence of the “Five Ones” explanation in the quarterly meeting directed by Mao, Zhou gradually understood that the key point of “making a goal” is altruism. One day, he overheard someone arguing with

⁶ Internal sage and external king.

the decorator and took the initiative to mediate the conflict. Although the decorator did not buy the Fotile products at that time, Zhou volunteered to check the kitchen flue for him and found the problem. The man then came to Zhou's store and bought three Fotile products. Since then, Zhou has put altruism at the top of his list of goals and believes that customers can trust him only when he truly helps them solve their problems.

***Du yi ben jing*—"Reading a Classic Book"**

At Fotile, classic books refer to traditional Chinese classics and classics in the professional world. Mao encourages employees to learn traditional Chinese classics. "Reading a classic book" encourages people to read one section in a book daily and one book over a period of time. It is a learning attitude that one is not afraid to spend a long time reading. After more than ten years of promoting the practice of reading classic books, Fotile found that the temperament of employees has significantly improved. Employees are more energetic, optimistic and wiser. They have also mastered the etiquette of treating people well and being kind and modest with each other. Such cultivation also makes employees more confident, leading to more self-motivation. The key to increasing wisdom lies in the awakening and stimulation of employees' conscience, which is also the main content of the classics. After the promotion of reading in the company, employee workplace violations greatly declined, thus reducing the indirect management cost of the enterprise.

The influence of classic reading may not be directly visible, but it can subtly influence employees' behaviour. When Li first joined the company, he thought the "Five Ones" were only related to white-collar workers in the office, not him as a lower-level worker. However, as the team leader and his colleagues continued to practice "Five Ones", he also began to practice the principles without being forced. Occasionally, he would say one or two words from the classics and gradually understood the truth. He stopped staying up late playing games and began to call his parents.

***Gai yi ge guo*—“Correcting a Mistake”**

“*Wu ri san xing wu shen, wei ren mou er bu zhong hu, yu peng you jiao er bu xin hu, chuan bu xi hu.*”⁷ In Confucianism, one of the important qualities of a gentleman is self-reflection, not blaming others when things do not go well. Fotile encourages employees to use the four words: “I was wrong”, “Let me help you”, “Thank you” and “I love you” to develop a supportive culture and to encourage employees to cultivate the correct attitude towards mistakes. By expressing “I was wrong”, employees can quickly reflect on how their behaviour was inappropriate. Employees are encouraged to find mistakes in themselves, and then check if the mistakes are in their accumulated professional knowledge and experience, are inappropriate thoughts and actions, or are due to selfish and biased attitudes. To correct mistakes, Fotile advocates for the methods from *Liao-Fan’s Four Lessons*: correcting mistakes step by step from behaviour, morality, mindset and heart. The most basic approach is to correct the behaviour, which refers to specific actions, such as work mistakes, poor performance and temper. However, correcting mistakes from the perspective of behaviour does not lead to a sustainable effect because such actions treat the symptoms rather than the cause. A further step is to correct the moral fault, which includes the lack of integrity, friendliness and others. When moral mistakes are corrected, actions are naturally corrected, because behaviour is a direct reflection of morality. Moral reform is more efficient and has a wider impact. However, this is not easy. Enterprises need to establish a good environment, so employees will be influenced imperceptibly without barriers. The higher level is correcting mistakes from the mindset, which means caring more about others. It is necessary to learn from others to expand their realm. The most essential error correction is to correct the mistakes in one’s heart, which mainly includes two kinds of mistakes, ignorance and greed. To achieve this, people need to correctly recognize and examine their own thoughts and stick to their own hearts according to morality. With the spirit of “Correcting a Mistake”, continuous improvement practices at

⁷ I daily examine myself on three points: whether, in transacting business for others, I may have been not faithful; whether, in intercourse with friends, I may have been not sincere; whether I may have not mastered and practiced the instructions of my teacher.

Fotile become people's initial action instead of being pushed or forced to do.

The precondition of corrective action is reflecting one's behaviours. "Five Ones" provides an opportunity for self-reflection. Under the influence of the contents of the classics, Jiang, a worker at Fotile, tried to correct her hot temper. Instead of blaming her husband for drinking too much, she prepared drinks and went to counselling to gradually influence her husband. As a result, her husband reduced the frequency of drinking, which helped improve their relationship so it was more harmonious and ultimately improved her work efficiency.

***Xing yi ci xiao*—"Showing Filial Piety"**

There are four levels of actions that reflect filial piety. The first level is to support parents to ensure their basic living conditions. The next step is to meet the emotional needs of parents, and to fully understand, tolerate and respect them. The third step is to be filial to your parents and pay attention to what they really think and care about. The highest level of filial piety is to find meaning for parents in their lives as they age and guide them to live positively. In the West, the practice of filial piety is an employee's personal behaviour, and the company's intervention in the personal life of employees is often considered to be out of line. However, Fotile holds a different view. The company promotes the practice of filial piety and provides appropriate support to employees, such as paid family leave and longer breaks for the New Year holiday. In traditional Chinese culture, "*bai shan xiao wei xian*",⁸ filial piety is considered the most important type of benevolence and the most beautiful emotion in China. It is also the fundamental of life. It is widely believed in China that if a person does not respect his parents, he will not respect others, and if a person does not know how to return the kindness of his parents, he will not have a heart of gratitude for others. Fotile believes that promoting filial piety among employees is conducive to fostering employees' moral character and promoting their overall growth.

⁸ Filial piety is one of the virtues to be held above all else.

Practicing filial piety not only helps employees improve family relationships but also promotes harmony with their colleagues. Yan works in the technology department. In the past, she only offered financial support to her own family and ignored her mother-in-law. After practicing “showing a filial piety”, Yan realized that parents-in-law are her parents, too. She should provide equal financial support, but more importantly, she should try to understand and respect them. As her relationship with her mother-in-law improved, so did her relationship with her husband. She also applied the principles to her work, which led to better relationships with her supervisor and co-workers.

***Ri xing yi shan*—“Doing a Kind Deed”**

“Doing a kind deed every day” refers to doing things that benefit others. A more important point is “daily action”, which means doing a kind action every day. The significance means practicing kindness every day. Many little things add up. The practice of good deeds needs to start from little things, even saving a drop of water is a manifestation of kindness. Persistence will lead to unexpected results over a long period of time. Fotile believes that “doing a kind thing” has important meaning for employees, their families and the company. Improving employees’ personal moral literacy will result in higher customer satisfaction. Employees’ families will also be influenced, thus increasing their family happiness. Finally, employees’ growth, customers’ level of satisfaction with Fotile products and social responsibility will be realized, leading to gradually realizing sustainable development.

Many Fotile employees practice doing kind things every day. Zhang is an online customer service officer. In the process of serving an old gentleman, she took the initiative to provide customers with decoration suggestions and discuss cooking habits. She often discussed with the customer what to pay attention to when decorating. That old gentleman not only bought the products from Fotile but also regarded Zhang as a reliable family member. From then on, he kept in touch with Zhang and actively promoted Fotile to people around him. Xia, a technician at Fotile, regards the happiness of customers as her happiest fulfilment,

helping customers find solutions to kitchen problems that are not part of her job. Although these cases are very small, together, they establish Fotile's reputation and promote growth among employees.

7 Effects from Practicing the "Five Ones"

At the beginning of this chapter, we mentioned that Fotile's employee engagement index is relatively high in the industry. We also introduced Fotile's achievements based on its organizational culture. We stressed that the effective implementation of "Five Ones" requires leaders to believe in the principles first. Leaders' examples further explain why "Five Ones" can help organizations implement a high-engagement organizational culture.

The most important precondition for "Five Ones" to improve the engagement of employees is the integration of knowledge and action in the process of implementing the organizational culture. Organizations should not regard goals that they are unable to achieve or do not intend to achieve as their organizational culture. Only by effectively implementing a positive organizational culture and providing corresponding support can employee engagement improve. Fotile has realized the unification of culture and business. Fotile regards culture as the origin and as the same as business. They do not see organizational culture as just a tool; it is an end, for the growth of employees. For every initiative, Fotile has given employees support rather than simply shouting slogans. For example, Fotile calls for filial piety and gives employees extra paid leave for family visits. More importantly, in the process of promoting and implementing the organizational culture, Fotile leaders play a leading role. The practice of "Five Ones" starts with leaders. Mao leads all executives to post their "Five Ones" on the wall of the company, publicize them to employees, and take the lead in cultivating their own habitual behaviours. When employees see the changes in their leaders, they are naturally influenced and their own habits are cultivated, which improves their work engagement.

The "Five Ones" content effectively cultivates employees' behaviour habits and helps employees implement Fotile's organizational culture.

Bowles and Cooper (2012) contended that high-engagement work culture requires a corporate culture that supports the idea that all stakeholders can benefit. The practices of “Five Ones” help achieve a balance among multiple stakeholders by benefiting employees’ growth, satisfying customers, caring about employees’ family members’ happiness and promoting sustainable development of society. The “Five Ones” practices of doing a kind deed, expressing gratitude and tolerance improve the well-being of employees. Thus, they are more likely to engage in work, which has been supported by numerous studies. Sheldon et al. (2002) confirmed that achieving goals can promote individual happiness and personal growth. Boehm and Lyubomirsky (2009) found that the practice of kindness makes people happier. Emmons (2003) also promoted expressing gratitude as a way to relieve stress in the workplace, alleviate embarrassment, shame and other negative emotions. Being forgiving is also associated with greater happiness, higher self-esteem and less anxiety and depression (Hebl and Enright 1993; McCullough 2001). More importantly, by encouraging employees to share their stories of improvement after practicing “Five Ones”, the sharers’ own positive emotions improved and compelled other group members to do the say. These efforts increased the cohesion and engagement of the group as a whole (Bakker et al. 2006; Gable et al. 2004).

8 Discussion

We introduced the practices Fotile created to enable its employees to institutionalize the company values and behave accordingly. These practices have proven to be effective after more than five years of implementing the training and promoting the practices. The company has established an institute to help introduce other companies to how to make the company culture the purpose and reason for the business, while the business exemplifies the cultural values. Hundreds of companies have learned from Fotile, and many of them have seen positive results. However, there are conditions for people to be interested in adopting and implementing the practices. Based on multiple years of follow-up research with the company, we summarize the four main

conditions for success. First, the leader should be the role model for practicing the “Five Ones” principles. Role model refers to “cognitive construction based on the attributes of people in social roles an individual perceives to be similar to him or herself to some extent and desires to increase perceived similarity by emulating those attributes” (Gibson 2004, p. 136), which could be understood as a spontaneous process of learning from a certain model (Weaver et al. 2005). When a leader becomes a role model, employees will follow the example of the leader and imitate the leader’s practices. According to the social learning theory, most adults are not morally self-sufficient. Instead, they will seek moral guidance from peers and significant others outside themselves (Brown and Treviño 2014). The influence of the role model on moral judgement and behaviour has also been demonstrated by many empirical studies (e.g., Bandura 1991; Kohlberg 1969; Treviño 1986). Therefore, it is necessary for leaders to practice the “Five Ones” principles first as the role model so employees will also be engaged. At Fotile, Mao develops others by cultivating himself first and reminds his managers to be “virtuous and purposeful” (Yang et al. 2020). Mao believes that when leaders do not act as role models, employees will not trust their leaders and will not follow the company’s activities from the bottom of their hearts (Mao 2016). In the early days of Fang Tai’s promotion of “Five Ones”, Mao started changing himself and led the company’s executives to practice “Five Ones” through self-reflection and self-cultivation. He also asked executives to post their “Five Ones” practices on the wall. As a result, employees were influenced by the leaders’ practices and spontaneously joined in the practice of “Five Ones”.

The second condition is to align all operations with the company culture. Mao categorized the relationship between culture and business into three levels: “culture is culture, business is business”, “culture promotes business development” and “culture is business”. In the early days of introducing excellent Chinese traditional culture, Fotile also went through a stage where culture and business were separated from each other, which reflects the top–bottom approach of introduction. After further exploration, Mao found that culture and business are not only the positive and negative sides of a coin but also require integration.

Culture is the focus and the way and spirit of doing business. Business is the presentation and result of culture. For example, by practicing “Five Ones”, employees can establish a “benevolent” way of doing things that are consistent with Fotile’s corporate culture, and they understand the law of cause and effect and truly understand Fotile’s culture (Zhou et al. 2021). Therefore, unifying the culture and the business benefits introduce the “Five Ones” practices to cultivate habitual behaviours.

The third condition is that most employees must internalize the company values and engage in the company mission. There are three stages in Fotile’s culture development approach: “Culture is divided from business”, “culture promotes business” and “culture is business”. Mao believes that culture is the origin and spiritual aspect of the business, and business is the performance and the outcome of the culture (Zhou et al. 2021). When an enterprise has a benevolent and altruistic heart, it is more inclined to help others and can more accurately grasp the real needs of customers, which ultimately earns their love. The internalization of organizational value refers to integrating the values of a group into the self, reflecting the consistency between one person’s values and another entity (Kelman 2006; Shamir & Howell 1999). Self-adjustment based on organizational values is very important for employees to act in accordance with organizational priorities and ethical principles (Hannah et al. 2016). Previous studies have confirmed that the internalization of organizational ethics plays an important role in reducing unethical behaviour among employees (e.g., Kish-Gephart et al. 2010). “Reading a Classic Book” in Fotile’s “Five Ones” may seem like a waste of work time, but it can help employees understand the truth by reciting the classics and establishing a loving heart and being engaged in Fotile’s culture (Zhou et al. 2021).

Fourth, the content is rooted in the societal culture and is consistent with the normative values of society. Within the Chinese informal institutional environment, the ultimate goal of a leader is to serve a large community by expanding himself and pursuing social harmony (Fernandez 2004). Li and Liang (2015) pointed out that the pro-social motivation will be activated when leaders achieve business success due to the thought of “*shidafu*”. Leaders’ primary task is to develop their

own internal qualities, so as to further develop their career as an organic combination of the self, community, country and universe (Tu 1985).

Although the arguments of this approach are mainly driven by the Chinese context, it is still valuable for leaders in other cultural contexts. As Freeman et al. (2020) proposed when resolving the tensions of stakeholder theory, it is not necessary to dwell on specific strategies, but should focus on how to achieve balance, fairness and harmony. In Fotile, Mao believes that companies should make profits by doing the right thing. Fotile also takes benevolence as the source of innovation. For example, in the research and development of range hoods, most of the industry takes technical indicators as the basis for judgement, but it may not be directly related to the health of customers. Fotile has been concerned that kitchen lampblack will aggravate the risk of lung cancer of housewives, so the direction of the research and development of range hoods has been adjusted from focusing on quantitative indicators to the customer-oriented goal of “no smoke”. As a result, the product has been recognized by consumers after its launch (Zhou et al. 2021).

Therefore, fully engaged employees rely on “Five Ones” practices to cultivate habitual behaviours. However, engagement is also related to the self-development of leaders and acting to cultivate themselves first.

9 Conclusion

Fotile takes “Five Ones” as the starting point to create an organizational culture of high engagement by cultivating employees’ good habits. To build this type of organizational culture, entrepreneurs need to learn how to implement “Five Ones” practices and learn how to become humanistic leaders. Realizing the benefits of “Five Ones” practices is not possible without humanistic leadership and the support of the entire organizational environment. Leaders need to treat employees as holistic individuals and respect their various needs. While improving others, leaders also need to develop themselves and take care of the interests of all stakeholders to achieve a win–win situation. Only then can the “Five Ones” practices promote the common growth of both employees and the organization and establish an organizational culture with a high

level of employee engagement. In our interviews with the CEO of Fotile, he summed up the philosophy and advantages of this approach:

What is happiness? Happiness is the eternal/ultimate pursuit for all human beings; happiness is a feeling that comes from within, the harvests from both the material world and spirit world, and the personal development in career and life.

Mao Zhongqun, CEO, Fotile Group, 2018

Organizational energy doesn't refer to the concept of energy in physics or chemistry but to the spiritual energy, spiritual quality and inner treasure of human beings. All of these are positively connected with potential development and a high level of engagement.

Mao Zhongqun, CEO, Fotile Group, 2022

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Achieving UNSDG Goals Through Humanistic Practices: The Case of Good-Ark Electronics Corp. Ltd. in China

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1 Introduction

The United Nations' 17 Sustainable Development Goals (UNSDGs) are public plans for peace, development, and prosperity for people and the earth, now and into the future (United Nations, n.d.). The 17 goals are: (1) no poverty; (2) zero hunger; (3) good health and well-being; (4) quality education; (5) gender equality; (6) clean water and sanitation; (7) affordable and clean energy; (8) decent work and economic growth; (9) industry, innovation, and infrastructure; (10) reduced inequalities; (11) sustainable cities and communities; (12) responsible consumption and

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production; (13) climate action; (14) life below water; (15) life on land; (16) peace, justice and storing institutions; and (17) partnerships for the goals (United Nations, n.d.).

The public often assumes that the SDGs are more related to and influenced by public policies and governments. However, it is also necessary and possible for private businesses to actively participate in the SDGs by taking advantage of their innovation and creativity to create values for the public (van der Waal and Thijssens 2020). Fontrodona and Sison (2006) argued that organizations should aim to provide opportunities for stakeholders to develop themselves rather than maximize shareholders' wealth. However, few companies make developing their stakeholders the purpose of their existence. In addition, although many corporations have invested in Corporate Social Responsibility (CSR) plans for years, few of these plans have been systematically designed (Shayan et al. 2022).

Fortunately, the past decade has witnessed more publicly listed companies around the world replacing the goal of maximizing shareholders' interests with taking care of multiple stakeholders. In this chapter, we introduce a case study using Good-Ark Electronics Corporation Ltd., a Chinese company, to illustrate how it has connected what it does to the UNSDGs. In the following sections, we first review the literature on Corporate Social Responsibility (CSR) and the UNSDGs at the corporate level because research has shown that the two are closely related (ElAlfy et al. 2020). We also introduce the company and the eight modules it implements. Then, we explain how the company's application of the eight modules is associated with the 17 UNSDGs. Finally, we discuss the theoretical and practical implications of the case.

2 Literature Review

Although it has been a long time since CSR was first introduced, there is no shared consensus in the literature on the definition or a standard set of application criteria (ElAlfy et al. 2020). However, researchers have also started to recognize that SDGs can serve as a framework to improve the implementation of CSR (Schönherr et al. 2017). Many studies have shown that CSR not only helps companies build their brand

image or gain a strong reputation but also brings direct and indirect benefits, some of which are related to the SDG goals. For example, Greening and Turban (2000) argued that CSR could be considered a competitive advantage for companies. In addition, it could also result in positive organizational performance and growth by promoting differentiation strategies (Upadhaya et al. 2018), innovation (Bocquet et al. 2017), and other factors (Espasandin-Bustelo et al. 2021). van der Waal and Thijssens (2020) claimed that most stock-listed corporations pay less attention to the common good than to shareholders' benefits. Their involvement in the SDGs is mostly not substantive but moot. Similarly, according to Blagov and Petrova-Savchenko (2021), most respondent companies in their study only referred to SDGs as guidance to adjust their corporate philanthropy, rather than treating them as a part of their main operational routine.

The SDGs provided a global vision to help organizations actively participate in influencing sustainable development, and provided an opportunity to apply their business model to sustainability (ElAlfy et al. 2020). Sustainable development is a significant part of the whole sustainable development (Gladwin et al. 1995). However, corporations' efforts to reach UNSDGs have usually been specific and narrow due to their limited knowledge (Shayan et al. 2022). In addition, corporations have their list of priorities and preferred items among the 17 goals. According to Blagov and Petrova-Savchenko (2021), the most popular ones are SDG-3 "Good health and well-being", and SDG-8 "Decent work and economic growth", while the least is SDG-1 "No poverty".

Therefore, the successful practices of SDGs of organizations have mainly focused on a single or a few goals. For example, Braganza et al. (2021) examined how adopting artificial intelligence (AI) could influence SDG-8 "productive employment and decent work". Vaisman et al. (2021) suggested applying SDG-9 "industry, innovation, and infrastructure" as a strategy to promote the development of small high-tech enterprises in Russia. European logistics service providers have also attempted to apply emerging technologies to improve their supply chain sustainability, which could help achieve SDG-13 "climate action" (Centobelli et al. 2020). Tsolakis et al. (2021) claimed that blockchain implementation in the Thai fish industry could address SDG-1 "no poverty",

SDG-3 “good health and well-being”, SDG-5 “gender equality”, SDG-8 “decent work and economic growth”, SDG-12 “responsible consumption and production”, and SDG-14 “life below water”. However, the research on these effects has been very limited, and the effectiveness and future implications are yet to be examined.

A successful business case for promoting all SDGs is Jozani-Chwaka Bay National Park in Zanzibar (Carius and Job 2019). The business achieved all SDGs by sharing tourism revenues with local community so the community benefits from the programme from employment, social capital development, and environment protection (*ibid.*). However, the biggest difference between Jozani-Chwaka Bay National Park and Good-Ark in our case study is that revenue from the former is shared and led by both the government and social institutions, which are not business corporations. In general, this literature review reveals that few cases implementing all 17 SDGs or connecting the SDGs goals with their CSR have successfully involved business organizations. This chapter aims to fill this gap by introducing what an exemplary Chinese company, Good-Ark, has accomplished by showing, in detail, how the company’s practices of eight modules designed to build the company into a “happy enterprise” are linked to the UNSDGs.

3 Company Background

Good-Ark started as a small factory making diodes in 1992 with 68 people in Suzhou, China. Good-Ark is now the largest diode manufacturer in China and the 3rd largest in the world with more than 1600 employees. The company went public in 2006. Inspired by the teachings of the Chinese sages, WU Nianbo, founder and honorary chairman of the board, established “the happiness of the employees and appreciation of the customers” as the company’s core values in 2009. In the same year, he also made the vision/mission of the company “to spread the culture of the sages to the world to benefit mankind”.

To put this ideology into practice, WU developed eight modules of practices in 2009: (1) Humanistic care; (2) Humanistic education; (3) Green environment; (4) Health promotion; (5) Philanthropic actions;

(6) Voluntary services; (7) Recording and publicizing humanistic practices; and (8) *dun lun jin fen* (fulfilling role responsibilities). He also realized that family is where people demonstrate and receive genuine love. Thus, he was committed to building a family-like company culture. Relying on the Chinese traditional values and beliefs of family, WU positioned himself as the “*da jia zhang*” (big family head) and encouraged everyone else to treat each other as siblings. Employees are cared for and supported by each other at work. Their families, children, parents, and grandparents are also included as part of the big family. Good-Ark employees even continue to reach out to those who resigned due to personal difficulties. Over the years, the practices presented in the eight modules have greatly improved employees’ well-being and enabled them to understand the purpose of life and meaning of work, thus significantly increasing their level of happiness. The practices have also inspired employees to become good workers or managers, good fathers or mothers, good sons or daughters, and good citizens.

The story of Good-Ark has impressed many people and other companies from different parts of China and around the world. Starting in 2013, the company offered open days for the public. So far, it has received over 30,000 visitors, including foreign business and government leaders. WU has also shared his experiences three times with religious leaders in the Vatican and Lindau at the invitation of the Secretary of UN Religions for Peace, and four times with UNESCO at the invitation of UN officers who visited the company. The interactions with UNESCO made WU aware of the 17 SDGs. As a result, he started to conscientiously connect the goals with the eight modules his company uses to build a happy enterprise. In 2019, Good-Ark received the award for best practices from UNESCO.

4 The Relationships Between the Eight Modules and SDGs

Following Shayan et al. (2022), we divided the 17 SDGs into three categories: society, environment, and economy. Society includes goals related to poverty, hunger, good health and well-being, education, and equality

(Table 1). The environment dimension focuses on water, energy, and the environment (Table 2). The economic dimension includes work, economic growth, industry, innovation, and infrastructure, as well as partnerships (Table 3). We discuss the relationships and introduce how Good-Ark has achieved its goals with the practices of the eight modules.

Table 1 UNSDGs in society and Good-Ark practices

Dimension	SDGs	Good-Ark practices
Society	Goal 1: no poverty	Humanistic care Philanthropic actions
	Goal 2: zero hunger	Humanistic education Humanistic care
	Goal 3: good health and well-being	Health promotion Humanistic care
	Goal 4: quality education	Philanthropic actions Humanistic care Humanistic education
	Goal 5: gender equality	Humanistic care
	Goal 10: reduce inequality	Humanistic care
	Goal 11: sustainable cities and communities	Voluntary services
	Goal 12: responsible consumption and production	Green environment Humanistic education
	Goal 16: peace, justice, and strong institutions	<i>Dun lun jin fen</i> Humanistic education

Table 2 UNSDGs in environment and Good-Ark practices

Dimension	UNSDGs	Good-Ark practices
Environment	Goal 6: clean water and sanitation	Green environment
	Goal 7: affordable and clean energy	Humanistic education <i>dun lun jin fen</i>
	Goal 13: climate action	Green environment
	Goal 15: life on land	Green environment Health promotion Voluntary services Green environment

Table 3 UNSDGs in economy and Good-Ark practices

Dimension	SDGs	Good-Ark practices
Economy	Goal 8: decent work and economic growth	Humanistic care
	Goal 9: industry, innovation, and infrastructure	<i>dun lun jin fen</i>
	Goal 17: partnerships	<i>dun lun jin fen</i>

Society

Goal 1: No Poverty

The first goal refers to ending poverty in all its forms everywhere, including targets such as ensuring access to basic services for the poor and the vulnerable, building the resilience of the poor to reduce exposure to extreme events, and significant mobilization of resources to provide adequate and predictable means to end poverty (United Nations, n.d.).

Humanistic care and philanthropic actions both relate to SDG-1. In 2017, Good-Ark set up the *Yitian* Foundation to help provide care for employees' special and emergency needs, such as parents' medical treatment and personal emergencies. In addition to the funds from the Foundation, employees in the company also organize voluntary donations to support colleagues facing special circumstances. By the end of 2021, the company had spent 3.39 million RMB (about 486 thousand

\$US) on various types of care, including monthly stipends of 200 yuan to employees' parents and in-laws who are over 80 years old.

In addition, Good-Ark has also focused on achieving SDG-1 through philanthropic actions. Good-Ark set up the *Mingde* Foundation joint efforts with a media organization in 2013 to help Daxin County in Guangxi Province (in southern China) cope with the left-behind children. Due to poverty, many parents left their homes to work in large cities, leaving their children with their grandparents. To WU, family is the source of happiness, and parents play a decisive role in the family. Thus, since 2013, WU and a few other companies have helped these rural villages by providing education resources. Specifically, they have helped address the needs of the left-behind children by creating employment opportunities to attract parents to return home, indirectly helping alleviate poverty and improve the overall quality of life in the villages.

Goal 2: zero hunger

Goal 3: Good Health and Well-Being

SDG-3 focuses on ensuring healthy lives and promoting well-being for people of all ages (United Nations, n.d.). The health promotion module aims to protect employees' health and encourage them to cultivate healthy living habits. For example, employees are encouraged to quit smoking and reduce meat consumption. Good-Ark has its own "Happy Farm", in which employees grow low-carbon, pollution-free, and self-production, providing fresh vegetables for employees to consume. The company also keeps a health record on each employee and offers different programmes including Chinese medicine, Tai Chi, and first aid, to help them maintain health. A healthy diet is provided every day. There is also a Chinese medicine clinic on campus, providing free massage and simple therapies. The doctor also offers employees advice before they go to a large hospital. In addition, the company cooperates with local hospitals to set up a "Green channel for medical treatment" to provide convenient medical services for employees and their families.

To ensure that employees can live healthily, Good-Ark has eliminated over 90% of the night shifts and plans to turn all night shifts into day shifts by the end of the year. Workers work from 8 a.m. to 8 p.m. Some of the leaders were concerned because of the loss of large revenues because of the change, but workers were very thankful and reciprocated with higher dedication and stronger commitment. As a result, the past few months have witnessed steady growth instead of loss.

Goal 4: Quality Education

SDG-4 refers to offering inclusive and equitable quality education and promoting lifelong learning opportunities for all, including access to quality early childhood development and care, increasing the number of youth and adults who are given relevant skills including technical and vocational skills for employment. In addition, all learners acquire the knowledge and skills needed to promote sustainable development (United Nations, n.d.). Good-Ark provides vocational education for youth, after-school, and summer camps for employees' children; skill and knowledge training programmes and sustainable lifestyle courses, such as healthy eating, vegetarian diet, and energy conservation for all employees.

According to WU, the most important education is moral or humanistic, education. Of the eight modules, WU believes humanistic education is the most important one because it lays the foundation for people to do well in the remaining seven modules. Good-Ark invests considerable resources into education. "Business is a school for nurturing people. The core solution to problems of the twenty-first century is not economy, but education, moral education". This is a message WU repeatedly sends out. Good-Ark also exemplifies this belief by providing quality education for its stakeholders, from employees and their children to partners and communities.

WU believes that offering moral education could help employees develop moral values and understand their purpose in life, which enables them to exert a positive influence in their family, company, and society. Humanistic education provides opportunities for employees to learn

traditional Chinese classics, including Confucius' Analects, *Di Zi Gui* (Guiding Principles for Behaviours), *Qun Shu Zhi Yao* (Collections of Guiding Principles) and *Liao Fan Si Xun* (Four Pieces of Advice from Liao Fan to His Son). These teachings help cultivate the five virtues of Confucianism in employees: benevolence (*ren*), righteousness (*yi*), propriety (*li*), wisdom (*zhi*), and integrity (*xin*).

To help young people in the community who failed to enter high school and who have little motivation to work or learn, Good-Ark offers vocational education jointly with local vocational colleges. The programme is designed to motivate the youth and develop their moral, intellectual, physical, and aesthetic abilities to become industrial workers. The programme has mentors and full-time counsellors to care for and educate students. Students have the opportunity to practice their skills in the production line as interns, and those who are qualified are hired by Good-Ark directly after graduation. This programme received an award from the Suzhou Excellent Enterprise College in 2021.

As for the philanthropic actions module, Good-Ark implemented the Happy Campus Programme in a high school in Daxin County, Guangxi Province. The school ranked first in the local area in overall grades for three consecutive years from 2018 to 2020 after being supported by Good-Ark since 2013. The school focuses on family-like culture and moral education following the Good-Ark practices developed. In addition, Good-Ark donated funds to set up a computer lab and improve the teaching facilities in local middle schools.

For humanistic care, Good-Ark provides free classes for employees' children after school and organizes summer camps, so they can use the time to learn while waiting for their parents to finish work. It employs dedicated teachers to help with their homework and learning the classics. During workdays, employees can pick up their children from school while at work, put them in classes, and work until they finish. They then pick their children up after work and feed them in the dining room before going home.

Goal 5: Gender Equality

SDG-5 is achieving gender equality and empowering all women and girls. Target 5.5 is to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life (United Nations, n.d.).

Gender discrimination does not exist at Good-Ark. The company respects all and is willing to offer additional care to female employees, particularly when they are pregnant. It provides nutritious meals and designates special seating for them in the dining room. They also provide specially tailored maternity uniforms. These workers are allowed to have a flexible time and enjoy parental leave for 2 years plus 10 months. Their jobs are retained during pregnancy, and they retain their benefits, including pay, mandatory insurance, and a housing provident fund. The company also provides parenting books.

The salary and promotion system at Good-Ark is based on the number of working years and performance of employees, and there is no difference between men and women. In January 2020, Good-Ark set up the Women's Association to encourage female employees to participate in the company's decision-making. In Good-Ark, men and women also receive equal pay for the same work.

Goal 10: Reduce Inequality

The tenth goal is to reduce inequality within and among countries. It focuses on empowering and promoting an inclusive culture irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status (United Nations, n.d.).

In Good-Ark, both managers and workers are expected to participate in the eight modules. When Good-Ark first implemented the green environment module, all employees were encouraged to use public or low-carbon transportation while commuting. Auto vehicles are limited per day based on the last numbers of the license plate. Parking is not allowed for cars without those numbers on those days. To thoroughly implement the restriction, manager's exclusive parking spaces in the

factory were cancelled. In addition, all employees have meals in the same canteen and eat the same low-carbon food. Good-Ark also respects different religions and offers prayer rooms for employees who practice Islam, Christianity, Taoism, and Buddhism. It also holds gatherings periodically for people who come from the same township so they can have fun meeting each other.

Goal 11: Sustainable Cities and Communities

SDG-11 is about making cities and human settlements inclusive, safe, resilient, and sustainable. This goal focuses on enhancing inclusive and sustainable urbanization and capacity for participatory, integrated, and sustainable human settlement planning and management (United Nations, n.d.).

Good-Ark does not limit the activities to the factory. Instead, it encourages the employees to jointly build sustainable cities and communities. To ensure that the employees have the correct mentality while offering voluntary services, Good-Ark requires everyone who is willing to volunteer to go through training and be certified before they get involved. More than 90% of the employees at Good-Ark are certified volunteers who go out to pick up garbage in scenic spots or along hiking trails in the mountainous areas. They also distribute free environment-friendly bags to local residents on the streets and supermarkets, explaining the benefits of the recyclable bags and advising people to stop using plastic bags. During COVID-19, volunteers at Good-Ark also actively participated in epidemic prevention.

Goal 12: Responsible Consumption and Production

SDG-12 aims to ensure sustainable consumption and production practices, including achieving sustainable management and the efficient use of natural resources, reducing food waste by half, and strengthening scientific and technological capacity to move towards more sustainable patterns (United Nations, n.d.).

Good-Ark is committed to leading employees' responsible consumption and responsible production at the company level based on the humanities education and green environment modules. The humanistic education module helps employees understand responsible consumption, and the company culture ensures that they do not waste food. Disposable products are completely banned in Good-Ark, so employees drink water from their own bottles and use handkerchiefs instead of napkins. Employees also influence their own families and people around them. They go to the community to advocate for green environmental protection, recycling waste batteries, clean streets, and clean mountains, not using disposable items, and using environmentally friendly enzymes to clean the land. They aim to achieve low-carbon emissions, high efficiency, and energy conservation, by applying the 4G concept throughout the entire industrial chain to reduce the use of earth's resources. The company is committed to the "no leakage" project, launching a "hydrogen free factory", and developing low energy consumption and low resource consumption products.

Goal 16: Peace, Justice, and Strong Institutions

SDG-16 refers to promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable, and inclusive institutions at all levels. It also aims to reduce corruption and bribery as well as develop effective, accountable, and transparent institutions at all levels (United Nations, n.d.).

Good-Ark has significantly reduced all forms of corruption and bribery by setting eight clear rules also called "eight red lines" in the beginning of the twenty-first century. Any employee who breaks the rules and regulations will be punished, whether ordinary employees or managers. Additionally, one of the eight modules, *dun lun jin fen*, aims to achieve SDG-16 by *zhi shan zhi li* (perfect management). Good-Ark ensures that decision-making at all levels is responsive, inclusive, participatory, and representative. They also focus on doing their duty and contributing to the big family.

In summary, Good-Ark implements humanistic care, humanistic education, health promotion, and *dun lun jin fen* to improve employees' well-being and build an equal and inclusive climate within the company. In addition, they contribute to the community and society through philanthropic actions and voluntary service to fulfil CSR.

Environment

At the environmental level, Good-Ark helps protect the environment by reducing consumption and pollution. In addition to maximizing the utilization of water and electricity during the production process, they also encourage employees to engage in environment-related volunteer activities by maintaining good habits of consuming resources responsibly. The following table shows the connections.

The connections between environment-related goals and Good-Ark practices are listed in Table 2.

Goal 6: Clean Water and Sanitation

The sixth goal is ensuring availability and sustainable management of water and sanitation for all (United Nations, n.d.). Target 6.3 is to improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally (United Nations, n.d.). SDG-6.4 focuses on increasing water-use efficiency and SDG-6.6 focuses on protecting and restoring water-related ecosystems such as mountains and wetlands (United Nations, n.d.).

This goal is related to a green environment and humanistic education modules. In terms of the use of water resources, Good-Ark could be considered a model for others in the industry. Good-Ark and its employees make every effort to maximize the utilization of water resources in daily production (green environment) and life (humanistic education). In the production process, Good-Ark is green-oriented and aims at low carbon, high-efficiency, and energy-saving development. A

good example is its water leak-free project, which means avoiding any unnecessary waste of resources during the production process. It is not only about water resources but is also extended to energy sources such as gas and electricity leakage. For example, Good-Ark upgraded the PAM automatic water replenishment device, which saved 20,000 RMB of waste per year. Therefore, in practicing sustainable development, society could benefit from sustainably, and companies can reduce costs and gain long-term rewards. Lastly, through education, Good-Ark inspires its employees to prioritize water conservation in their lives. Wherever there is a tap, there is always a bucket where water can be collected and reused. This good habit is called “one hundred turns” by employees at Good-Ark, which refers to recycling water. This practice applies to the workplace and employees’ homes where employees’ saving habits influence their families and the wide concept of sustainable water use.

Good-Ark focuses on cleaning sanitation facilities, which is related to SDG-6.2, to achieve access to adequate and equitable sanitation and hygiene for all. When visitors rank the most impressive part of a visit to Good-Ark, most people mention the toilets. Before entering the bathroom, one must change into slippers to keep the environment clean. The bathroom is not only clean but also pleasant to use. Humanistic education plays a vital role in staying tidy. The cleanliness of the sanitary environment is mainly due to the *Sao Chu Dao*¹ education given to the staff. Employees believe that when people clean up their surroundings, they will feel a sense of achievement and, more importantly, they will also train their minds to be thorough. WU is a great role model for the employees. Under his influence, all employees are eventually engaged in *Sao Chu Dao*. After being educated, everyone takes it as their own responsibility to maintain a hygienic environment and the company maintains a clean and tidy environment without hiring cleaning staff.

Goal 7: Affordable and Clean Energy

SDG-7 emphasizes access to affordable, reliable, sustainable, and modern energy for all (United Nations, n.d.). This goal connects with the green

¹ The term originated from Japan, meaning a thorough general cleaning.

environment module. Good-Ark implemented the “three/fifths action” and other activities of saving water and electricity, reducing chemicals, and halving garbage. Focusing on the national goal of “carbon neutrality and carbon peak”, the 4G concept (green procurement, green design, green manufacturing, and green sales) runs through the entire industrial chain of the enterprise. In addition, Good-Ark focuses on research and development of sensor integration and miniaturization with the aim of low energy consumption and low resource consumption. For example, a highly integrated QFN sensor was developed to package a larger number of chips. From containing only 1 chip to packaging 2–3 chips now, the higher degree of integration consumes less resources. Additionally, Good-Ark has worked towards the use of clean energy to replace the old energy sources. Projects such as solar light replacing electric lighting, solar water heaters instead of electric water heaters, and using air energy instead of electricity heating hot water are expected to save nearly 450,000 degrees of electricity annually.

Goal 13: Climate Action

SDG-13 encourages people and organizations to take urgent action to combat climate change and its impacts (United Nations, n.d.). For example, they aim to improve education and raise awareness and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning (United Nations, n.d.).

The most relevant module is the green environment. Good-Ark has introduced industry-leading environmental standards and practices into production. In 1999, Good-Ark took the lead in the introduction and implementation of ISO14000 environmental management system standards in the industry. After 2009, the company contributed to the protection of the earth through the implementation of the “three-fifths action” to reduce the waste of earth’s resources, reduce chemicals, reduce garbage waste by half, and create an industrial chain throughout the 4G concept. In daily life, Good-Ark has tried to minimize unnecessary use of resources or find alternative clean energy. For example, in lighting optimization, Good-Ark saves 300,000 KWH of lighting electricity every

year by using solar lights to replace electric lighting. Additionally, solar panels are installed on the factory roof to support electricity consumption in the factory. In terms of humanistic education, Good-Ark encourages employees to carry out low-carbon activities in the absence of explicit regulations. For example, employees who have private cars are encouraged not to drive one day a week.

In the healthy promotion module, Good-Ark has practiced and promoted a healthy low-carbon diet since 2010. Vegetarian meals are provided to employees by the company every day. By September 2021, a total of 2985.2 tonnes of carbon has been saved. Many employees also bring vegetarian diets to their own families, which could also save considerable carbon.

Goal 15: Life on Land

SDG-15 refers to “protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”, which will increase afforestation and reforestation (United Nations, n.d.). To meet this target, Good-Ark maintains half of its land as wetlands, using only half of the square metres for the factory and dormitory. The company also organizes regular tree-planting activities to help maintain the ecological environment and provide support for biodiversity. The happy farm also provides a habitat for several types of animals and plants and protects ecological diversity. It is very unusual for a company to own a farm that occupies about one-sixth of the land it owns. The factory occupies another one-sixth, and the remaining land is kept as wetlands for animals because WU believes human beings need to live in peace with everything else on earth.

Economy

There are three goals that are related to the economy among SDG (Table 3).

Goal 8: Decent Work and Economic Growth

Goal 8 refers to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. It includes targets to “achieve higher levels of economic productivity through diversification, technological upgrading and innovation”, “support productive activities, decent job creation”, and so on (United Nations, n.d.).

The last module, *dun lun jin fen* (doing the best to fulfil one’s role responsibilities), which is rooted in Chinese moral ethics, instructs people to follow the role expectations and do their best to be a good mother/father or children at home, good employee/manager in the company, and good citizens in the community. In return, Good-Ark provides job security for its employees. With the COVID-19 pandemic bringing a historic economic recession, poverty, and record-high unemployment rates, Good-Ark took social responsibility and publicly pledged to “never lay off workers”, and they engraved the words on a big rock at the entrance in June 2020. Good-Ark also offers special care for its employees and their families. They arrange employees with cars to give rides to expectant mothers to ensure their safety on their way to work.

Good-Ark has also strengthened its multiple technology development and invested in MEMS sensors, solar silver paste, and other industries. Good-Ark’s vocational school also provides working opportunities for youth, offering graduates jobs directly after graduation.

Goal 9: Industry, Innovation, and Infrastructure

The ninth goal, “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”, focuses on the importance of innovation (United Nations, n.d.). Over the years, Good-Ark employees have brought the company many impressive outcomes thanks to the practices of the eight modules, including considerable savings from reducing the costs and through conscientious efforts.

A requirement of the SDGs is to increase investment in R&D. Thus, Good-Ark has increased its efforts and expenditure on R&D.

For example, the company has continued to upgrade its technological capabilities and promote innovation. By 2020, the R&D department employed 10% (135) of the employees and spent 4.8% of the budget on R&D. Through *dun lun jin fen*, Good-Ark is building a smart and mechanical factory and becoming the benchmark of a family-like company culture in the country.

Goal 17: Partnerships

Goal 17 aims to strengthen the means of implementation and revitalize the global partnership for Sustainable Development. It encourages and promotes effective public, public–private, and civil society partnerships, building on the experience and resourcing strategies of partnerships (United Nations, n.d.).

A successful development agenda requires inclusive partnerships at the global, regional, national, and local levels. To spread the family-like company culture, Good-Ark set up a Happy Enterprise Federation in 2013 and accepted applications from four companies. To help the partner companies grow, Good-Ark sent its people to go to those companies to show them how to change their culture. WU has also shared the company case with many leading universities and institutions inside and outside of China, including Tsinghua University, Peking University, Wells University, and Harvard Business School. As a result, many companies run by overseas Chinese in Malaysia, Singapore, and Indonesia are following the Good-Ark model.

WU also implemented the eight modules and built a family-like company culture in an acquired Malaysian company that was on the verge of bankruptcy. Although employees could not understand WU's words (no translation was provided), the employees said they could feel the sincerity of the new boss. WU immediately upgraded their dormitory, offered 1200 Malaysian dollars as an annual stipend for their parents, and paid them an additional 100 each month in salaries. As a result, the company became successful after six months with the same

group of people. This example illustrates how Good-Ark is encouraging and promoting “effective public, public–private and civil society partnerships with the goal of benefiting all of humanity” (UN).

5 Discussion

Many factors have impacted the success of Good-Ark. However, the humanistic leadership of its founder has played a decisive role in building the family-like company culture. Under WU’s leadership as a role model, an important factor is the persistent efforts of the whole company in implementing the eight modules. However, a decisive reason is that WU’s leadership practices are deeply rooted in the Chinese traditional culture and his values are aligned with the Chinese traditional values. According to Project GLOBE (House et al., 2004), executive leaders will succeed when their values are aligned with the company’s core values and with the societal normative values.

Humanistic Leader

WU is the key to the success of Good-Ark. He is the designer of the eight modules. He has also been a role model and inspirational force that encourages employees to march forward along the path he created. According to Fu et al. (2020), humanistic leaders are those who: (1) respect people as holistic human beings by caring for themselves including their various needs and wants; (2) constantly improve themselves while developing followers to unleash their full potential, and (3) recognize and consider all stakeholders’ benefits and pursue the common good. WU fits this profile well and illustrates specific traits humanistic leaders should embody. First, WU sincerely cares about his employees’ well-being. In humanistic care, he donated his personal properties to *Yitian* Foundation to help employees and their families deal with difficulties. He takes care of every employee. For example, he visits sick employees in the hospital. He gives away local specialties he received from friends or other business leaders. He will bend down and

pick up hair on the floor when he sees it. In addition, WU not only focuses on improving employees' outer life (e.g., money, status) but also helps employees live a healthier and happier life, by caring about their health, parents and children, and, most importantly, their morality. WU proposed humanistic education to promote these outcomes.

Secondly, WU continues to learn so he can improve himself by actively participating in the activities in the eight modules and leading by example. For example, WU designs and selects the most appropriate materials for humanistic education. He also takes classes with the employees, even though he has watched some of the videos many times. While carrying out "*Sao Chu Dao*", a cleaning method used in the organization, WU cleaned the restroom in person, which has been an effective encouragement to those who were reluctant to get their hands dirty.

Finally, WU considers benefits for all stakeholders, including employees and their families, partners, the community, and the world. WU believes that the key objective of an organization is educating people. He cares about and educates employees to improve their well-being, health, and responsibility. He invites suppliers and customers to visit Good-Ark and personally answers their questions and addresses their scepticism. Good-Ark employees also participate in volunteer work, including visiting couples who lost their only children, picking up garbage in public, and cleaning public facilities. In addition, he goes to distant villages to help the left-behind children by improving conditions to attract parents working away from home to return to their homes. Through these efforts, WU and his family-like company culture have influenced many internal and external stakeholders all over the world.

Family-Like Organizational Culture

Organizational culture refers to shared norms, values, and beliefs that influence the conduct and behaviours of employees within an organization (Mohsen et al. 2020). A family-like organizational culture is defined as the values, norms, mindset, shared beliefs, and attitudes shared at the general firm level by a group of people who relate to one another as

a family (Obiekwe 2018). Family relationships play an important role for the Chinese people. In Chinese culture, family means responsibility, obeying and respecting one's elders, and loving one's children. Outside the family, it means respecting the hierarchical structure of the organization or society, showing solidarity with members of the community, trusting one's superiors, and doing everything possible to maintain solidarity and harmony in the community (Surie 2015). Because of these values, WU tries very hard to cultivate a family-like atmosphere and build a family-like company culture.

In terms of CSR, an appropriate organizational culture is essential, because the core assumptions of the company need to be consistent with their CSR practices (McWilliams and Siegel 2001). Without an appropriate organizational culture, CSR practices may fail or waste resources (Upadhaya et al. 2018). Good-Ark's family-like company culture is consistent with its eight modules, and the latter is based on the company culture, aiming to implement the organizational culture throughout the whole operation process and with each employee. Once onboard, employees have mentors to help them at work and to learn the company culture, enabling them to understand and integrate into the "family". The family-like company culture educates employees to be grateful and altruistic, resulting in high engagement and a sense of ownership. For example, employees treat each other as if they are family members, so they genuinely care about and help each other, which is related to humanistic care.

***"Zhi bu jian zai lian shang"*²**

The expression "*Zhi bu jian zai lian shang*" (the Party branch is organized on a grassroot basis) was created by late Mao Ze-dong in 1927 to revitalize the military force to ensure that the strategy and policy of the Party could be effectively implemented throughout the whole army (Li 2019).

² The saying describes a practice the Chinese Communist Party implemented during the war time to let the branches be built at the most fundamental level to ensure all the effectiveness and efficiency of implementing the higher level orders.

When the practices of the eight modules were first created and organized by a department, they were organized for this purpose. Employees were enthusiastic only for a few months. To maintain their enthusiasm and inspired by this slogan, WU put the employees in charge of the practices and set up 36 branches on a company basis. Each branch has 40–50 people, and the largest one had nearly 100 people. Each branch has a secretary, who is responsible for the implementation of the eight modules with eight team leaders in each branch, who are responsible for one specific module. In addition, ordinary employees can apply for the positions and take responsibility for a module (Qu and Fu 2019).

The branch leaders are encouraged to make decisions, solve problems, and educate employees regarding the eight modules. These leaders meet every week to discuss the development and implementation of the eight modules and hold regular meetings to exchange their experiences and evaluate their performance. This strategy gives full autonomy to employees who were highly motivated. The “competition” among the branches has also encouraged the employees to take on this responsibility. The workers are also excited that the administrative leaders are being “ordered” by the workers. The momentum has improved their commitment and has helped engage all employees to actively participate in the implementation of the eight modules (Cong 2013).

6 Conclusion

The practices of the eight modules of Good-Ark directly have helped fulfil the 17 UNSDGs. Although many of the modules promote multiple goals, humanistic education is at the core of the eight modules. Specifically, humanistic care, philanthropic actions, health promotion, voluntary services, and green environment are related to society’s goals. Green environment, health promotion, and voluntary services are designed to achieve environmental goals. To WU, the company is a school to educate people, which is why humanistic education is prioritized. In fact, he also said that UNSDGs should put humanistic education at the centre when we interviewed him on the topic. “If we place humanistic education in the centre, the connections between the other seven modules and the 17

SDGs become apparent”. For instance, Good Ark’s philanthropic actions connect with SDG-1 “No Poverty and SDG-2 Zero Hunger”. Humanistic care and *Dun Lun Jin Fen* corresponds to SDG-8 “Decent Work and Economic Growth”. These connections exemplify how a company can connect its management practices and principles directly to the SDGs, just as Good-Ark’s eight modules connect with the SDG 17.

For companies that are interested in carrying out CSR and contributing to the fulfilment of the 17 UNSDGs, the most essential condition is that their leaders are fully committed and are role models for leaders at other levels to follow. Employees will follow if the main leader and immediate supervisors all act and exemplify the values they preach. What Good-Ark has achieved through the eight modules sounds relatively simple, but the key is to be consistent and persistent.

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