Corporate behavior in the 4.0 era

Modesty and humility.
Favorable traits not just for managers and leaders.

By Dr. Günther Schöffner. September 2019

Pride and stupidity go hand in hand. This well-known proverb has become somewhat outdated in the 2000s. Latest since the introduction of network based social media, pride has become a relevant factor not just for individuals but also for companies. The reputation of an organization is an important item since apparently nobody really wants to work for a company he or she cannot be proud of.

Beyond this fact it is even expected of leaders, managers or politicians to show certain pride regarding the organizations they are heading. The question is however, where is the borderline between sound pride, exaggerated personal pride, boasting or arrogance? The latter factors are usually not really appreciated. They are often connoted as bad traits of leaders. Therefore, doesn't it make sense to once more think about some old virtues like modesty and humbleness? Are they really outdatet? Global digitization demands new approaches and factors such as VUCA, agility or gen Z need consideration in business.

Human beings try to protect their self-image with all means available.[1] This is true for attacks from inside or outside.[2] A phenomenon called self-serving bias (SSB) serves to do so.[3] The self-serving bias is the tendency of people to give themselves too much credit for what they do well and give external forces too much blame when they fail.[4] The SSB theory was articulated by the psychologist Fritz Heider in 1958.[5] According to this people tend to attribute their own success to inner causes whereas failures are justified by outer causes like uncontrollable circumstances or special situations.

A type of this behavior is the famous Lake Wobegon effect which was brought into play by John J. Cannell with his reports in the late 1980s.[6] Transferred to the professional context this effect means that people tend to rate certain own capabilities as being above average. This over-estimation of one's own abilities tends to be even stronger the less efficient people are.[7] This means that with a decreasing degree of competence over-estimation increases. This is supported by the well-known Dunning-Kruger effect.[8] This effect states that people with limited knowledge in a certain domain reach mistaken conclusions, make regrettable errors and their incompetence robs them the ability to realize it.[9] In practice this means that incompetent people overestimate themselves, do wrong things and create by this failures which they in turn do not recognize due to the degree of their incompetence.[10] Bearing this in mind and considering that when working in a team or an organization there is always a subject where people are incompetent, the above mentioned conclusions give some reason for showing personal humility.

The affiliation with a certain company has big influence on the development of a person´s identity.[11] The longer a person stays with a company the more formative this affiliation is for the development of the person´s identity.[12] Therefore, a long attendance with a famous and successful company may result in feelings of superiority or pride. Such feelings have an impact on a person´s positive self-image which he or she tries to maintain with all power.[13] Pride itself not yet is a bad thing. It´s among the primary human emotions.[14, 15] Variations of pride are satisfaction, dignity, self-esteem or fulfillment.[16] Pride can, however, also become negative when for instance a long company attendance leads to an exaggerated self-esteem or even arrogance. Such a behavior can have a negative impact on cooperation and corporate culture.

As you can see such emotions can happen to everybody not just to managers or leaders to whom they are regularly attributed to. However, management has changed drastically during the past decades. Servant leadership has been known and practiced by many companies and leaders for many years. With this concept leaders give up control and make a choice to serve employees.[17] It turns the hierarchical pyramid upside down and puts employees to the top.[18] Agile management approaches like Scrum or self-organized teams take an approach of leadership different than it

has been known for a long time as well.[19, 20] Exaggerated self-esteem, pride or even arrogance would neither fit into these concepts nor succeed. Another step further goes the concept of "Level 5" leadership. A key characteristic of such leaders is an almost complete lack of ego (humility) coupled with a fierce resolve to do what is best for the organization (will).[21] This kind of leaders can show compelling modesty.[22] Such leadership concepts leave no space for exaggerated pride or arrogance of leaders if the concepts are intended to work and show credibility. The famous former CEO of General Electric Jack Welch said: "Any time you are managing people, your job is not about you, it´s about them.".[23] This sentence speaks for itself.

Another item to bear in mind in this context is company ethics. Two relevant pillars of an ethical organization are ethical individuals and an ethical leadership approach.[24] One of the most important factors in ethical decision making is whether leaders show a commitment to ethics in their talk and especially their behavior.[25] Employees learn about the values that are important in an organization by watching leaders.[26] An important element of acting like a moral leader is to treat everyone with fairness, dignity and respect.[27] This again leaves little or no space for exaggerated self-esteem or pride. The leadership criterion of the European Excellence Model from EFQM prompts leaders to role model in ethical behavior inside and outside the organization.[28]

When talking about pride in professional life a further aspect to bear in mind is the fact that personal success isn´t a result of one´s own personal efforts and skills only. Franz Josef Radermacher, a strong supporter of an eco-social market economy and President of the German Senate of Economy, explains in his book "A World with Future" that personal success has certainly something to do with one´s own competence and with a high personal commitment.[29] A big part of personal success however is due to luck, and in most cases besides oneself a couple of other competent people would also have been available to do the job.[30] A high personal income is also not only depending on one´s own competence and own commitment. The whole economic system and the state make a big contribution to this as well.[31] Otherwise it couldn´t happen that a taxi driver in Germany has a higher income than one in Poland or India.[32] The same is true for everybody else in professional life. Many other people, companies and the state as well contribute to one´s personal success. This gives good reason for personal humility and leaves little room for pride over personal success and accomplishments.

Considering these aspects, it becomes obvious that modesty and humility are not out of date. This is true not just for leaders and managers but for all people collaborating with others. This however is especially true in times of agility and VUCA where teamwork gets an even stronger meaning. Gen Z is demanding an open and transparent culture where also "bad news" such as product failures or layoffs are openly discussed.[33] This leaves little room for hiding past flops and just proudly talking about the successful past. Irrespective of his or her achievements or merits for the company and independent of the duration of his or her affiliation nobody has "earned" or "deserved" a right to behave arrogantly or boastfully. Especially managers and leaders should consider this,[34] but this is not at all restricted to them only. Everybody who works with others should show a certain respectful modesty.

At the end of the day, however, it´s also a matter of personal style. In Japanese culture, a factor called "hansei" is deeply rooted, which means self-reflection.[35] Hansei involves looking back in one´s past practice, recognizing that it wasn´t appropriate and acknowledging one´s responsibility in its cause and improvement.[36] Changing one´s personal approach in daily professional life therefore starts with self-reflection. This is followed by asking others for feedback to enhance the picture of oneself. With this information a change and improvement in personal behavior may start and succeed. If one has the goal of not only changing oneself but also one's own workspace or, if desired, even the entire company, the involvement of peers and managers can follow. However, everything starts with self-reflection.

Conclusion:
- Human beings tend to over-estimate their personal skills and competences.
- Various leadership theories and approaches support moderate pride and propose humility and modesty.
- People´s personal professional success isn´t just based on their own skills and engagement but many other people and external factors have a high impact on it too.
- A certain but noticeable degree of modesty and humbleness in professional life is absolutely reasonable.
- Company wide improvements start with oneself by self-reflection and feedback followed by the subsequent involvement of peers, leaders and the whole organization.

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