

Power of the humble CEO

By Amy Ou

SUCCESSFUL CEOs are associated with many traits, but humility rarely makes the list. This is not because humble bosses are not successful. Rather, it is because humility has rarely been assessed as a desirable quality in a leader.

The common perception is that the humble person is not assertive, lacks confidence, and the ability to motivate others. At worst, humility is equated with being weak. But in the business world, the reality is that there are many successful corporate chiefs who are also humble.

They tend to be low key and work behind the scenes. Hence, they, and the companies they lead, fail to get the same exposure, headlines and general attention as their splashy, ego-centric counterparts.

To find out if influential leaders have to be dominant and authoritarian, we undertook a study. Starting in 2010 and focusing on China, we interviewed the CEOs of 63 private companies and surveyed 328 top-level and 645 mid-level managers who worked with them. They represented a range of industries – 41 per cent were in manufacturing while 59 per cent were in service or trading – with staffing numbers ranging from less than 100 to as high as 12,000.

The obvious initial question here is – why did we choose China?

China offered relatively easy access to a sizable number of companies and managers. On the cultural front, China is at an interesting stage as foreign values challenge deeply entrenched traditions.

Chinese culture demands various, and sometimes conflicting, qualities of leaders. On the one hand, leaders are expected to exercise absolute authority over subordinates. Conversely, Confucianism and Taoism teach leaders to be humble.

CEOs in China have usually worked in many types of organisations, such as foreign, state-owned, or local private companies, each of which requires a different leadership style. So we could expect sufficient variance in CEO humility.

We chose privately owned small and medium-sized enterprises (SMEs) in the dynamic Yangtze River Delta economic zone – covering Shanghai and parts of Zhejiang and Jiangsu region – rather than state-owned companies whose many layers of govern-

ance can blur the impact of the CEO's decisions.

SMEs in the area face a relatively complex operational environment with a fast-growing economy, meaning companies often expand rapidly, inflating the egos of many CEOs.

However, while the government was flooding the economy with cash, controls over SMEs and favouritism towards state-owned enterprises were also increasing, placing a premium on the quality of leadership.

On average, the companies in our list had been in business for at least 14 years, which is sufficient time to determine sustainability and assess the leader's qualities. Many were founded by their CEOs.

Qualities of humble CEOs

Even as we interviewed CEOs to find out how they regarded themselves and their management experience and philosophy, their physical surroundings provided valuable clues. Grand offices with degree certificates, photographs with prominent personalities, and awards on display spoke of ego.

In contrast, the head of a successful supermarket chain had an office that looked more like a storage area and was littered with cardboard boxes. That is not to say that CEOs with small, messy offices are humble or more effective, but in this case, the state of the office indicated the CEO's indifference to obvious displays of power or authority.

Overall, humble CEOs accept that something is greater than the self. In essence, humble people do not compare themselves to others, which may induce over-confidence or low self-esteem. Instead, they are confident about their strengths and aware of their weaknesses, which helps them keep their egos in perspective. They also appreciate others' strengths and contributions, and are open to feedback and improvement.

Not only are humble bosses more willing to learn, they are also more willing to teach. The supermarket boss had a young team that relied a great deal on the CEO for day-to-day instructions. In order to make them more independent, the CEO cut down the time he spent in office, forcing his managers to make decisions.

Crucially, humble leaders are driven by collective missions that are greater than self-interest. They tend to be indifferent to material attrac-

tions and have a broad perspective of service to society that can inspire others.

Our research did not seek to establish the relation between the CEO's humility and the extent of the company's financial success. Instead, the goal was to reveal the black box and see how humble CEOs use empowerment to manage their senior and mid-level managers.

In contrast with leaders who micro-manage, our research showed the humble CEO taking a different path to employee empowerment by building a platform for associates and subordinates to shine. Under their leadership style, top management teams were willing to collaborate, share information, jointly make decisions and collectively create a shared vision for their companies. In turn, middle managers had a greater sense of autonomy and teamwork, and they became an engaged, loyal and high-performing managerial force.

Previous studies have suggested that leadership requires a strong personal desire for influence. But that overlooks the flip side – leadership also depends on whether subordinates accept their leaders' influence.

Research has shown that bold and assertive leaders who lack genuine concern for others undermine their influence on subordinates. Our study is consistent with that research.

The positive effects of CEO humility, meanwhile, provoke new thinking about the traits of effective leaders.

In today's volatile, complex, and increasingly borderless business environment which demands teamwork and reliance on others for a successful outcome, a humble CEO might perform better than one who believes he has the answer to everything.

Whilst our study looked at CEOs in China, there is no reason our findings should not apply elsewhere, including Singapore – humble leaders should have the same empowering effect anywhere.

That said, similar empirical studies examining leaders in Western contexts such as the US, where humility is assumed to have less value, might yield further interesting results.

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■ This article was first published on the school's Think Business portal (thinkbusiness.nus.edu)