How humble is your company culture? And, why does it matter?

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Abstract   Humility as a virtue of leadership has attracted increased attention in recent years. We introduce the concept of a humble organizational culture and define it as a culture that promotes humility as a key success factor and a source of competitive advantage, and one that institutionalizes six values and norms: (1) employee development, (2) mistake tolerance, (3) transparency, (4) accurate awareness, (5) recognition, and (6) openness. We position a company culture of humility as key to extraordinary success in the marketplace. Humility in individuals includes a willingness to see the self accurately and a propensity to put oneself and others in perspective. In this article, we offer a set of recommendations to help executives build a company culture of humility that supports the six behavioral norms and values that create the foundation for a firm's competitive advantage. We collected information on organizational cultures of humility for a sample of *Fortune* 500 firms using data from company mission statements, company websites, and news articles.
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1. Humble culture: What can it do for you?

"Be humble." This is one of the values of a company that been named one of *Fortune*'s 100 Best Companies to Work For and Great Workplaces in Retail for 7 straight years. It delivers such consistent financial success that its parent company manages it with a hands-off policy. This company is an exemplar of what a successful culture of humility is and what it can do for you and your company.

What company is this? Zappos, of course. Zappos was built on the founders' values, including humility, to create a system of behavioral norms for employees to learn and implement. The corporate culture of an organization is not a static resource, but a dynamic aspect of the firm that can evolve over time as new practices and systems are introduced. Even if these practices or systems may or

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may not work initially, a humble corporate culture is still rooted in the belief that humility brings value and success to the company. As Zappos has grown, the Zappos Way has developed and has been transmitted among new employees and divisions. The hiring process at Zappos emphasizes 'be humble' because it believes that humility allows for greater collaboration among employees. This value is so strong that, in 2013, Zappos got rid of traditional manager roles and introduced a self-management system known as *holacracy*, whereby employees do not report to a direct manager and are empowered to have more input in decision making. This radical change led to confusion and resistance but Zappos persisted and in 2015 offered a severance package to employees unwilling to get on board with the changes—aligning with Zappos' policy of treating employees with respect. While it remains to be seen if holacracy will be a success,[1] Zappos has maintained that its unique cultural values and norms are the cornerstone of all new initiatives.

The Kellogg Company (2015) also includes humility as one of its six core values—"We have the humility and hunger to learn." For Kellogg's, having humility means valuing openness and curiosity to learn from anyone and anywhere, seeking and providing honest feedback, being open to personal change and continuous improvement, learning from mistakes and successes in equal measure, and never underestimating the competition. Having a culture of humility gives its employees permission to acknowledge their mistakes and highlight what they are doing to learn and grow; this will ultimately enhance the company's performance.

Humility is a character dimension that has gained increasing attention in the last decade. CEOs such as Indra Nooya (PepsiCo), Sheldon Adelson (Las Vegas Sands), Carlos Ghosan (Nissan), Satya Nadella (Microsoft), Brian Moynihan (Bank of America), Pat Gelsinger (VMware), Rajeev Suri (Nokia), Warren Buffet (Berkshire Hathaway), and Jim Senegal (Costco) have been praised for their humility and effectiveness. Popular press books such as *Humble Inquiry: The Gentle Art of Asking Instead of Telling* and *Start with Humility* invite managers to reflect on the way they lead. Humility is founded on a willingness to see the self accurately and a propensity to put oneself and others in perspective (Exline & Geyer, 2004; Ou et al., 2014; Owens, Johnson, & Mitchell, 2013; Tangney, 2000). In particular, CEO humility has five characteristics (Ou et al., 2014; Owens & Hekman, 2012):

1. Accurate self-awareness: a severe appreciation of oneself;

2. Appreciation of others: the recognition of the contributions of others;

3. Teachability: openness to learning from others;

4. Low self-focus: low ego; and

5. Self-transcendent pursuits: an orientation toward serving others.

Leader humility has been associated with outcomes such as follower engagement, trust, helpfulness, generosity, psychological freedom, top management team integration, and ambidextrous strategic orientation, among others (Exline & Hill, 2012; Harvey & Pauwels, 2004; LaBouff, Rowatt, Johnson, Tsang, & Willerton, 2012; Ou et al., 2014; Ou, Waldman, & Peterson, 2015; Owens & Hekman, 2012; Owens, Johnson, & Mitchell, 2013 Van Tongeren, Davis, & Hook, 2014). Some might mistake humble leaders as meek or unable to make tough decisions but, as Jim Collins (2001) found, many humble leaders show a fierce resolve and iron will, are fearless in the face of challenges, and show strong professional will. In addition, Vera and Rodriguez-Lopez (2004, p. 395) wrote that humility allows leaders to:

> Distinguish the delicate line between such characteristics as healthy self-confidence, self-esteem, and self-assessment, and those of over-confidence, narcissism, and stubbornness . . . a person can be humble and competitive or humble and ambitious at the same time, which contradicts common—but mistaken—views about humility.

In our study, which collected data on CEO humility and CEO organizational culture for a sample of *Fortune* 500 firms, we show that humility is not only a characteristic of leaders but of organizations and introduce the concept of a *humble organizational culture*. This type of culture promotes humility as a source of competitive advantage, and institutionalizes six values and behavioral norms: (1) accurate awareness is promoted, (2) competent mistakes are tolerated, (3) transparent and honest communication is rewarded, (4) openness to the ideas of others is valued and modeled, (5) employee development is prioritized, and (6) employee recognition is practiced regularly. Organizational humility is a function of the degree of humility of the top strategic leaders, the degree of humility among the lower level members of the organization, and

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[1] Holacracy creator, Brian Robertson, says it takes about 5 to 10 years for the system to be integrated fully.