Eudaimonic Leadership: The Why and How of building a company that nudges towards being the best version of oneself

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Abstract. In a day and age where remote or hybrid work is becoming the norm, we need to find better ways of creating cohesive human structures built upon empathy, trust, and excellence. To do that, we need to be able to generate the appropriate working ecosystems that are capable of fostering eudaimonic growth in all the hierarchical levels of the organisation. In this paper we give way to the toolkit that has allowed BeWay to grow from four individuals in the beginning of 2021 up to over 70 professionals by May 2023, becoming the global leader of Applied Behavioral Science in the private sector.

1 Introduction

In this paper we will discuss the implications of Eudaimonic Leadership in the context of an innovative company. But what is Eudaimonic Leadership?

1.1 Eudaimonia; its origins

Eudaimonia is a Greek word that translates, in its most literal form, to “good spirit”, and which can be commonly translated to wellbeing or happiness. If we go back to its creator, Aristotle, Eudaimonia [1] was the term that he used to represent the highest human good. Aristotle goes further and explains, through another Greek term, arete, which can be translated to virtue, that an Eudaimonic life is the one that is lived through virtuous activity.

But what is the definition of virtuous activity? There is a lot of disagreement as to what exactly a virtuous activity is; for Aristotle it was about reason, for Epicurus it was about pleasure. However, we would like to push forward the agenda that a virtuous activity has to do with living a life in which you maximize those actions that bring you peace. For some people those actions might be aligned with their reason or with their pleasure, and for others, it may simply be actions that help them to sleep better at night.

And why do we want to push forward this agenda? Because we are humanists, and we feel that any north star towards happiness should be as inclusive as possible while taking into consideration the reality and contexts that each individual has.

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1.2 All a matter of behavior

All this comes down to the study of behavior. Why? Because we already set that an Eudaimonic Life comes from the behaviors that an individual performs. This means that what we need to study are exactly the behaviors that make people live an eudaimonic life. This will help us to understand the diversity of behaviors that fall in this category. Should we eliminate behaviors to fit into a Epicurean or Aristotelian model of Eudaimonia or should we take a more experimental approach and try to understand the behaviors of as many individuals as we possibly can and what drives them? We tend to align more with the former and prefer a more experimental approach.

There are only two known variables that drive behaviors: genetics and the environment. The eternal debate in psychology of “Nature versus nurture” that was already in place in ancient Greece but that was first coined in that way by the English Scientist Francis Galton in 1874 when he published the book English Men of Science: Their Nature and Nurture, is central to the science of psychology.

We still do not understand what percentage of our behavior is driven by genetics and which one is driven by context, understood as environment, however, we are making efforts to better understand both drivers. In genetics, we are carrying out studies to understand the extent to which behavioral phenotypes might be driving our behavior. Regarding context, we are working hard to better define the variables that constitute it. Some variables include external (temperature, time to perform an action, your relationship with the entity that is trying to influence you to perform a behavior, degree of complexity, time of the day, period of the year…) or internal (such as nationality, age, gender, psychographic profile, state of mind, hunger…).

1.3 Genetics and Context: the two drivers of behavior

If we agree that genetics and context are the two drivers of behavior, the next step is to see how these two variables affect the behavior of people since they are born, or even before, to understand up to what extent people’s behavior is driven by these two variables. When we are born, we can say that almost all our behaviors are driven by genetics since we cannot yet even perceive the context. However, as we start developing our senses, we start receiving input and reacting to it. It is crucial to understand that until this point it was completely defined for us, and our genetics. So, that first conscious action is completely defined for us, we do not have any say on that first decision. And, what about the second decision? Well, the second decision, again, has been made by the inputs and outputs that we have gotten from previous unconscious decisions and the first conscious decision, which, as we explained, was completely defined for us, we did not have any real saying. This means that in our second decision we will not have any saying at all. If we keep on the logic we can take this line of thought up to today and realise that none of our decisions are free of this reasoning, meaning that our behavior is basically defined by our context and
our genetics and that it seems there is no such thing as free will, since our behavior is defined by two variables to which we can exert no control.

1.4 Eudaimonia and Leadership are tied by context

There are many ramifications from this way of understanding human behavior, but there is one that really hits the nail in our context. If what brings Eudaimonia is a set of behaviors, and we just explained how important context is in driving behavior, setting the appropriate context, that drives the behaviors that bring Eudaimonia, seems to be a quite relevant job.

This is important in this case because the most important role of a leader is exactly that, to set up the proper context, for what? For people to be able to achieve Eudaimonia. But we are missing one part here, what behaviors are the ones that are going to end up in Eudaimonia.

In this sense, for us, the best compass to identify those behaviors is how they make you feel. If the behaviors make you feel good, calm, and in peace, if they do not end up in hedonic adaptation, if when you perform them, you feel like saying “I loved this, I had enough” instead of “I loved this, I want more”, then, that is a right behavior. These behaviors are the ones that are aligned with your core, with who you are, with what your genetics and your context has made you, the ones that activate your intrinsic motivation.

Intrinsic motivations are defined as those ones that drive you to engage in a behavior because of the inherent satisfaction of the action, rather than a particular desire of an end state that you get after performing that behavior. In words of the Hungarian American psychologist Mihaly Robert Csikszentmihalyi, who named the concept of “flow” [4], a highly focused mental state conducive to productivity, these types of behaviors that produce us satisfaction just by doing them are known as autotelic actions. We should become autotelic individuals by maximising the number of autotelic behaviors that we perform, because those are the ones that come from intrinsic motivation and the ones that drive us to be the best version of ourselves, defining the best version as the one that align us most with our core, the one that keep us in the eudaimonic growth path.

In relation with this, it is interesting to mention the training in Total Leadership (TL) that we organized at BeWay, from September 2022 until January 2023. TL is a methodology developed by Professor Stewart D. Friedman [5] from The Wharton School, to become better leaders and have a richer life. The impact in the organization was great and helped the participants to be real, to be the whole and to be innovative.

1.5 The Role of an Eudaimonic Leader

As you can see, by our definition, Eudaimonia is quite inclusive, and it only requires that people understand who they truly are and what is their core. I say “only”, but this is something complex, and normally people will need professional help to find it, though not always.

So, the role of the Eudaimonic Leader should be to set up the right context so the individuals, who make up the company, can be in the path of Eudaimonic Growth, defined as the growth that moves you towards performing the right number of behaviors aligned with the true core of the individual.
Innovation, which is the practical implementation that results in the introduction of new goods and services, or the improvement in offering goods or services, requires eudaimonic individuals. The path of innovation is tough, full of uncertainty, and this is why we need people that are performing behaviors that make them happy, that are aligned with their core.

Now that we stated, in this long introduction, what Eudaimonic Leadership is and why it is a coherent and even aspirational view of leadership, there is a pressing question that I am going to try to answer: How do we act as Eudaimonic Leaders, or in other words, how do we set up the proper context to foster Eudaimonia to our workforce and other relevant stakeholders?

2 The 3 Cs: Culture, Client, Capacity

Before we enter the 3 key variables that we define as decisive in setting the proper context for Eudaimonic Growth, I would like to set up the context for this explanation.

I would like to mention the SPIRE model developed by Dr. Tal Ben-Shahar at Harvard [6], which tells us that long-term happiness should not be pursued directly itself. Rather, we should pursue, individually, the different well-being elements that nurture the feelings that allow us to achieve the calm and peaceful stage that we defined as Eudaimonia.

For him, these include spiritual, physical, intellectual, relational and emotional elements. However, there has been efforts to include more elements such as environmental, financial, vocational, and some others. It seems that the most common conception of wellness includes, as Stoewen points out in his book "Dimensions of wellness: Change your habits, change your life” [7]: Physical Dimension - Intellectual Dimension - Emotional Dimension - Social Dimension - Spiritual Dimension - Vocational Dimension - Financial Dimension - Environmental Dimension.

It is out of the scope of this paper to explain these dimensions, but in future efforts we will try to connect more these dimensions of wellbeing with Eudaimonic Growth. We might even try to build a model or at least a framework, but for now we are going to focus in explaining how the following 3 Cs (Culture, Client and Capacity) can help to improve the dimensions of well-being, and, in consequence, help us set the right context for Eudaimonic Growth.

2.1 Culture

Culture is crucial in building an environment that fosters Eudaimonic growth. We have found three cultural pillars, that help us to align the values and intrinsic motivations of every potential employee with the values that the organisation is trying to foster. This is fundamental since our values are internal context variables which drive behavior, as we agreed above. The key of generating and maintaining a great culture has to do with aligning the values and intrinsic motivations of every employee with the values of the company and with the behaviors that the employee performs daily.

Here are the three cultural pillars.

2.1.1 Hire the proper talent

We need a hiring process that matches adequately, not only the person with the company, but also with the exact position that the person is going to perform. This is important because, as we agreed, eudaimonia is constructed by performing behaviors that are aligned with our internal motivations, that bring us internal peace. Those behaviors that are aligned with our internal motivations are the ones that are more tied to serotonine, the ones, as we explained,
that make us feel as “I loved this, I had enough” vs the ones that are more related to dopamine, the ones driven by extrinsic motivations, that make us feel as “I loved this, I want more” [8, 9, 10].

This is why when we perform actions that are aligned with our intrinsic motivations, with our core values, we do not get hooked, but when we perform those that are more aligned with extrinsic motivations, those ones tied to dopamine, we get hooked.

But, coming back from that neurobiological interesting fact, to hire adequately we need to pay attention to the following points:

- We need to deeply understand the job vacancies and the behaviors that the individual that we are going to employ is going to have to perform. The skills that are necessary to perform the daily activities associated, and, if possible, try to have a grasp of which type of profile is both good at these tasks and feels fulfilled performing these tasks.
- It is also crucial to generate a hiring process designed to discover the values and intrinsic motivations of the candidates to make sure that they are a match with the ones at BeWay. The type of questions that we ask, the situations in which we put the candidates, the people that participate in the different hiring stages, those are the variables that we can play with to achieve this.
- Understand and foster the company’s values to be able to match them with those of the candidates.
- One last important point that works well in our hiring process has to do with which type of egos that we hire. In our company we try to hire people with strong but small egos. However, it is not always possible, because some positions require a degree of sensitivity that sometimes goes hand in hand with having a big ego. So, what is the strength and the size of the ego? We define it in the following way: the size of the ego has to do with the importance that you give to other’s opinion of how valuable you are. If you have a big ego, you give a lot of importance and if you have a small ego, you give little importance. We want people which perceived value of themselves doesn’t depend that much on what others think, meaning that we want people with small egos. The strength of the ego has to do with your own perception of yourself, when you have a weak ego, you find yourself worthless, when you have it strong, you think you are valuable just for being yourself. When you put together people that do not care about what others think and that have a high perceived value, you get professionals that are assertive, don’t feel attack by negative feedback, can give constructive feedback. Finally, if you pare this with high degrees of empathy, you get a fantastic mindset that we feel, and this comes from our intuition, is quite correlated with how good you are as a professional. Meaning, small and strong egos coupled with high levels of empathy tend to show up in top performers.

2.1.2 Generate the proper systems, events, and processes to foster the feeling of belonging to something bigger than yourself

One of the deep intrinsic motivations that individuals have comes from the idea that they are part of something bigger than themselves. This is why when a company can align its employee’s purpose with the higher purpose, you get truly committed employees that will go the extra mile to make sure that the company is successful. We need to be tremendously aware that achieving this also has its negative parts in the form of possible disequilibrium between your personal and professional life. This is why we need to always make sure that the systems have the proper decision architecture to nudge people towards finding harmony in their work/life challenges, making the system sustainable. We will talk more about this later.
What are the types of actions that we can do to generate the systems that incentivize the feeling of belonging to something bigger than yourself:

- Activities that foster the relationship among employees from different teams, different hierarchy levels… One good example that we use a lot are book clubs. Since we are an innovative company, we need to keep in line with the state of the art on our field, and even participate in the generation of this state of the art. To do this one of our colleagues, Pablo Coello, had the idea to generate book clubs in which every week there are papers to be read about a particular topic of interest to the individuals that join the club, but also for the company. We have behavioral genetics, financial health, behavioral pricing, and behavioral science book clubs. However, an externality that we might have not think about but that now is clearly salient is the fact that these book clubs help to create deeper relationships with employees that did not have much connection due to the nature of their jobs. Other possibilities such as horizontal and vertical communication structures, hackathons, company retreats and so on can help to foster the building of relationships.

- To shed light on the value that the different teams and individuals are bringing to the table is another crucial variable that we need to optimise to keep the cohesion and the admiration for one another. Creating safe spaces to share the work that is being done it’s not an option, but a necessity, if we want to make sure that people feel that they are part of something bigger that is bringing real and effective value to the table. It is important that people feel comfortable enough to share both the successes and the failures, we all fail sometimes, so other can empathise, feel more connected and admire their colleagues.

- There is also a vivid need to generate proper spaces to foster genuine and continuous positive feedback and recognition. These spaces need to be public and nudge people towards genuinely praise the job of others. Here the leadership needs to lead by example and generate that vicarious experience to influence others into recognising the job of their colleagues. When you genuinely praise the job of someone you are not only creating a true connection with that person since you had to understand and analyse that person’s job, but you are also creating connections among those that see that praise and feel admiration towards that person and its performance. This must also be applied to the company level. We need to also communicate periodically the achievements and milestones that the company attains in its growth path.

- We should not forget either that, in this world, we not only need to be “something”, but we also need to look the part. This is why design is key to achieve the shared feeling of being part of something bigger than us. This is why how we present ourselves internally and externally with a design that can yield our values is an important piece of the puzzle to achieve that feeling.

- Fostering external actions that help people see the connection between what the company is doing, and their internal motivations also helps in nudging the feeling of being part of something bigger. Some of the actions that we can perform are participating in associations with similar values, building relationships with people and organisations that are a referent in our field and that are admired by our employees, generating content that make the workforce proud of being part of the company and sharing through our channels.

- Finally, another important tool that we can use to foster the desired feeling among the employees is the innovation process and its outcome. When we can generate new products,
services, or ways of doing business, in other words, when the company generates something objectively new it is easy for people to feel connected and part of something bigger, specially, as it should always be, if this innovation is aligned with their core values.

2.1.3 **Create an environment that fosters both professional and personal growth**

Another important job to build Culture that fosters Eudaimonic Growth is to set up the environment and processes that will help us to promote both professional and personal growth. We need to remember that we not talking just about hierarchical growth, we are focusing on Eudaimonic growth. We want to foster a move in the path that drives people towards becoming the best version of themselves, that version in which they maximise their internal peace, their eudaimonia, their happiness. This is why sometimes growth might mean a conventional lateral move, even a conventional down move, but also an up move.

We cannot make our workforce happy, only each of them can make themselves happy, but as part of the context, and an important part since we spend a significant part of our lives working, we have the obligation, if we are Eudaimonic Leaders, to be the best possible context, and that one is the one that we are describing in this paper.

Some of the actions that we can take to provide the environment that fosters growth are:

- We need to provide the proper tools that allow individuals to do their job comfortably. We can use the comparison with the Maslow’s pyramid, an employee cannot be thinking about growth if they are not feeling that they dominate their current role, the same way that they cannot be thinking about a necessity in the top of the pyramid if one of the needs of the basis it’s not covered.

- We need to think about what Behavioral Change Models tell us, since this is a Behavior Change that we are trying to perform. This is why we know that it is also crucial that we create the proper prompts to remind our employees that there are options of growth. As we know from the B.J. Fogg model, behavior is a function of 3 variables, motivation, capacity, and prompt. In this case we must work both in capacity and prompt, since we already know that the person is going to move towards where her intrinsic motivation is going to take her, that is the precondition for Eudaimonic Growth. We are lacking capacity and prompt. Let me leave capacity for the next point since I started with prompting. A prompt is an element that shouts to people “do the action” and it can have different forms. Prompts can be external such as an alarm clock, or part of our daily lives, such as walking through the kitchen may prompt us to open the fridge. In this case we can generate sessions, send messages, or create any other artifact that might help us remind people of the possibility of growth within the company.

- It is also important to work in the capacity. We need to provide the opportunities to people to do courses, masters, or whatever education path that can lead them towards Eudaimonic Growth. But it is also important to support them, to cheerlead them to help them feel capable of performing the demanding tasks that growth will require. Providing proper visualisation of their career paths is also an important point so people can feel that it is something that they can do. Another way is working through vicarious experience, by creating programs that match people that are starting a path towards a particular role with people that are already performing that role. This helps a lot to build capacity by decreasing the level of uncertainty.
Finally, it is relevant to talk about the challenges associated with scaling. To have an innovative company full of innovative people, you need to stay innovative. And scaling can bring important challenges.

Scaling means setting the right processes, methodologies, models, communication channels… to produce a product or service “at scale” meaning that you already found a product market fit and now is time to become some type of factory that produces something.

If you want to have a culture that still fosters innovation in this situation you need to be able to generate initiatives that translate into your employees having time to study, discuss, think, and come up with issues, solutions, concepts… that might be used or not by the business. In order to do this, you need resources, and these are going to come from your capacity of being able to position your product and service in the right way to generate the proper profit margin to be able to finance these other activities that are not directly revenue generating but that are crucial to feed peoples’ purpose.

As you can imagine, to be able to do this you need to generate processes to make sure that your employees are not 100% dedicated to their daily jobs, and that have some slack to be able to allocate to these activities that help them be more in contact with their core values and intrinsic motivations.

2.2 Client

The client, or potential client, is also a pillar in the process of Eudaimonic Leadership. Without clients there is no company and without company there is no Leadership, that’s just a fact.

The idea of our product or service, how to price it, how to communicate it, position it, brand it, sell it, which channels use… it all comes from a deep understanding of our client, their needs, desires, fears, behaviors… this is why we need to deeply understand our target client from the very beginning in order to have a successful unique value proposition.

An Eudaimonic Leader needs to foster a culture that puts the client and all the variables associated to him in the centre of the process that allow us to build and maintain our unique value proposition. And we must go a step further, we need to always be working in generating in our target potential clients, and our current clients, the perception that we are the right partners for whatever product or service they need, and we can offer. There are a few important points that can help us to create this perception:

- We need to generate products and services that are superior to what the competition puts in the market by various orders of magnitude. This is especially important for innovative companies that have not yet a name in the market. To break the tall and strong barrier that exists when your target client doesn’t know you and hasn’t have experience with you, you need to leave no doubt in their eyes that your product or service is the best, period. How do you do this, one of the main ingredients is to build the proper talent, and how to do that we explained it in the previous pillar.

- Setting a long-term relationship with our clients is also a key driver of building this perception. This is an elusive plan for most innovative companies since they tend to be desperate to generate income to not run out of cash. This is why they tend to focus in making money quite fast and not so much, there are exceptions, in building long-term relationships.
An innovative company, and truly most companies, needs to think how the relationship that you just entered with a potential client becomes a long-term relationship. Just to give a bit of flare on how we are doing this. We, at BeWay, are struggling a bit with this part, due to many reasons that can be discussed in a different setting, and we have currently been piloting a new way of relating with our clients that work three different dimensions: strategic, relational, and executional. We call this new relational model, The Trident. The objective of this trident is to provide excellence in how we deal with our clients and always push that long-term relationship mentality. It is based in the principle that our employees should be doing those activities that are in line with their intrinsic motivations, that get them closer to their core, that are aligned with their values and that help them to fulfill their purpose.

- The person that nurtures the relationship with the clients must have a particular set of skills and needs to like a particular set of activities. They need to enjoy having deep conversations about life, preferences, dreams, fears, they need to have a high empathetic capacity, to be able to manage time like a Swiss clock and many other skills and interests.
- The person that must generate the strategy for the client needs to be able to understand the holistic view of the clients’ value proposition and the value chain, needs to be able to conceptualize ways in which behavioral science can infuse and permeate the whole organization. They need to have a deep understanding of the processes of the industry that the company works in as well as the capacity to generate the necessary deliverables to support the selling of the strategy to the potential client.
- And the third person, the one that leads the execution of the short-term projects that have been assigned has to have a different set of skills and preferences.

- Another important catalyst that we need to put in place is the execution of marketing and sales strategies that position our company as the spearhead of the innovation that we are working on.

2.3 Capacity

With Capacity, we are talking about the capacity to find harmony in your life. Harmony between your professional and personal life, whatever that might mean to each individual.

Something interesting happens when you generate an environment in which the best talent is attracted, processes that make life simple for this talent are put into place, structures that foster eudaimonic growth are encouraged, and there is freedom to innovate… People stop seeing what they do as a job and start identifying themselves with it, their job is part of who they are, not what they do.

This has amazing externalities, but also negative ones. One of them is that people are prone to overwork. And this, in some situations, can lead to burnouts. It is true that when you are working in an environment with the characteristics that we talked about, it is hard to get burnout, because we cannot get burnt-out when you are doing actions that maximize your internal peace. However, this is not always the case, why? Because sometimes you must do things that you do not enjoy that much, and most importantly when you are working you are not always going to see eye to eye with every member of your team, or others, and despite of the culture and values, the more you work the more frictions you will find. If you feel harmony, these frictions will not matter, they are part of the business, but if you feel overworked and tired, these little frictions can build up and lead to burnout. This is why,
when you lead an innovative company and you want to build it to last, you need to create an environment that promotes harmony between personal and professional life.

Here are the actions that are going to support this third C:

- We need to focus on understanding the work dynamics and make sure that we generate flexible working hours that allow people to work at the times that they prefer while being mindful of others’ time. Most likely this is going to mean not having clear working hours but having a comprehensive and simple guide on how and when to contact other employees to respect them and their time.
- Make sure that vacations are fully honored, and the disconnection is real.
- Make sure that the Talent & Culture Team is executing activities that help them understand the needs, desires, wants, issues, mental state and health of the employees to adapt the experience of being a BeWayer employee.
- Promote the connection between work life and personal life by allowing them to perform other activities during a small percentage of their working day. This way you are constantly reminding them how much the company cares about their harmony since they can stop and smell the roses every day.
- Work on a relationship that goes beyond the professional. You need to build a family, not a place of work.
- Promote processes, methodologies, teams… that promote the efficiency in the relationship between the employees, minimizing work meetings to the minimum and maximizing creative sharing and team bonding.

3 Conclusion

As we are sure the reader has noticed, this is not the typical Research Paper, it does not use formal English, it doesn’t use a voice of a scientific paper. This because we have exercised our Eudaimonic right and we have written this paper in a way that we felt that would increase our levels of peace, which, in this case, meant writing it from our truth as who we am. However, in the next section we put all the references that we’ve used so the reader can dive in the topic and keep on learning about how to live an Eudaimonic Life.

We are not naïve, we understand that this first effort to define Eudaimonic Growth and synthesise how a company can help its employees to achieve it is far from perfect, but it should help to serve as a seed for many others, and also us, to keep on exploring the topic and helping build more human corporations which should end in a more human world.

References

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