

We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

6,900

Open access books available

186,000

International authors and editors

200M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?
Contact book.department@intechopen.com

Numbers displayed above are based on latest data collected.
For more information visit www.intechopen.com



Entrepreneurship, Leadership and Charisma: Which Are the Links with Business Models Sustainability?

Mara Del Baldo

Additional information is available at the end of the chapter

<http://dx.doi.org/10.5772/intechopen.70535>

Abstract

Leadership ethics tend to emphasise the benefits of implementing ethical practices within organisations, focussing on the importance of a leader's values and virtues and the positive effects of a leader's behaviour on employees' satisfaction, the organisational culture and stakeholders' relationships. Drawing from this premise, the work addresses entrepreneurial and managerial leadership model, such as charismatic and virtues-based leadership, and its contribution in developing sustainability-oriented strategy. Using a methodological approach which merges the inductive and deductive perspective, a critical review of leadership approaches is followed by the empirical analysis based on a case study relative to a large Italian public company—Brunello Cucinelli Spa—driving attention to the effectiveness of sustainable business models which require managers and entrepreneurs to govern the internal and external complexity and actively contribute to both the sustainability of the company and the local and global environment.

Keywords: entrepreneurship, business model, charisma, case-study, leadership, sustainability

1. Introduction

Since the 1950s, numerous theoretical frameworks that posit leadership at the core have been developed and extensive research has been undertaken on leadership behaviour.

Recently, several studies—which are part of the theoretical framework of corporate social responsibility (CSR)—have underlined how entrepreneurial behaviours and values lie at the base of CSR-oriented strategies and actions [1]. The business ethics literature emphasises the values dimension of entrepreneurial and managerial activity. Within this theoretical construct,

concepts such as management integrity, authenticity and virtues have been introduced, becoming widespread in the corporate context and giving rise to sustainable business models [2] and models of good governance aimed at constructing a civil economy [3, 4]. Leadership ethics tend to emphasise the benefits of implementing ethical practices within organisations, the importance of a leader's values and virtues [5–7] and the positive effects of a leader's behaviour on employees' satisfaction, the organisational culture and stakeholders' relationships [8, 9].

At the same time, the relevance of leadership has been growing in regard to innovative forms of social, environmental and integrated reporting, which place a strong emphasis both on the business model and the quality of leadership that directly or indirectly affects it. However, at present, the relationship between CSR and leadership has not been adequately amplified. Although some innovative topics, such as responsible leadership, have been emerging [10, 11], Du et al. [12] clearly highlight the persistence of certain deficiencies with regard to the interface between leadership and CSR: “despite a growing body of research documenting the business case of CSR, our knowledge of organisational antecedents to CSR remains embryonic” [12], p. 156. Addressing this gap, they investigate the roles of transformational and transactional leadership and the influence on the effectiveness of CSR in generating positive organisational outcomes.

Lack of research calls for further studies aimed to consider leadership components and practices. In particular, among the fields that are still underdeveloped, the relationship between CSR orientation and entrepreneurial/managerial virtues has not been adequately investigated or only partly addressed [6, 13], nor have previous studies expressively analysed entrepreneurial virtues intended as a transcendental perspective and virtues-based leadership and how they are reflected on the business model.

Drawing from these premises, the work aims to focus on entrepreneurial and managerial leadership models, such as charismatic and virtues-based leadership, and their contribution in developing sustainability-oriented strategies, capable of leading companies toward effective models of sustainable development [14]. The research question that orients the study can be summarized as follows: How does leadership affect the business model and its orientation toward sustainability?

Using a methodological approach, which merges the inductive and deductive perspective, this question orients a critical review of ethical-based leadership approaches, followed by the empirical analysis focused on a single case study [15] relative to a large Italian public company—Brunello Cucinelli Spa—driving attention to the models that are more coherent with the actual socio-economic context which require managers and entrepreneurs to govern the internal and external complexity and actively contribute to both the sustainability of the company and the local and global environment.

2. Leadership ethics: ethical and moral-based leadership

Leadership has a crucial role in shaping ethical organisational culture through leaders' moral behaviour, corporate mission, vision and values, ethical criteria for recruiting/

selection/promotions, evaluation processes and monitoring, ethical training programs, applying ethical values to decision making, daily routine and in intra-organisation procedures and structures [16]. Leadership behaviour ethics tend to emphasise the leaders' behaviour and their values [8, 17].

The benefits of implementing ethical practices have been demonstrated by focusing on personal virtues held by leaders [6, 7, 13]. A fundamental pillar for the effectiveness of ethical commitments and the development of internal and external trust lies in a strong 'steer' from the top [18, 19]. Ethical leadership requires personal attributes (honesty, ability to listen, allowing others autonomy of choice, openness, willingness to consult and to learn) and manifests itself in a series of executive behaviours (i.e., gaining a real understanding of the culture; building ethics and values into 'hearts and minds' by means of ethics training programs; building ethical achievement into performance evaluation, creating channels of communication between the company and stakeholder groups, starting with employees) [20]. There are leaders who freely admit that they are driven by an intrinsic and contagious commitment to values. Leadership is not possible without ethics, because "being a moral leader and doing, acting with moral leadership are one" [21], p. 4 as shown in **Table 1**.

Moral behaviour and leadership are interrelated: on one hand, moral behaviour is influenced by situational factors such as role modelling, diffusion of responsibility, conformity, etc.; on the other hand, individual differences (i.e., personality and values) act as an antecedent of moral behaviour [22].

Moral leadership is inspired by constitutive moral elements: innovation, intuition and imagination [21]. Moral imagination entails perceiving norms, social roles and relationships entwined in managerial decision-making. Moreover, it involves the ability to envision and evaluate new models that create new possibilities to reframe problems and create new solutions in ways that are economically viable and morally justifiable [23], p.93. Creative value management depends on the attention paid to all values that are at stake. Moral creativity fosters dynamic and innovative CSR strategies and actions and is linked to responsible and sustainable leadership [24, 25]. The organisational culture imbued with

<i>Being informed by values, emotional and reasoning capability, caring, visionary, proactive and innovative</i>	<i>Doing informed by relationships with all stakeholders, wanting to achieve the best for all and the common good</i>
Balanced/in harmony with yourself	Relational
Reason and emotions	Affective
Integer (integrity)	Being there (crisis)
Vision	Caring
Passionate	Communicating
Responsible (ethical)	Involving others
Trustworthy	Responsive

Source: Our adaptation of Ref. [21].

Table 1. Doing and being a moral leader.

moral leadership enjoys several benefits: understanding of the interdependence between stakeholders; learning environment; respect and trust; cooperation; responsibility and accountability. This is not an idealistic approach, being that it is possible to find companies (i.e., the Norwegian company Stormberg A/S, see [26]; The Loccioni Group, see [27]) that apply it.

2.1. Charismatic, transcendental and virtues-based leadership

The ability to “walk the talk of morals” is emphasised when maintaining trustworthiness and model attractiveness [28, 29] and is positively related to charismatic and transformational leadership [7, 30, 31]. Charismatic leaders are capable of turning problems into opportunities and resources thanks to their ability “to see the world” differently [32] and to create and maintain a work environment where people are emotionally and intellectually committed to the organisation’s goals. They build an energetic and positive attitude in others and inspire them to do their very best by creating a common sense of purpose [31]. Personal responsibility, vision, moral virtues, integrity, faith in personal commitment, shared social responsibility and solidarity are typical attributes of charismatic leaders [32], which leverage a virtuous corporate culture in an organisation [33].

The Globe research [34] identified several leadership dimensions, among which are ranked: charisma and ability to motivate members of the organisation by leveraging the transmission of corporate values; ability to create and manage working groups, orienting them toward common goals; level of members involvement in the decision-making process; level of compassion and generosity and the ability to provide human support to the members of the organisation.

When linked to spirituality, moral leadership has been viewed as the means by which religious beliefs impact leaders, the workplace and the society [32]. Ethical standards in business settings, levels of corporate responsibility and the role of religion in business ethics are the interrelated concepts that support the idea of business “as a calling,” which leads to creating an ethical organisational culture, developing CSR and providing servant leadership [35–37].

Although the world of business is dominated by rationality, efficiency and the pursuit of material goals, spiritual leadership assumes that leaders create a sense of spiritual meaning in followers through values such as honesty, wisdom and humility [38]. Malloch [19] provides several examples of “spiritual enterprises” in which virtues are daily applied in the operative, organisational and strategic management. These companies—also called visionary companies—possess a high level of social and spiritual capital, are characterised by different religious faiths and are diffused both in developed and emerging countries. Managers who hold a spiritual perspective on life are more ethical in their business conduct than those who do not hold a spiritual perspective [39]. In the Western world, the link to religion has often placed morality and wisdom into the private sphere, excluding it from being discussed openly as relevant to management and business altogether [18, 20]. The pursuit of material

goals “have dominated economic thinking both in theory and practice” [21], p. 9. However, literature comprising spirituality at work and spiritual leadership theory has become highly influential, especially in the USA. At the same time, this research strand has also attracted significant criticism [39].

Virtue ethics represent a developing approach within business, following with the recovery of the idea of virtue in mainstream philosophical ethics in the second half of the twentieth century [40, 41]. Among the virtue ethics there is a Neo-Aristotelian approach, which is applied to business ethics by several authors [42, 43]. Virtue ethics contribute to an environment for business that fosters the best practices [13] and allows us to understand the authentic “roots” of CSR. Flores and Green [6] used the “Leadership Virtues Questionnaire” to measure four leader virtues (cardinal virtues): prudence, fortitude, temperance and justice, which were positively related to assessments of authentic leadership, ethical leadership and transformational leadership. A stakeholder dialogue and engagement based on virtue ethics is concerned about the development of a virtuous corporate culture that takes a long-term view [44].

As mentioned in the previous sections, Bastons [45] points out that such virtues intervene in the structuring of the decision-making processes and allow the integral development of a company and its stakeholders.

Bertland [41] states that one can better understand the action of a leader when viewed from the perspective of the capabilities approach. This perspective reflects on the role of organisations in developing individual abilities and enriching the setting of the virtues ethics. Virtuous managers will be able to encourage employees and strengthen their talent, enhancing dignity, promoting positive relationships with customers and involving shareholders in social commitment.

Virtuous leadership goes beyond the debate on effectiveness, shifting the discourse to the concern of values, attitudes and behaviours that encourage transcendental development of leaders and followers [46]. Fry [38] defines transcendental leadership as a holistic model that concerns the whole person as it integrates the four essences of human existence: the body (physical essence), the mind (logical/rational thought), the heart (emotions and feelings) and the spirit.

The diffusion and growth of virtues in a company, however, oppose the barriers that Martin [47] identifies, primarily lacking, among the business leaders of today, a vision.

2.2. Responsible and sustainable leadership for a sustainable business model

The theoretical construct of responsible leadership derives from the intersection of the moral-based leadership concepts with those of social responsibility and sustainability. It is characterised by a multilevel approach that places the leader, his behaviour, attitudes and choices in the centre of the management of a company, a division or a team [48]. “A responsible leadership theory broadens the notion of leadership from a traditional leader-subordinate

relationship to a leader-stakeholder relationships" [12], p. 156. Responsible leadership is in fact described as "an ethical and socio-relational phenomenon that occurs in social interaction processes" [10], p. 99. Accordingly, "building and cultivating ethically sound relations toward different stakeholders is an important responsibility of leaders in an interconnected stakeholder society" [10], p. 101.

Theories on responsible leadership thus emphasise the importance of approaching leadership in the context of stakeholder theory [28, 49]. Responsible leadership requires leader to also engage in involving stakeholders with virtue and integrity to build the best community and workplace [50]. Therefore, it enables the integration of the leaders within the stakeholder community.

Magni and Pennarola [48] point out that the competencies of responsible leadership are centred on communication, involvement of people and the importance attributed to the development of a new corporate culture based on values and moral convictions. The responsible leadership model they developed rests on five pillars: stakeholder consideration and ethical climate; integrity and climate oriented toward justice; role modelling and empowerment; climate geared toward diversity and inclusion and long-term orientation. Through this model, the responsible leader triggers a resilience path that guides the company toward sustainable development. Coherently, key factors of leadership style are the people strategy (the human resources management) and the culture (which enhances the basic values, such as accountability and transparency). The people strategy must be based on the enterprise conceived as a community of people. Therefore, its value is measured based on the commitment in bringing out the skills of its employees and this leads to the virtue of humility [51].

Responsible leadership rests on the idea that the responsible person must have flexible thinking (i.e., strategic and systematic), which includes the dimensions of logic (to sort, select and plan), ethics (foresight, transparency and perseverance) and aesthetic. Therefore, it requires specific cardinal virtues, such as prudence and perseverance.

Many approaches used for implementing CSR and sustainability have been predominantly inward-oriented and incapable of linking firms' social responsibilities to the core business and the value creation processes [25]. The need for more outward-oriented approaches has been pointed out, claiming the relevance of a sustainable business model with regard to the firms' value creation processes as a starting point [52, 53]. A sustainable business model is built upon the creation of value for all stakeholders and the natural environment, encompassing a wide range of changes that affect the company culture and values, translated into business practices and strategies, skills and knowledge, the leadership model and the internal and external relationship [54]. The sustainable business models are constructed through the interactions between individuals and groups inside and outside of companies [53, 55, 56]. Inquiring the nature of CSR leadership, Visser [25] observed that many characteristics (traits, styles, skills and knowledge) were associated with CSR leaders. Namely, a set of key characteristics that distinguishes the leadership approach taken

by individuals tackling sustainability issues includes: systemic understanding, emotional intelligence, values orientation to shape culture, compelling vision, inclusive style, innovative approach and a long-term perspective.

The theoretical constructs of sustainable leadership is thus closely linked to that of responsible and CSR leadership. It shares the same theoretical setting and differs from the latter only because of a greater focus on the three dimensions of sustainable development (people, planet and profits) and the creation of a social capital necessary to face times of difficulty and crisis [49]. Namely, three main elements characterise sustainable leadership [57]: (1) the need to cultivate a way of being and acting immersed in sustainability values; (2) the rootedness to the life processes and (3) being a dynamic, inclusive and collaborative process. Therefore, the leader's role does not rest in guiding others, but in guiding with the others as a result of sharing the values and the vision of sustainability inside and outside of the company.

A possible "missing link" between theory and practice of sustainability in the daily life of companies can thus be attributed to the lack of attention toward a key factor for concretely implementing a sustainable business model, which is an authentic leadership model consistent to the sustainability orientation and based on a moral and ethical construct. Sustainable leaders should be innovative and proactive in driving the change inside and outside the company toward sustainability. They should be capable to take the initiative without waiting for political decisions or forced by norms and laws. They should not be oriented to a short-term financial and competitive success and to an opportunistic use of CSR, merely aimed to increase the company (and their own) legitimacy [58]. In other words, they should be authentic.

The word authentic derives from *authento*, "to have full power" [59]. Aristotle's view of ethics focused on one's pursuit of the "higher good" achieved through self-realisation when the activity of the soul is aligned with virtue to produce a complete life. Such self-realisation is tied to one's well-being or *eudaemonia*, a form of happiness that, in contrast to hedonism, arises from successfully performing activities that reflect one's true calling. Departing from ancient Greek philosophy, a variety of leader authenticity definitions have advanced over the years and several theoretical, empirical and practitioner publications have been produced [60]. Authenticity encompasses four key components: (1) awareness (i.e., knowledge and trust in one's thoughts, feelings, motives and values); (2) unbiased processing (i.e., objectivity in regard to the acceptance of one's positive and negative attributes); (3) behaviour (i.e., acting based on one's true preferences, values and needs rather than merely acting to please others, secure rewards or avoid punishments) and (4) relational orientation (i.e., achieving and valuing truthfulness and openness in one's close relationships [61]. This multi-component conceptualisation of authenticity has provided the theoretical foundation for several theories of authentic leadership [62].

Authenticity as a driver of entrepreneurial and managerial behaviour relates to the expression of integrity [9]. Entrepreneurial and managerial authenticity influences the nature and

extent of CSR approaches and explains the tendency toward a genuine and intrinsically based orientation to CSR and sustainability [25]. A lack of integrity in the organisation's functioning, as well as in organisational practices, constitutes "companies' vices," which are often diffused in large public companies [20]. In the framework of leadership studies, authenticity emerges as a key factor. Fundamental pillars of authentic leadership include: the goal, the values, the heart, the relationships and self-discipline [63]. An authentic leader possesses a positive psychological capital (confidence, optimism, hope and resilience) and an elevated level of morality. He/she develops authentic relationships with followers, increments confidence and builds a work environment and a pleasant organisational climate, oriented toward sustainability. The mission-driven companies, which are guided by an authentic leader, are able to generate a much higher value (in economic, social and environmental terms) than those who exclusively research profit results [63], such as the following case study demonstrates.

3. Methodology

The empirical research design has been developed using a qualitative approach [64] based on a single case study method [15, 65]. As a research strategy, the distinguishing characteristic of the case study is that it attempts to examine: (a) a contemporary phenomenon in its real-life context, especially when (b) the boundaries between phenomenon and context are not clearly evident [66]. The ability of a case study researcher to portray a comprehensive analysis of phenomenon becomes important to capture the original vantage points from both sides [66], p. 260.

The case study is relative to an Italian company, namely Brunello Cucinelli, belonging to the fashion industry and based in the Umbria region. The company has been selected for its traits of excellence, both relative to the business model and the leadership model, which makes it an interesting laboratory on a scientific and managerial level. Brunello Cucinelli (the founding entrepreneur) has been collaborating for years with different universities and national and international research centres.

Data have been collected from two main sources. First, a document analysis of materials downloaded from the Internet site in a period of 3 months (Dec 2016–Feb 2017) have been carried out. The documents include: annual and infra-annual reports, press releases and information on the company's principles posted on the website [67].

Secondly, a document analysis of books and articles relating to the company and their entrepreneurs/managers published in newspapers in the last 5 years (2012–2016) (national and international newspapers downloaded by the company corporate website) has been carried out [68].

Information have been selected in order to cover the following topics: mission and basic values of the companies; business models; leadership model; strategies and stakeholder

initiatives (stakeholder engagement). A manual coding of the texts and statements/speeches of managers/entrepreneurs has been performed.

4. Brunello Cucinelli Spa

4.1. Company profile

Brunello Cucinelli Spa is an Italian couture house of approximately 1400 employees listed on the Italian electronic stock exchange (MTA). The company was founded in 1978 by Brunello Cucinelli, stylist and entrepreneur, in the medieval hamlet of Solomeo, a small hilltop village located on the outskirts of Perugia (Umbria, Italy). Currently, it represents one of the most exclusive brands and testimonials of Italian lifestyle worldwide in the international luxury prêt-à-porter sector, specialised in cashmere. Brunello Cucinelli Spa's success, whose financial results are briefly shown in **Table 2**, is rooted in the history and legacy of great craftsmanship as well as in modern design: a quality strategy founded on a combination of high quality material, innovation, creativity and artisan skill.

Brunello Cucinelli, Chairman and CEO of the company, commented on this data: *"Another splendid year for our industry has just ended with double digit revenue growth and a very agreeable image of our brand at a universal level. To all our esteemed employees, co-workers, clients and shareholders, who help us feel like custodians of creation, we would like to express our most heartfelt thank you, thank you, thank you."*

Brunello Cucinelli brand is an expression of a sophisticated concept of a contemporary lifestyle. The brand is firmly rooted in quality excellence, Italian craftsmanship and creativity, which are the foundations on which the company's growth can be built in the long run. The positive results that have been achieved confirm the sustainability of the business model and mark the company's long-term growth project, which together with the development of human resources falls in with the concept of "humanistic capitalism," an integral part of the Group's DNA.

Net revenues	€456.0 million, +10.1% at current exchange rates compared to December 31, 2015
Growth in all distribution channels	Retail mono-brand +17.1%, wholesale mono-brand +2.4% and wholesale multi-brand +4.2%
Net debt	Approximately €51 million on December 31, 2016, a decrease on the figure of €56.4 million on December 31, 2015
Investment	Approximately €30 million in 2016
2015 EBITDA	€ 69.1 million (up by 11.0% compared to 2014)

Source: Corporate website: www.brunellocucinelli.com

Table 2. Brunello Cucinelli Spa's preliminary results (2016).

4.2. The leader's philosophy and the business model

The humanistic enterprise model triggered by the so-called Prince of Solomeo [68] derives from the vision and charisma of the founder, Brunello Cucinelli, born in 1953 in a peasant family in Castel Rigone, a fifteenth century little hamlet near Perugia. After obtaining a diploma as surveyor, he enrolled in the faculty of Engineering. However, he dropped out in 1978 to set up a small company and implement his basic intuition. The business idea was to dye cashmere, which at that point had mainly come in natural or more basic colours. In 1982, after getting married, Brunello moved to Solomeo, a small, ancient town in Umbria, where, in 1985, he purchased the fourteenth century tumbledown castle that became the corporate headquarters and venue, making his dreams come true.

Indeed, Solomeo became a great workshop for him to build his success as an entrepreneur capable of putting a contemporary form of "neo-humanistic capitalism" into practice, which is a different way of doing business in the twenty-first century, where profit can be sought without damaging mankind. This concept of contemporary capitalism has been defined by the press as an innovative example of "humanistic capitalism." This vision was rooted in Brunello as a boy, when he witnessed his father working in an unwelcoming environment. He became a close observer of the world, thus developing his dream to promote a concept of work that ensured respect for the moral and economic dignity of human beings. This is the key element to understanding Brunello's personality and the success of his business, which is intended not only as a wealth-generating entity but also as a driver to develop capitalism that enhances human beings. Brunello's philosophy can be summarised in his words: *"During my lifetime, I have always nurtured a dream: useful work to achieve an important goal. I have always felt that business profit alone was not enough to fulfil my dream and a higher purpose was to be found."* Over the years, Brunello has been acknowledged by national and international honours, such as the "Knight of Industry" nomination assigned by the President of the Italian Republic and an honorary degree in Philosophy and Ethics of Human Relations from the University of Perugia.

In 2012, the company was listed in the Stock Exchange market, not only for financial reason but also because the wider participation in his business activity represented an opportunity to spread Brunello's ideals of capitalism, conceived as a new Renaissance in its infancy, a golden century resting on the great values of humanity. Sustainability of growth and healthy profitability are distinctive features of the company.

Accordingly, many projects were triggered to make these ideals come true. In 2013, the Solomeo School of Arts and Crafts was established and is located in the Forum of Art, built exclusively by Umbrian master craftsmen. It also includes the Neo-humanistic Aurelian Library, the Gymnasium, the Amphitheatre and the Theatre, because Brunello's vision requires that the memory of an important humanistic factor such as craftsmanship is preserved and passed on to future generations. Moreover, the Project for Beauty presented in 2014 and supported by the Brunello and Federica Cucinelli Foundation entails the creation of three huge parks in the valley at the foot of the Solomeo hill (the

Agricultural Park, the Secular Youth Club Park and the Industry Park), recovering part of the property occupied by old abandoned factories and using it to grow trees, orchards and lawns. This initiative symbolises the crucial value of earth, “from which all things are” and highlights the duty to restore the dignity of the land and to act as a guardian of creation. Excellent quality, Italian craftsmanship, creativity and exclusive distribution are the pillars and foundations of corporate identity and philosophy, which nurture the business model (**Figure 1**).

The foundations of the business model are (1) search for top-notch quality, excellence in craftsmanship and manual work and skills; (2) exclusive products, which are expressions of authentic Made in Italy and (3) the preservation of values that make up the company’s DNA: dignity of work, profit and a special relationship with the surrounding territory, in a “gracious” and constant long-term development plan (**Tables 3 and 4**). Brunello Cucinelli has set up an innovative business dimension, that is, a reality in which the human being lies at the core of the company and work is seen as an expression of human value, where profit becomes a means to achieve the higher end of the ultimate good to improve the workers’ lives. Besides the fundamental values and general principles of compliance with the law, honesty, transparency, fairness and good faith (as per the company’s Code of Ethics), strategic priority is given to sustainable development objectives, including the well-being of all those working for and cooperating with the company as well as the company’s responsibility *vis-a-vis* humanity. This orientation represents a value proposition for customers who are always receptive to ethics and sustainability.

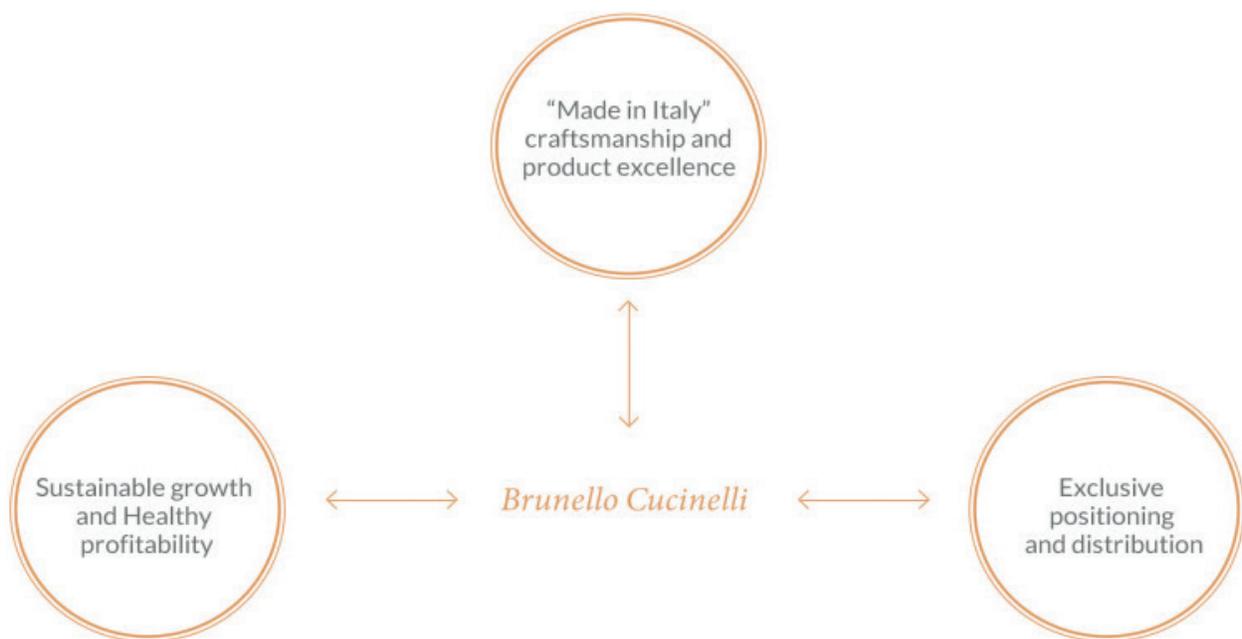


Figure 1. Brunello Cucinelli Spa’s business model. Source: Brunello Cucinelli Annual report (2016).

The decline of consumerism in favour of a fair use of things	“Consuming means impoverishing and depleting, whereas if we use our resources reasonably, they have the time to grow back. The well-being of society coincides with a fair use of things, therefore a gracious, sustainable and healthy growth turns out to be perhaps more human. We need a gracious growth” (<i>La Repubblica</i> , September 20, 2014).
Humanist artisans of the web	“Thanks to new technological horizons our tradition of seeking knowledge, human relations and the circulation of ideas can reverberate with new exciting energy, a deeply ethical and social one. The quality of knowledge and therefore of life improves only if critical thinking progresses along with innovation. The time has come to humanise the web” (<i>QN</i> , June 22, 2016).
Pleasant peripheries	“Peripheries are often seen in a negative fashion. However, city outskirts, such as Solomeo, are beautiful places when their humanity and the dignity of the people living there can express themselves fully. We must be able to envisage and imagine a new concept of periphery, a place that respects the dignity of human beings and things alike.” “In ancient Greek the word ‘periphery’ signified circumference, a circle, namely the most perfect of all shapes. Peripheries must be pleasant places, where people acknowledge their identity and find meaning in their existence. “The Project of beauty carried out in Solomeo means giving back to nature and to the wonderful landscape of the Umbrian hills covering over 80 hectares of land” (<i>La Repubblica</i> , November 27, 2014).
A fair working life	“A fair working life rests on the same ideal principles as a fair use of things. Work, regardless of its nature and kind, should never encroach upon people’s life, their rest, the time they need to find a balance between their soul and their body. In our company, it is forbidden to work past the agreed working time. Employers should never steal the soul of their workers by depriving them of the time they need to lead a healthy life. In this regard, it is worth recalling a suitable statement by Saint Benedict who warned that every day we should ‘look after our mind through study and our soul through prayer and work’ (<i>La Repubblica</i> : Capitalism must keep step with mankind,” June 21, 2016).

Source: Our elaboration from the Brunello Cucinelli website.

Table 3. Some pillars of Brunello’s philosophy and sustainable business model.

Gracious growth and healthy profitability, deriving from the attention that Brunello Cucinelli shows unconditionally and consistently to the surrounding community and all stakeholders, are the key to long-term development.

In the annual report section devoted to Shareholders and Values, we can read his statement: “I would like our products to speak of our land and place of origin, while we strive to work with dignity, tolerance and respect”. Being shareholders of Brunello Cucinelli means: supporting and sharing a value system and philosophy that places the human being at the core of every business project; sharing a very long-term project of sustainable and ethical profit growth, according to a business model that has enabled the brand to become a world-class member of the “absolute luxury” segment thanks to craftsmanship, top-notch quality and exclusive distribution and investing in a sound company whose balance sheets report positive results year in and year out, with sustainable growth that enables the brand to safeguard its exclusivity and positioning in the absolute luxury category, seizing long-term development opportunities.

Principle/pillar	Practice
<p>Italian craftsmanship and manual skills <i>"passion for beauty and the recognition of talented people who can make items that are sought after across the globe."</i> <i>"Italian craftsmanship and manual skills epitomise the beauty of our products, our culture, our identity. Being acknowledged as "artisanal industrialists" is a value that is maintained over time"</i></p>	<p>The design of collections and development of samples are carried out in-house by a team of over 100 people striving to combine innovation, creativity and manual skills and are entrusted to over 300 independent highly specialised artisan workshops mostly based in Umbria</p>
<p>Centrality of communication (transparency): the corporate philosophy is strongly rooted in the humanistic culture and in the teachings of ancient figures (such as Socrates, Aristotle, Seneca, Saint Benedict, Saint Francis and Saint Augustine) targeting social and existential "well-being" that goes hand-in-hand with the growth of the company's true value</p>	<p>The corporate communication strategy hinges on: - communicating the values embodied in the company's philosophy - communicating the taste and lifestyle of the Brunello Cucinelli universe and his way of interpreting humanity</p>
<p>Valuing people: to take interest in each employee as a person, not just as a resource</p>	<p>Brunello Cucinelli calls the employees "thinking souls," thus revealing the people-centred approach, the concept of work as a full expression of the human being and the philosophical inquiry and care of workers <i>"Our comprehensive quality is the result of the inner quality of each and every one of us" (B. Cucinelli)</i></p>
<p>Developing people: to treat everyone (employees and collaborators) with great respect, favouring opportunities for personal and professional growth and promoting change inside and outside the organisation</p>	<p>Dignity and guardianship: Brunello Cucinelli is a humanistic company, based on ethics and production. <i>"I found it increasingly difficult not to adopt a concept of work and human action based on positivity and belief in the future" (B. Cucinelli)</i></p>
<p>Building community Brunello Cucinelli built a sense of community within the organisation by always nurturing the growth of personal and community culture and socio-economic environment</p>	<p>The entrepreneur is a genuine expression of the Umbrian region. He carefully safeguards the sensitivity and values of this land <i>"We must listen to the genius loci, the spirit of place: for centuries, Solomeo has produced olive oil and wine, and now it produces cashmere" (B. Cucinelli)</i> The humanistic vision, the search for the beauty and the passion for original handcrafted products are generated by a spiritual tension, that has its roots in the medieval and Renaissance history and culture, enlightened by the religious experiences of Saint Francis of Assisi and Saint Benedict of Norcia, by Giotto's and Perugino</p>
<p>Displaying authenticity The leader displays authenticity in personal and professional choices</p>	<p><i>"Beauty generates value. We feel responsible for the beauty in the world" (B. Cucinelli).</i> The School of Arts and Crafts in Solomeo aims to train human beings and strives to dignify work focusing on "Art, culture and spirituality, which meet in absolute freedom to enhance human awareness" (B. Cucinelli). Culture and beauty emphasise human creativity; they are a treasure to be safeguarded which enable Brunello Cucinelli to blend tradition and modernity and work in harmony with the local and global dimensions</p>
<p>Sharing leadership The entrepreneur puts trust in employees and leads by example inspiring vision of the organisation's future</p>	<p>In their pursuit of the "humanistic enterprise," people work to achieve a shared objective, a system of non-material values that represent the living core of the company <i>"We believe that success is something to be shared" (B. Cucinelli)</i></p>

Source: Our elaboration.

Table 4. Business and leadership model features in theory and practice.

5. Discussion and concluding remarks

Drawing from the case analysis, several traits characterise the ethical-based and charismatic leadership model emerged [31–33, 36, 37]. Since its foundation, the company pursues a sustainable-oriented business model that is positively affected by a leadership style tied to a moral-based and servant leadership and is founded on integrity [27]. The latter is coherent and consistent to the business strategy, its mission, goals and organisational culture.

A leadership model imbued with a moral foundation rests on values and virtues. Accordingly, at the centre, the entrepreneur/manager puts people, their lives and well-being. Valuing people, respecting and protecting the environment, preserving the social and cultural framework and sharing ideas and objectives with stakeholders are the pillars of the company's success [25].

Even if the results of the empirical analysis cannot be generalised, the explorative study contributes to grasp some important traits of the leadership model, which are positively connected to a multidimensional and long-term growth, oriented to pursue economic, social and environmental objectives.

First, responsible leadership may be widespread within businesses, affecting the different levels: individual (favouring the passage from “me to us” through collaboration and shared responsibility); team (through the development of mutual relations of trust and open communication) and organisation (structuring a coherent vision and a mission). It rests on the idea that the responsible person must have flexible thinking (i.e., strategic and systematic), which includes the dimensions of logic (to sort, select and plan), ethics (foresight, transparency and perseverance) and aesthetic. Therefore, it requires specific cardinal virtues, such as prudence and perseverance [44].

Second, entrepreneurial and managerial leadership styles and models play a crucial role in shaping organisational culture, especially through leaders' moral behaviour and values and the ethical criteria applied to decision-making, which affect daily routine and intra-organisation procedures and structures [16]. Namely, a set of key characteristics that distinguishes the leadership approach taken by individuals tackling sustainability issues includes [25]: systemic understanding (a responsible leadership results from the interaction between an organisation's social, environmental and economic context and the characteristics of individual leaders); emotional intelligence (the ability and the real inspiration to unlock human potential and motivate people); values orientation to shape culture (a values-based approach nurtured by morality and spirituality is critical); compelling vision (the ability to effectively communicate a compelling narrative on how their organisations can contribute to creating a better world); inclusive style (the leader and the followers working together to get to certain outcomes); innovative approach (a willingness to innovate and be radical, stimulating lateral thinking and cross-functional, collaborative problem solving since complex problems require creative solutions) and a long-term perspective (long-term thinking on impacts in terms of sustainability).

In light of these preliminary results, additional research should deepen the link and coherence between sustainable business models and leadership models as well as the benefits and

outcomes of the ethical-based and charismatic leadership model. Moreover, further empirical studies could provide rich descriptions of this observation in a variety of organisational sectors [53, 56]. Despite its limitations, due to the fact that results cannot be generalised, being based on a single case study, the work has both scientific and managerial implications. On the one hand, it contributes to understand the relationship between leadership and the business model, which is still under-investigated. On the other hand, it exemplifies resilience derived from a sustainable business model, activated through relationships among internal and external stakeholders and supported by a coherent leadership approach. As such, the research project helps to improve the education of the sustainability-oriented process and sustainable leadership in the real business context, thus opening new trajectories for a fruitful convergence of theory and practice.

Author details

Mara Del Baldo

Address all correspondence to: mara.delbaldo@uniurb.it

Department of Economics, Society and Politics, University of Urbino Carlo Bo, Urbino, Italy

References

- [1] Garriga E, Melé D. Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*. 2004;**53**(1):51-71
- [2] Stubbs W, Cocklin C. Conceptualizing a 'sustainability business model'. *Organization & Environment*. 2008;**21**:103-127
- [3] Zamagni S. *The Economics of Altruism*. E. Elgar: Hants; 1995
- [4] Zadek S. Responsible Competitiveness: Reshaping Global Markets Through Responsible Business Practices. *Corporate Governance*. 2006;**6**(4):334-348
- [5] Davis A, Rothstein H. The Effects of the Perceived Behavioral Integrity of Managers on Employee Attitudes: A Meta-analysis. *Journal of Business Ethics*. 2006;**67**(4):407-419
- [6] Flores SL, Green MT. The importance of small business leader virtues. *Small Business Institute, National Conference Proceedings*. 2013, Winter;**37**(1):252-261
- [7] Brown JB. The Building of a Virtuous Transformational Leader. *The Journal of Virtues and Leadership*. 2011;**2**(1):6-14
- [8] Kaptein M. Ethics programs and ethical culture: A next step in unravelling their multifaceted relationship. *Journal of Business Ethics*. 2009;**89**(2):261-281

- [9] Kaptein M, Wempe G. *The Balanced Company: A Theory of Corporate Integrity*. Oxford: Oxford University Press; 2002
- [10] Maak T, Pless NM. Responsible leadership in a stakeholder society - A relational perspective. *Journal of Business Ethics*. 2006;**66**:99-115
- [11] Pless NM, Maak T. Responsible leadership: Pathways to the future. *Journal of Business Ethics*. 2011;**98**:3-13
- [12] Du S, Swaen V, Lindgreen A, Sen S. The roles of leadership styles in corporate social responsibility. *Journal of Business Ethics*. 2013;**114**:155-169
- [13] Flynn G. The virtuous manager: A vision for leadership in business. *Journal of Business Ethics*. 2008;**78**:359-372
- [14] Ketola T. A holistic corporate responsibility model: Integrating values, discourses and actions. *Journal of Business Ethics*. 2008;**80**:419-435
- [15] Yin RK. *Case Study Research: Design and Methods*. 4th ed. Los Angeles: Sage; 2014
- [16] Melé D. *Management Ethics. Placing Ethics in the Core of Good Management*. NY, Palgrave MacMillan; 2012
- [17] Sison AJG, Beabout GR, Ferrero I, editors. *Handbook of Virtue Ethics in Business and Management 2017*. Dordrecht, Netherlands: Springer; 2017
- [18] Collier J, Esteban R. Systemic leadership: Ethical and effective. *The Leadership and Organizational Development Journal*. 2000;**21**(4):207-215
- [19] Malloch TR. *Spiritual Enterprises. Doing Virtuous Business*. New York: Encounter Books; 2009
- [20] Brown ME, Treviño LK, Harrison DA. Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*. 2005;**97**:117-134
- [21] Hoivik von Weltzien H. The heart of leadership is ethics. *Impresa Progetto-Electronic Journal of Management*. 2014;**11**:1-9
- [22] Brown ME, Treviño LK. Ethical leadership: A review and future directions. *The Leadership Quarterly*. 2006;**17**:595-616
- [23] Werhane P. *Moral Imagination and Management Decision Making*. Oxford: University Press; 1999
- [24] Bachmann B. *Ethical Leadership in Organizations. Concepts and Implementation*. AG Switzerland: Springer Int. Publishing; 2017
- [25] Visser W. The nature of CSR leadership. Definitions, characteristics and paradoxes. *CSR International Paper Series*. 2011;**4**:1-10
- [26] Hoivik von Weltzien H, Melé D. Can a SME become a global corporate citizen? Evidence from a case study. *Journal of Business Ethics*. 2009;**88**:551-562

- [27] Del Baldo M. Authentic CSR and leadership: Towards a virtues-based model of stakeholder dialogue and engagement: The Loccioni Group experience. In: Idowu SO, Vertigans S, editors. *Stages of Corporate Social Responsibility. From Ideas to Impacts*. Switzerland: Springer; 2017. p. 179-203
- [28] Bass BM, Steidlmeier P. Ethics, character, and authentic transformational leadership behavior. *Leadership Quarterly*. 1999;**10**(2):181-217
- [29] Chatterji M, Zsolnai L. *Ethical Leadership. Indian and European Spiritual Approaches*. London: Palgrave; 2017
- [30] Olsen OK. Are good leaders moral leaders? The relationship between effective military operational leadership and morals. Dissertation for the philosophiae doctor degree (PhD) at the University of Bergen; 2010
- [31] Palshikar K. Charismatic Leadership. [Internet]. 2007. Available from: <http://www.unc.edu/~ketan/documents/Charismatic%20Leadership.pdf> [Accessed: March 23, 2014]
- [32] Bruni L, Sena B, editors. *The Charismatic Principle in Social Life*. New York: Routledge; 2013
- [33] Becker T. Integrity in organizations: Beyond honesty and conscientiousness. *Academy of Management Review*. 1998;**23**(1):154-161
- [34] Globe. Global Leadership and Organizational Behavior Effectiveness. Culture and Leader Effectiveness [Internet]. 2008. Available from: <http://www.ccl.org/leadership/pdf/GlobeStudy> [Accessed July 23, 2013].
- [35] Sauser Jr WI. Ethics in business: Answering the call. *Journal of Business Ethics*. 2005;**58**(4): 345-357
- [36] Laub J. Servant Leadership. [Internet]. 2011. Available from: http://www.olagroup.com/Display.asp?Page=servant_leadership [Accessed: February 27, 2011]
- [37] Greenleaf RK. *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness*. New York: Paulist Press; 1977
- [38] Fry LW. Toward a theory of spiritual leadership. *The Leadership Quarterly*. 2003;**14**:693-727
- [39] Mabey C, Conroy M, Blakeley K. Having burned the straw man of christian spiritual leadership, what can we learn from jesus about leading ethically? *Journal of Business Ethics*. 2016:1-13. DOI: 10.1007/s10551-016-3054-5
- [40] MacIntyre A. *After Virtue. A Study in Moral Theory*. 2nd ed. London: Duckworth; 1985
- [41] Bertland A. Virtue ethics in business and the capabilities approach. *Journal of Business Ethics*. 2009;**84**:25-32
- [42] Solomon RC. Corporate roles, personal virtues: An aristotelian approach to business ethics. *Business Ethics Quarterly*. 1992;**2**(3):317-339
- [43] Melé D. Integrating personalism into virtue-based business ethics: The personalist and the common good principles. *Journal of Business Ethics*. 2009;**88**:227-244

- [44] Alford H, Signori S. Brief considerations on the effectiveness of shareholder activism. A virtue ethics approach. *Impresa Progetto-Electronic Journal of Management*. 2014;**3**:1-10
- [45] Bastons M. The role of virtues in the framing of decisions. *Journal of Business Ethics*. 2008;**78**:389-400
- [46] Cardona P. Transcendental leadership. *Leadership and Organization Development Journal*. 2000;**21**(4):201-206
- [47] Martin RL. The virtue matrix: Calculating the return on corporate responsibility. *Harvard Business Review*. 2002;**80**(3):68-75
- [48] Magni M, Pennarola F. *Responsible Leadership – Creare Benessere, Sviluppo e Performance a Lungo Termine*. Milano: Egea; 2015
- [49] Avery G, Bergsteiner H. Sustainable leadership practices for enhancing business resilience and performance. *Strategy & Leadership*. 2011;**39**(3):5-15
- [50] Jones J. Leadership lessons from Levinas: Revisiting responsible leadership. *Leadership and the Humanities*. 2014;**2**:44-63
- [51] Seligman ME. *Character, Strengths and Virtues*. New York: Oxford University Press; 2004
- [52] Bocken NMP, Short SW, Rana P, Evans S. A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*. 2014;**65**:42-56
- [53] Schaltegger S, Lüdeke-Freund F, Hansen EG. Business cases for sustainability: The role of business model innovation for corporate sustainability. *International Journal of Innovation & Sustainable Development*. 2012;**6**(2):95-119
- [54] Abdelkafi N, Täusser K. Business models for sustainability from a system dynamics perspective. *Organization & Environment*. 2015;**29**(1):74-96
- [55] Roome N, Louche C. Journeying toward business models for sustainability: A conceptual model found inside the black box of organisational transformation. *Organization & Environment*. 2016;**29**:11-35
- [56] Boons F, Lüdeke-Freund F. Business models for sustainable innovation: State-of-the-art and steps towards a research agenda. *Journal of Cleaner Production*. 2013;**45**:9-19
- [57] Burns H, Vaught D, Bauman C. Leadership for sustainability: Theoretical foundations and pedagogical practices that foster change. *International Journal of Leadership Studies*. 2015;**9**(1):131-143
- [58] Del Baldo M. Corporate social responsibility, entrepreneurial values and transcendental virtues in Italian SMEs. *International Journal of Business and Social Science*. 2014; **5**(6): 25-51
- [59] Trilling L. *Sincerity and Authenticity*. London: Oxford University Press; 1972

- [60] Gardner WL, Cogliser CC, Davis KM, Dickens MP. Authentic leadership: A review of the literature and research agenda. *The Leadership Quarterly*. 2011;**22**:1120-1145
- [61] Kernis MH, Goldman BM. A multicomponent conceptualization of authenticity: Theory and research. In: Zanna MP, editor. *Advances in Experimental Social Psychology*. Vol. 38. San Diego: Academic Press; 2006. p. 283-357
- [62] Avolio BJ, Gardner WL. Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly*. 2005;**16**:315-338
- [63] George W. *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*. San Francisco: Jossey-Bass; 2003
- [64] Bailey CA. *A Guide to Qualitative Field Research*. 2nd ed. Pine Forge: Sage; 2007
- [65] Eisenhardt KM, Graebner ME. Theory building from cases: Opportunities and challenges. *Academy of Management Journal*. 2007;**50**(1):25-32
- [66] Wisnoentoro R. Digesting the essence of phenomenology as the guide for case study researchers, in the context of qualitative communication research methodology. *International Journal of Science Commerce and Humanities*. 2014;**2**(4):260-268
- [67] Brunello Cucinelli. Annual Report. Interim Financial Report at 30th June 2016. 2016
- [68] Mead R. Letter from Umbria. The "Prince of Solomeo" The "cashmire utopia" of Brunello Cucinelli. *The New Yorker*. March 29, 2010:72-79

