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New Ideas for Business Practices

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Guiding business to succeed in the new economy

Maintaining A Sense of Autonomy in An Increasingly Automated World

The year 2024 marks the dawn of a new era of machines taking more active roles in our work and life. AI tools such as ChatGPT, Midjourney, Sora, and Co-pilot enter every aspect of professional jobs to improve efficiency, algorithms interact with gig workers every minute to guide their work processes and schedules, firm digital transformations force all employees to understand their position in the large organization and play their prescribed roles to make the organization operate smoothly, and industrial robots are replacing more and more humans in the name of liberating them from repetitive mechanical boring tasks. With all these great technological advancements, meanwhile, are we feeling more relaxed or more frustrated? Are we becoming smarter or dumber? Are we experiencing more happiness or panic? Are we sensing more autonomy or being more controlled? These are the questions that occupy my mind these days.

Although I have not come up with any definitive answers to these questions, I do hope that the articles included in this annual issue of *Management Insights* can offer some glimpse. For example, in "The Making of the 'Good Bad' Job", Lindsey Cameron finds that gig workers tend to break out the constant and confined choice by algorithms with two key tactics – engagement and deviance – that help them take back the agency they deem attractive in such jobs in the first place. In "Game of the Powerless", Zhong and Li discover that low-status employees tend to adopt covert strategies to compete with others to avoid negative repercussions and gain status. Moreover, in "Would 'Nice Guys Finish Last'?", Liao and colleagues, through meta-analysis of 200 studies, find that pro-social motivations not only boost individual well-being, but also predict better job performance and career advancement than pro-self motivations.

Human connection is a source of happiness, it is also crucial in building personal identity and fuels passion and creativity. In "How Do Founders' Workspace Uses Influence Their Identity?", Eliana Crosina discovers that "settlers" – those who stay put – tend to develop a strong entrepreneurial identity within a community, whereas the "nomads" – those who move around in a public office space– cannot develop such identity. In "The Fire to Inspire", Gong and colleagues demonstrate that CEO's passion for organizational development, when coupled with strong promotion skills in social interactions, would induce middle managers to exhibit transformational behaviors that facilitate front-line employee job creativity.

More hopeful perspectives are offered in the interview I conducted with Anil Seth, a neuroscience professor and author of *Being You*. He convincingly argues that machines do not have consciousness, intelligence, or hallucinations,

only humans and other living bodies do. The human brain can make predictions, but machines cannot, because their responses are restricted to the training materials they receive.

Finally, Mr. Wang Shi, the founder of Deep Dive and Vanke Group, embodies human agency. I interviewed him twice, with 10 years in between. The first interview was conducted when he was the CEO of Vanke, during which time he told me how he decided to quit his job in a state-owned enterprise and started his own business, which took enormous amount of courage in the 1980s in China. The present interview was conducted last summer, a few years after he started his second company Deep Dive, with a mission of helping people to have deeper understandings of themselves and the world through rowing. Impressively, during the global pandemic from 2019 to 2022 when travel became extremely difficult, Wang Shi led the Deep Dive team through numerous challenges, rowing in 123 canals and urban rivers worldwide, crossing fourteen countries. Through rowing, they also spread the message of carbon neutrality and water environment protection.

Writing to this point, I certainly feel more optimistic about maintaining autonomy and agency in this increasingly automated world. I hope you feel the same. Happy 2025!

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Art Director

Dai Yun

Producer

Sun Yimin

General Manager

Yu Baoping

Marketing Manager

Yang Yingting

Address

Room 615 Li Dasan Building, 670 Guoshun Road, Shanghai China

+86-21-25011387 BK@fudan.edu.cn

Publisher - School of Management, Fudan University

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RESEARCH HIGHLIGHTS

How to Freemium: Unlocking the Power of Freemium Strategy for Digital Companies

Freemium involves providing a basic service level for free while charging consumers for access to the "premium" version later. Understanding whether and when offering a free version alongside a paid version is an ongoing challenge, despite the increasing popularity of the freemium strategy. A free version can allow consumers to sample the product before making a purchase decision, potentially increasing demand for the paid version. However, the free version may also cannibalize demand for the paid version if consumers who would otherwise have paid opt for the free version instead. The remedy for this contradiction regarding whether the launch of a free version helps or harms demand for the existing paid version often stems from a lack of understanding of the nuances involved. This study explains how to implement a freemium model based on detailed data from Apple App Store between 2011 and 2013, using the number of ratings as an indicator of app demand to analyze the difference between the "free" and the initial "paid" versions. It also highlights some critical points for digital companies on effectively implementing the freemium strategy.

Original authors:
Yiting Deng
University College London
Anja Lambrecht
London Business School
Yongdong Liu
University College London
Rewritten by:
Monica Ren
Macquarie University

Imagine wandering around Apple's App Store ("App Store" hereafter) or Google Play Store to explore which game you can download to try out during this break on your phone. A tag of $7.99 makes you hesitate for a few seconds and slide your finger to the next "free" download option.

On another occasion, you thoroughly enjoyed the first 50 levels of free play with Candy Crush, then realize you are running out of free plays. "*Fine, I will go ahead and get the paid version*."

The freemium business model, a blend of offering a "free" and a "premium" version of a product, has gained considerable traction in the digital space. In 2024, the mobile games market is projected to generate a revenue of US$98.74 billion worldwide. In December 2023, 96.9% of apps available from the Google Play Store were free. Similarly, 95.05% of apps on the App Store were free during the same time period. For example, the games *Fruit Ninja* and *Fruit Ninja Classic* are available for free, with a freemium version (*Fruit Ninja 2*) priced at $1.99. Essentially, the free versions provide users with an opportunity to explore the app without incurring any immediate financial cost.

The free version may allow consumers to sample the product before making a purchase decision, potentially increasing demand for the paid version. However, the free version may also cannibalize demand for the paid version if consumers who would otherwise have paid opt for the free version instead.

A team of researchers used detailed data from game apps in the App Store, the most prominent application platform, between 2011 and 2013, provided by AppMonsta, a company specializing in-app data analysis and consulting. The company scraped the U.S. App Store daily and collected all publicly available data daily. Game apps are the most popular category in the App Store, primarily for personal use. Additionally, game apps are highly heterogeneous in functionality and quality, so consumers may have a limited understanding of them before using them.

Does the existence of a free version boost or undermine the sales of its existing paid counterpart? Does the availability of a free version enhance or undermine the sales of its premium counterpart? How should developers design freemium apps to increase conversion rates?

The author estimates the effects of the freemium strategy through three steps. Step one: Identify game apps adopting the freemium strategy by developer and app name. Step two: Find paid game apps similar to those adopting this strategy but have never done the same thing. Step three: Construct an econometric model to estimate the effect of the freemium strategy on app demand. The results of the study are as follows.

First, adopting the freemium strategy can attract new sales.

Apps can create new demand by generating new users through "free version". After controlling various influencing factors, the authors found that introducing a free version still positively impacted demand for the paid version. The positive effect outweighs the potential cannibalization effect between the paid and free versions, thereby increasing user demand for the paid version.

Second, the freemium strategy is more effective for apps with moderate reviews.

While adopting the freemium strategy, apps that are moderately rated by users show better effectiveness. These apps need an opportunity to get into the users' attention, then to be known, used, and liked, thereby shifting towards paid products. It is difficult for most users to be interested in apps with "one-star reviews". They do not even bother downloading any of those "non-interesting" apps, even if they are free.

Third, the freemium strategy requires a clear differentiation between free and paid versions.

Providers must differentiate free and paid versions, and ensure that the differentiation is significant enough to encourage users to upgrade. Among the game apps, for instance, users can get a whole experience via social interaction functions to make new friends or direct messaging their play buddies (e.g., Apple's social gaming network).

Fourth, offering add-on versions increases demand for paid versions.

Offering various versions can increase an app's visibility, thereby increasing demand for the paid version. Perhaps different versions can generate more awareness among App Store users. Among the millions of apps available, a freemium strategy can increase the visibility through a "lower entry point", such as a free app, and more sophisticated offerings of various versions to engage new users.

Managerial Implications

These findings significantly impact digital companies, app developers, and related practitioners. First, it proves that the "Foot-in-the-door technique" works in the pricing strategy of digital products. Through the freemium strategy, it can effectively attract new users and generate more sales of digital products (such as gaming apps).

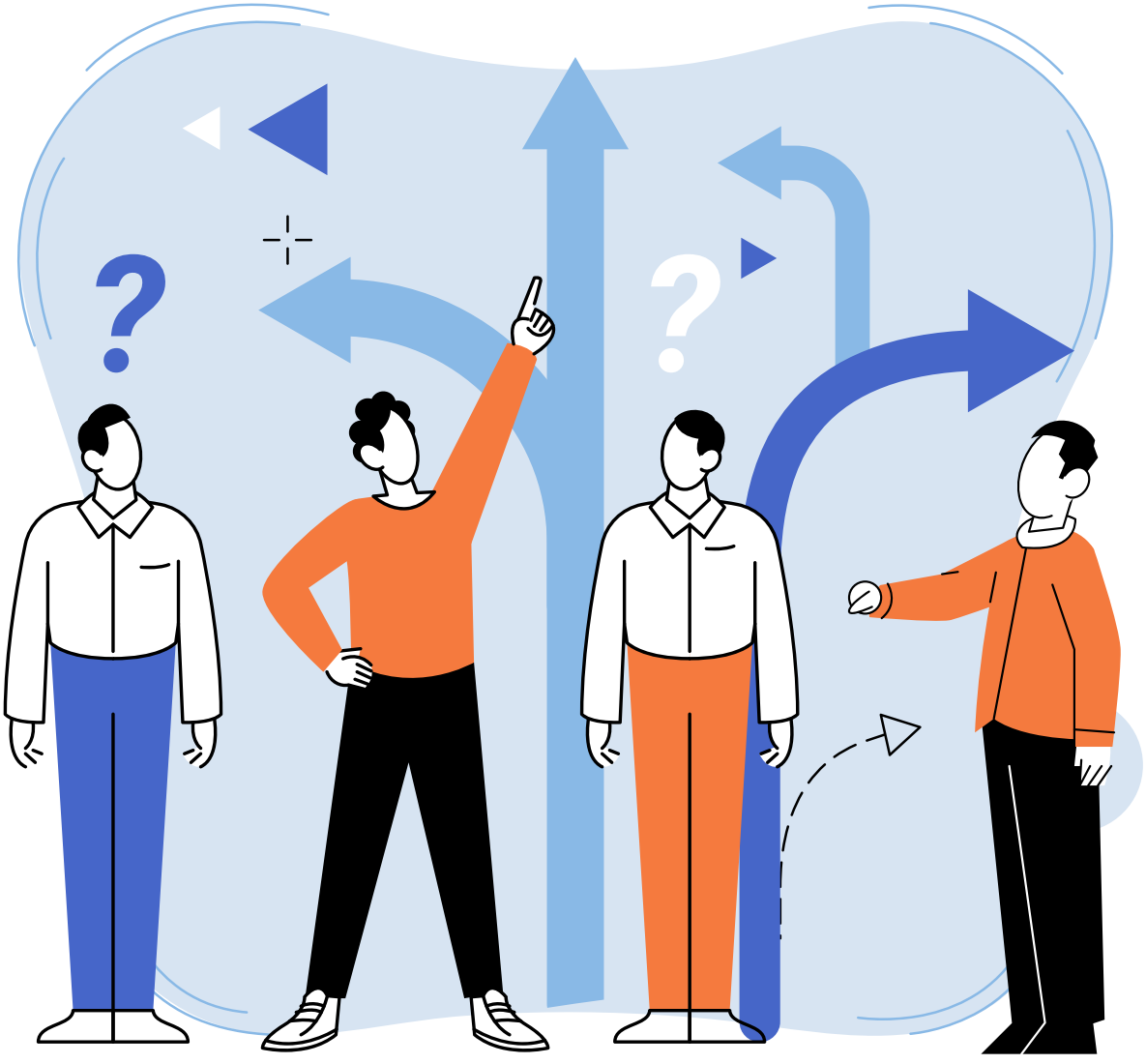
Second, the freemium strategy strengthens the providers' ability to transform digital products' differentiations into pricing variations.

Third, digital companies can focus on creating space for emotional value when establishing the community. An example is the movie Final Fantasy XIV: Dad of Light launched by Netflix in 2017. It tells the story of a father and son rekindling their bond through an online role-playing game when the father gets cancer and is reluctant to communicate with his family in real life.

This summary is based on the full article: "Spillover Effects and Freemium Strategy in the Mobile App Market", *Management Science*, 2023, 59(9), 5018-5041. Yiting Deng (yiting.deng@ucl.ac.uk) is an Associate Professor at University College London (UCL). Anja Lambrecht (alambrecht@london.edu) is a Professor at London Business School. Yongdong Liu (yongdong.liu@ucl.ac.uk) is an Assistant Professor at University College London. Monica Ren is an Assistant Professor at Macquarie University.

Demeaning Extrinsic Motivation: Do You Appear More Moral or More Hypocritical?

Original authors:
Liuxin Yan
National University of Singapore
Valentino Chai
Stanford University
Kai-Chi Yam
National University of Singapore
Rewritten by:
Zhi Liu
Peking University



Being associated with many negative stereotypes, extrinsic motivation is always stigmatized and even demonized. This leads some people to believe that by condemning extrinsic motivation, they can convey their disdain for the pursuit of extrinsic rewards, thereby obtaining moral certification and social recognition. But the truth is, this strategy may create a hypocritical impression instead, especially when it is adopted by some with high socio-economic status. On the contrary, calling-oriented people are more convincing when they demean extrinsic motivation.

Humans are driven by two primary types of motivation: intrinsic motivation and extrinsic motivation. Intrinsic motivation is often considered beautiful and correct, and is associated with many positive outcomes, such as increased happiness, creativity, work performance, academic achievement, and organizational recognition. Extrinsic motivation, on the contrary, is often seen as greedy and utilitarian, and is associated with many negative outcomes. For instance, people who pursue extrinsic rewards are likely seen as more aggressive, materialistic, unscrupulous, self-centered, and even less moral. There are also many criticisms of extrinsic motivation in society, as reflected by sayings like "For the love of money is a root of all kinds of evil," "greed blinds the heart".

The demeaning of extrinsic motivation also occurs in the workplace. Research has found that job seekers who demonstrate intrinsic motivation receive higher evaluations, while those who exhibit extrinsic motivation are less likely to be hired, and people are less willing to help colleagues who seem to work for extrinsic rewards. The career advice guide published in 2022 by the global recruitment website *Indeed.com* explicitly suggests that job seekers should avoid expressing external motivation in interviews. In society, extrinsic motivation has been stigmatized and even demonized; people are inclined to infer a person's morality based on the external motivation he or she shows, even though the inference can be inaccurate.

People desire to be seen as sincere and moral. As long as they recognize the association between extrinsic motivation and various negative stereotypes, they will make an effort to avoid being perceived as driven by extrinsic motivation in order to maintain a positive social image. For example, some people, when helping others or engaging in altruistic behaviors, choose to give up financial or non-financial rewards to protect their "pure" motivation from being tainted.

As one of the impression management tactics, people may also strategically hide their motivations to project a more positive social image. Research has found that people, especially those who care deeply about their public image, tend to conceal their extrinsic motivations, such as their pursuit of power, status, or material rewards. However, there is another image management strategy – demeaning extrinsic motivation. People may believe that by condemning those driven by extrinsic motivation, they can convey their disdain for the pursuit of extrinsic rewards, thereby obtaining moral certification and social recognition.

Can demeaning extrinsic motivation effectively convey intrinsic motivation and leave a better impression? Researchers proposed a unique view: this strategy will not only fail to produce good results, but may instead create a hypocritical impression.

Unlike other negative behaviors (such as

discrimination, cheating, violence, etc.), the pursuit of extrinsic rewards is essential for meeting basic physiological and psychological needs. People must work for money, as survival requires material resources. Even if this basic physiological need is met, people still desire respect and admiration, and want to be seen as capable and successful. Because these achievements are largely reflected in extrinsic rewards, it is not surprising that people pursue such rewards.

Therefore, when a person derogates extrinsic motivation, they are perceived as behaving in contradiction to human needs, leading to a perception of hypocrisy. Being perceived as hypocritical has two conditions. First, observers must perceive the inconsistency between the person's words and actions. Due to the special role of extrinsic rewards in meeting physiological and psychological needs, people will think that a person who sneers at extrinsic rewards may not act this way in reality. Secondly, observers will also speculate on the intention of demeaning extrinsic motivation. If this person not only "says one thing and does another," but also wants to earn social recognition and occupy the "moral high ground" by demonstrating their virtues, they will be deemed a "hypocrite". Once observers form an impression of hypocrisy, they will feel anger, reduce their trust in the hypocrite, and take pleasure in seeing the hypocrite punished. Hypocrites may even be seen as more disgusting than those who directly commit immoral actions.

Then, the question is: Are all people who demean extrinsic motivation considered equally hypocritical? Researchers propose that at least two factors can influence this judgment: perceived job calling orientation and the socio-economic status (SES) of the focal actor. Job calling orientation refers to the extent to which one believes that the primary reason for work is personal fulfillment rather than earning a paycheck. Calling-oriented people find value and meaning in their work, have a strong passion for their work, and are willing to sacrifice extrinsic rewards. Therefore, when additional information leads observers to believe that the person who demeans extrinsic motivation indeed has an intrinsic passion for their work, the judgment of "inconsistency between words and actions" will be greatly reduced. Socio-economic status is a dimension that classifies people based on their possession of objective resources such as education, income, and occupational prestige. People with high socio-economic status often enjoy more material benefits and social resources because of their position in the social hierarchy. When such people demean extrinsic motivations (such as money, fame), observers will see them as obviously hypocritical, because they are enjoying these benefits while advocating giving up material pursuits and condemning others for pursuing these benefits.

Researchers conducted a series of studies to examine people's perception of hypocrisy towards those who demean extrinsic motivation and the effects of job calling orientation and socio-economic status.

The first study asked 200 participants to evaluate the importance of four extrinsic rewards (such as salary and leadership approval) and four intrinsic rewards (such as improving skills and creating value) in their work, as well as what they thought was important to their colleagues. The results found that people generally claimed to care more about intrinsic rewards, and believed that they were more intrinsically driven than most of their colleagues.

The second study asked 200 participants to recall whether they had expressed condemnation of behaviors driven extrinsically, either face to face, over the phone, or on social platforms in the past three months. 84.5% of the people had exhibited this behavior and believed that there was nothing inappropriate about it, feeling that it could effectively express their intrinsic motivation. When another 200 participants were asked to recall whether they had seen others behave in this way, 91% of them had this experience and also believed that others'

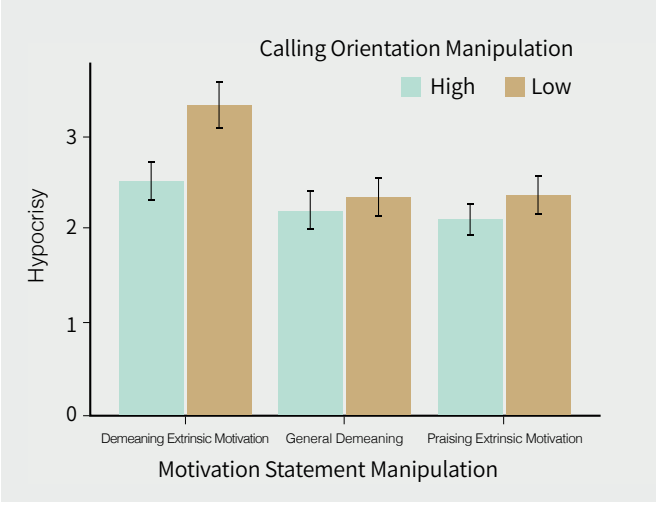
demeaning of extrinsic motivation was appropriate.

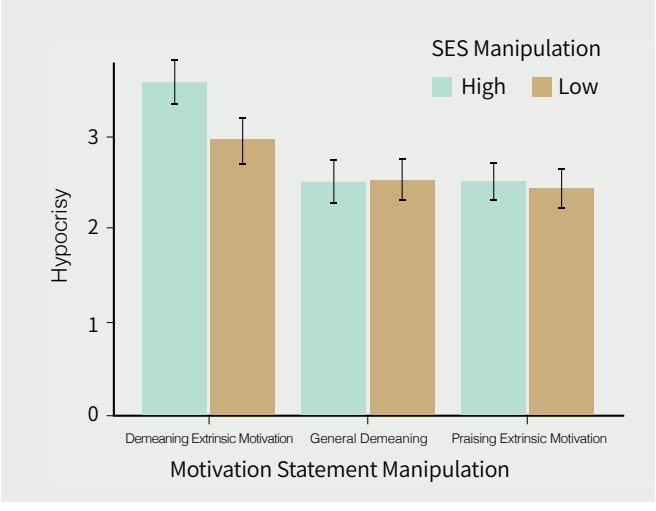
In the third study, the researchers asked 200 participants to imagine chatting with a colleague about work. The conversation mentioned a former colleague who took a less interesting job for a higher salary and promotion. Then, participants were randomly divided into two groups. The first group imagined that they wanted to leave a good impression on their colleague by appearing to work out of intrinsic motivation, while the second group only imagined wanting to leave a good impression. Results showed that compared with the second group, the first group was more likely to choose statements emphasizing intrinsic motivation and demeaning extrinsic motivation.

In the fourth study, 292 participants indicated the extent to which they perceived a Twitter user as hypocritical, as well as whether they liked the user and the post. The first group saw the post "*People should find their passion and stop working for money and fame*" (demeaning extrinsic motivation), the second group saw the post "*People should be realistic and work for money and fame* " (praising extrinsic motivation), and the third group saw the post "*People should be responsible and stop engaging in environmentally unfriendly behaviors*" (demeaning other behaviors). Results showed that compared to the latter two groups, the first group of participants considered the poster to be the most hypocritical, and therefore also the least likable.

The fifth study asked 262 participants to play the role of a career adviser and work with another advisor for the same advisee. The advisee was an undergraduate who had two job opportunities: one was in a large multinational company with a high salary, high benefits, and plenty of opportunities for promotion, but very boring work; the other in a small local company with interesting and meaningful work, but an average salary and employee benefits, and not many opportunities for promotion. Participants were told that the other adviser had already given advice. The first group saw the advice that one should not choose a job for fame and money, but out of love (demeaning extrinsic motivation). The second group saw the advice that when choosing a job, one should prioritize salary, benefits, and status, rather than just personal interest (praising extrinsic motivation). The third group saw the advice that one should focus on improving oneself at work, rather than thinking about competing with others all day (demeaning other behaviors). Results still found that compared to the latter two groups, the first group of participants felt that the adviser was more hypocritical, and therefore disliked this person more and were less willing to work with the advisor.

In the sixth study, 586 participants were invited to participate in a hiring simulation for a local company and make judgments about four candidates who had





passed two rounds of interviews and entered the final round of screening. Participants were provided with two additional pieces of information. One was a transcribed conversation with the candidates' former colleagues, which suggested that the candidates had either a high or low job calling orientation. The other was the candidates' answers to the HR's questions in a previous round of interview on his or her work preferences and expectations, which suggested that the candidates either demeaned extrinsic motivation, praised it, or demeaned other behaviors. Results found that when the candidate had a low job calling orientation, he or she was perceived as much more hypocritical and less recommended for hiring when demeaning extrinsic motivation compared with praising extrinsic motivation or demeaning other behaviors. When the candidate had a high job calling orientation, participants still perceived him or her as more hypocritical, but this sense of hypocrisy was reduced (see Figure 1).

The seventh study was designed similarly to the sixth study, with the exception that the job calling orientation information was replaced with socio-economic status information. This was reflected by the candidates' economic situation in college (whether they received financial aid), the clubs they participated in (college sailing team vs. track and field team), and extracurricular activities (sailing, polo, and classical music vs. track and field, pick-up soccer, and country music). Results showed that participants perceived the candidate who demeaned extrinsic motivation as more hypocritical than the candidate who praised extrinsic motivation or demeaned other behaviors. However, the sense of hypocrisy was stronger when the candidate's socio-economic status was high rather than low (see Figure 2).

Managerial Implications

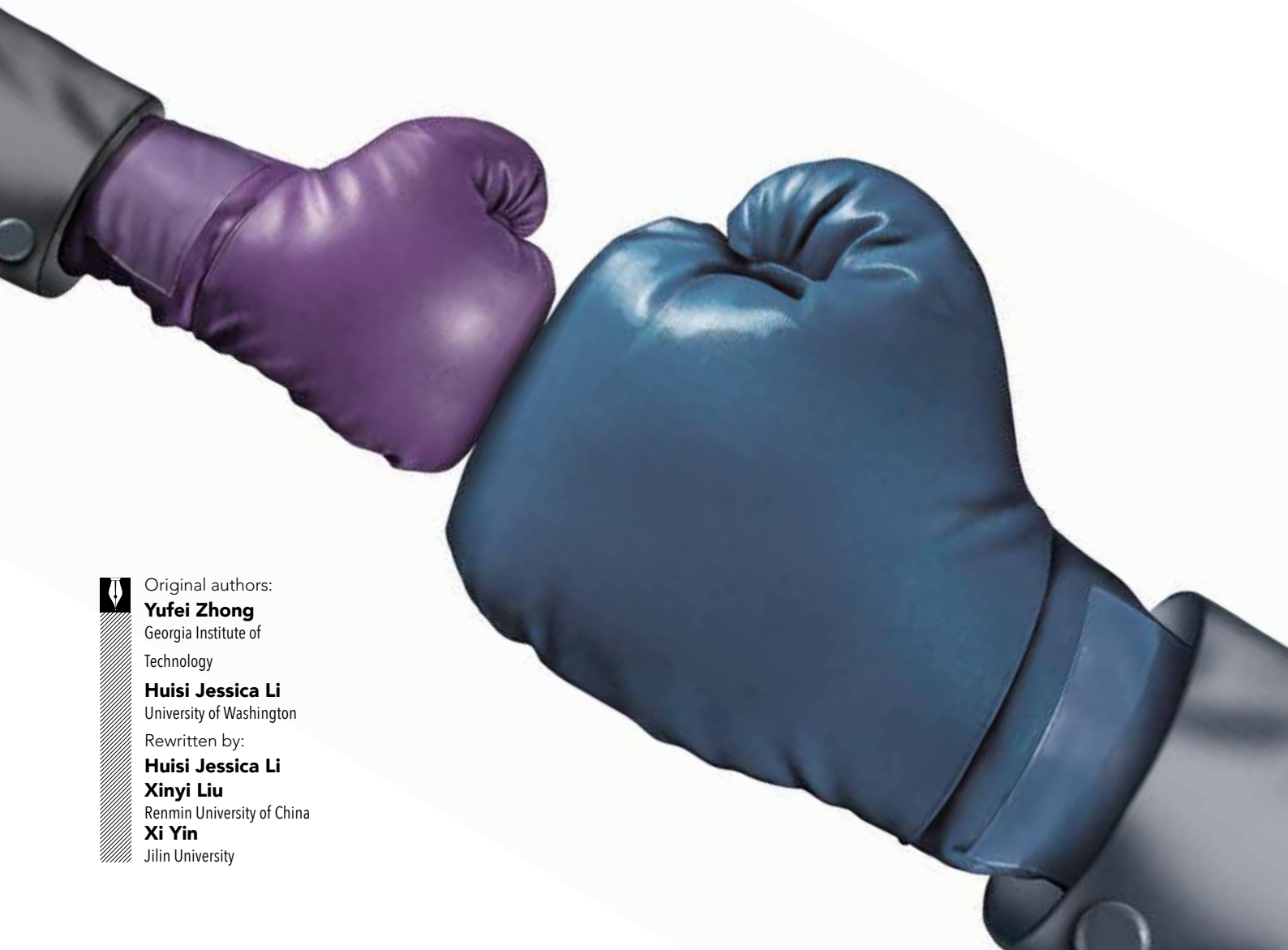
We might think that demeaning extrinsic motivation can demonstrate that we are more driven by intrinsic motivation, thereby helping us gain more positive social evaluations. However, this series of studies suggests the opposite — this strategy only makes us appear more hypocritical. Failing to see such a negative effect, we may misuse impression management tactics, which could reduce others' liking of and trust in us when we are job-hunting, working with colleagues, and trying to build social relationships. It could even raise others' concerns about our moral standards.

On the other hand, when we are observers or decision-makers, the information we have may not be sufficient to make accurate judgments about those who demean extrinsic motivation. Judging others as hypocrites purely based on their expressed derogation of extrinsic motivation may lead us to treat them unfriendly, and even make unfair decisions in various circumstances such as recruitment, personnel selection, partner selection, and social relationship building. To avoid this, we need to learn about others' true motivations by utilizing special questions, tests, scenarios, or information sources to uncover the motivations beyond verbal expression. Then, we can make cautious decisions with an objective and reasonable view of one's pursuit of extrinsic motivation.

This summary is based on the full article: "Demeaning Extrinsic Motivation Leads to Increased Perceptions of Hypocrisy", *Organizational Behaviour and Human Decision Processes*, 2024, 180, 104307. Liuxin Yan (lyan@u.nus.edu) is a Ph.D. student at National University of Singapore. Valentino Chai (vechai@stanford.edu) is a Ph.D. student at Stanford University. Kai-Chi Yam (bizykc@nus.edu.sg) is a Professor at National University of Singapore. Zhi Liu is an Associate Professor at Peking University.

Game of the Powerless: Revealing Covert Competition in the Workplace

In today's workplace, people don't always show their intentions to win, which is when covert competition happens. A series of studies have confirmed that low-power individuals are more likely to hide their competitive intentions and engage in covert competition out of fear of potential negative repercussions. This tendency is stronger when low-power individuals feel that they cannot easily escape the current relationship.



Original authors:
Yufei Zhong
Georgia Institute of Technology
Huisi Jessica Li
University of Washington
Rewritten by:
Huisi Jessica Li
Xinyi Liu
Renmin University of China
Xi Yin
Jilin University

Competition is ubiquitous in the workplace, but its forms can be diverse. Some people choose to compete openly by demonstrating their talents or directly criticizing their competitors, while others may choose to hide their strengths or backstab others to improve their standing in the group. For example, in the famous Chinese idiom " 卧薪尝胆 " (to sleep on firewood and taste gall), the King of Yue, Goujian, after being defeated by the state of Wu, decided to hide his anger and humiliation, and secretly build an army, eventually defeating the state of Wu.

Similarly, in today's workplace, your colleagues may secretly work outside of work hours, or criticize your performance to the manager in private, to outperform you and get the coveted promotion opportunity. Although these competitive behaviors do not explicitly show the intention to win, people can secretly promote their interests, while harming the interests of their opponents. As Sun Tzu describes it in *The Art of War*: "When able to attack, we must seem unable; when using our force, we must seem inactive."

However, this non-traditional, sneaky, and hidden form of competition has not been clearly defined in the management field for a long time. We also do not know what motivates individuals to choose covert competition.

Recently, Yufei Zhong, a Ph.D. candidate at the Georgia Institute of Technology, and Huisi Li, an Assistant Professor at the University of Washington, proposed the concept of 'covert competition', which is defined as competitive behavior with the intention to win, although this intention is unknown or ambiguous to the other party in the competitive relationship. From the perspective of power, they have confirmed through multiple studies that low-power individuals are more likely to hide their competitive intentions and engage in covert competition out of fear of potential negative repercussions (such as retaliation). Moreover, this tendency is stronger when low-power individuals feel that they cannot easily escape the current relationship.

Reasons for Choosing Covert Competition: Fear of Negative Repercussions

Power, in essence, is the control over valuable resources in social relationships. According to the power-dependence theory, high-power individuals can impose various rewards or resource allocations on low-power individuals, while low-power individuals must rely on high-power individuals to obtain the resources they desire. This bottom-up dependence leads low-power individuals to be highly alert and sensitive to potential harm and loss. Low-power individuals worry that expressing their competitive motives toward high-power individuals may lead to negative consequences, so they choose to compete in a hidden way.

Previous research on the relationship between power and competition has found that high-power individuals react defensively and aggressively when their status is challenged or threatened. For example, in the social structure of chimpanzees, which has a clear hierarchy, high-power chimpanzees have access to better food and mates. In contrast, low-power chimpanzees have difficulty accessing these resources. Therefore, the latter must develop vigilant and prudent behavioral strategies, such as avoiding direct competition with high-power chimpanzees, and instead using secret alliances with other chimpanzees to survive and potentially win in territorial disputes. This is also a typical form of covert competition.

When to Choose Covert Competition: When There Is No Way Out

It is important to note that not all low-power individuals will choose to compete covertly. When low-power individuals perceive that they may be able to escape the current situation (such as being able to change jobs), their concerns about potential negative consequences will be alleviated, and their tendency to engage in covert competition will also be weakened.

Some scholars have defined this degree of having alternative options in work relationships as "escapability." In reality, individuals may face situations with low "escapability," such as a sluggish employment market, high professional barriers, and non-compete agreements. These factors will restrict the possibility of individuals moving between different companies and workplace relationships, making them feel that there is no hope of escaping the current relationship. In such a situation, low-power individuals can only rely on high-power individuals to obtain resources. This will also drive them to engage in covert competition to hide their competitive intentions.

Research Methods and Findings

The researchers conducted multiple studies to confirm these ideas. They have also measured the concept of covert competition in different ways.

Study 1

Study 1 focused on the relationship between power and covert competition and its underlying explanation. Two samples were included: 209 working employees and 240 business school students. The study required each participant to imagine themselves as a car salesperson, with themselves and their colleagues at different power levels (e.g., high power, low power, or equal power). They then reported how they would act in different situations (e.g., What would you do if you were very curious about your colleague's confidential sales records?) and indicated the competitiveness and hiddenness of the motives behind their reported actions. The results were consistent with expectations, with low-power individuals being more likely than high-power individuals to engage in covert competition. The reason for this is that low-power individuals fear the potential negative consequences of revealing their competitive motives.

Study 2

Study 2 focused on testing the moderating effect of escapability and used actual economic decisions to measure individuals' covert competition. 647 working adults were randomly assigned to one of four experimental groups: power (high vs. low) and escapability (strong vs. weak). In the experiment, high-power individuals could allocate resources and tasks between themselves and their experimental partners. All participants first completed the dictator game (where participants divided a prize between themselves and their experimental partners. The experimental partner could decide whether or not to accept this allocation method. If accepted, the allocation was made; if not, neither person received any prize). After this task, participants could then decide whether to receive a new "secret prize" instead of the previous prize from the dictator game. This "secret prize" only benefited the participant, with the experimental partner completely unaware and receiving no prize. If the participant chose the "secret prize", the researchers defined them as engaging in covert competition. Study 2 not only replicated the results of Study 1, but also found that escapability (i.e., the ability to change partners in the experiment) weakened the impact of low power on covert competition, as it reduced low-power individuals' concerns about negative consequences.

Study 3

Building on Study 1, the authors further

distinguished between the roles of relative and absolute power. The researchers also created a new measurement scale for covert competition and examined its discriminant validity. 360 working adults were randomly assigned to one of four conditions: relative power relationship (high vs. low) * absolute power relationship (high vs. low). The results showed that relative power (not absolute power) was the reason for fear of negative consequences and subsequent covert competition. Additionally, the concept of covert competition demonstrated good discriminant validity from similar concepts such as social undermining, interpersonal deviance, and ostracism.

Study 4

To examine the generalizability of the conclusions, the researchers went beyond the experimental methods and collected three waves of longitudinal questionnaires from 396 working adults. In the first wave, participants were randomly assigned to the high-power or low-power groups, and each wrote down the name of a colleague who was either lower or higher in power than them. Participants also reported their own perceived likelihood of finding another job. In the second wave, participants reported their level of concern about potential negative consequences (such as retaliation) in their interactions with that colleague. In the third wave, participants reported their covert competitive behaviors towards that colleague in the past month. The results showed that low-power individuals engaged in more covert competition because of their fear of potential negative consequences; this tendency was even stronger when they felt less hopeful about changing jobs.

Managerial Implications

In today's workplace, covert competition is like an undercurrent. It is gaining attention from management practitioners, but the root causes of this phenomenon have not received enough attention. This paper reveals the power dynamics behind workplace covert competition: some of the small actions that employees take behind the scenes, such as secretly working hard, sabotaging colleague, or even stealing their clients, often stem from low-power individuals' deep-seated fear or worry, rather than intentional sabotage of organizational productivity.

Therefore, the authors call for managers to sharpen their attention to competitive behaviors, evaluate employees' sensitivity to their own and others' power, observe employees' emotional changes and psychological states, and understand the impact of power on employee behavior patterns. Moreover, managers need to build a trusting and supportive work climate, cultivate a spirit of cooperation among colleagues, ensure that employees feel their value is recognized, and believe that they can participate in open, healthy, and fair competition without fear of retaliation. This can effectively reduce employees' worries, thereby reducing covert competition and eliminating the fertile ground for malicious competition within the organization. This not only helps maintain team harmony but also is a sound investment in the organization's future.

This summary is based on the full article: "Do Lower-Power Individuals Really Compete Less? An investigation of Covert Competition", *Organization Science*. Articles in Advance, 2023, 1–28. Yufei Zhong (yufei.zhong@scheller.gatech.edu) is a Ph.D. student at Georgia Tech University. Huisi Li (huisili@uw.edu) is an Assistant Professor at the University of Washington. Xinyi Liu is a master student at Renmin University of China. Xi Yin is a Ph.D. student at Jilin University.

Would "Nice Guys Finish Last"? A Meta-Analysis Contradicts This Popular Belief

The lay theory—"nice guys finish last"—suggests that being "nice" in organizations often means spending too much time and energy on helping others, thereby neglecting one's own work. But is this really the case? A recent meta-analysis, synthesizing data from 201 prior studies, contradicted this popular belief. The research discovered that prosocial motivation not only boosts one's well-being but also predicts better job performance and career advancement. Moreover, the study found that different types of prosocial motivation have varying predictive powers on well-being and career success. Those motives that are discretionary, rather than driven by obligations, are better predictors of job performance. Meanwhile, whether the prosocial motivation is general or situation-specific also affects its impact on well-being and career success.

Original authors:
Huiyao Liao
Chinese University of Hong Kong
Rong Su
University of Iowa
Thomas Ptashnik
Providence College
Jordan Nielsen
Purdue University
Rewritten by:
Jiaqing (Kathy) Sun
London School of Economics and Political Science

In the bestselling book *Give and Take*, Professor Adam Grant of the Wharton Business School, using extensive evidence and examples, validated a simple truth: compared to those who always take, "givers" tend to succeed more easily. Although this conclusion might seem cliché, it's pertinent for professionals in the competitive work environment, who might question whether their good intentions to help others could lead to work delays or even exploitation.

For instance, a widely discussed case on social media involved a "nice guy" who always lent a hand when needed. However, one day, because his help did not achieve the expected outcomes, he faced not only his colleagues' complaints but also criticism from his leader. This story, which received widespread resonance, reflects the common sentiment that being a nice person is risky in the workplace.

Given the high competition in the workplace,

scholars and practitioners continually warn about the risks associated with helping others. One prevalent perspective is regarding time allocation—helping others can significantly consume one's work time, potentially leaving the helper with insufficient time and energy to complete their own tasks effectively, which might hinder their career advancement. Hence the phrase, "nice guys finish last."

But does being helpful at work truly place one at a disadvantage? Answering this question requires substantial evidence, not just subjective experiences or popular beliefs. To this end, Dr. Huiyao Liao from the Chinese University of Hong Kong and his collaborators conducted a meta-analysis to explore various forms of prosocial motivation in work settings and their impact on job performance, career advancement, and well-being.

Prosocial Motivation

In the study, prosocial motivation is defined as "the desire to benefit others or expend effort out of concern for others." Put simply, this motivation represents a person's willingness to help. Unlike the popular concept of being a "nice guy (or gal)," prosocial motivation does not emphasize pleasing others or complying with others' wishes without question; nor does it equate to "empathy," but merely underscores a concern for others and the desire to assist. Importantly, prosocial motivation does not necessarily imply selflessness; it can coexist with self-interested motives—someone can wish to help others while also desiring their own happiness and success. Understanding the nuanced differences and connections among these concepts allows us to better grasp the implications of prosocial motivation in the workplace.

There is another important question to be asked: Is all prosocial motivation the same? The answer is no. This study categorizes prosocial motivation along two dimensions: The first dimension concerns whether the prosocial motivation is autonomous. When there is no external pressure and the willingness to help completely stem from personal goodwill, it is termed "discretionary prosocial motivation." However, in some cases, people might feel guilty for not being able to help, so the motivation arising from duty or external pressure is termed "obligatory prosocial motivation."

The second dimension differentiates three types of prosocial motivation based on their generality or situation-specificity. The first is "global prosocial motivation," which is not limited to specific situations and represents a person's willingness to help across different contexts. The second is "contextual prosocial motivation," which occurs only in a specific context or domain, such as education, work, or family. The third is "positional prosocial motivation," sparked by specific work tasks or activities, making it highly situationally specific.

Distinguishing between voluntary and obligatory prosocial motivation, and identifying whether the motivation is general or specific, helps the researchers explore the subtle relationships between prosocial motivation, job performance, career advancement, and personal well-being, which is a significant contribution of this research.

Meta-Analysis

In essence, meta-analysis is a method of systematically synthesizing the results of past studies. Different studies on any management topic can present varying results, and research on prosocial motivation is no exception. Previous researchers have found both positive and negative effects of prosocial motivation on job performance. This variance could be due to the

different research samples, specific research contexts, divergent methodologies used in these studies, and as discussed previously, varying constructs and measures of prosocial motivation. The method of meta-analysis helps researchers aggregate the results of past studies to depict a "complete picture" of a subject. This "complete picture" reveals whether a relationship is positive or negative and identifies variations in research outcomes under different conditions. For example, researchers could focus on various work attributes to examine whether prosocial motivation is beneficial or detrimental when people engage in different kinds of work. Adopting this approach, this study conducted an extensive search of all academic papers published in English, regardless of publication status, and eventually found 201 articles that explored the impact of prosocial motivation in the workplace on any of the interested outcomes— job performance, career advancement, and well-being. These articles provided 252 samples, covering responses from over 40,000 employees. After acquiring these research materials, the researchers coded each study's method, sample, context, as well as the specific type of prosocial motivation, and then performed statistical analysis based on this coding. This process was tedious and time-consuming but essential to achieve a comprehensive understanding of the data.

Research Findings

The overall finding of this meta-analysis is encouraging—prosocial motivation not only signifies stronger well-being but also predicts better job performance and career advancement. The positive impact of prosocial motivation on well-being is understandable since helping others is inherently joyful and closely related to positive emotions. Regarding job and career outcomes, this study refutes the popular saying "nice guys finish last." The comprehensive data over more than 200 studies supported the positive influence of prosocial motivation on job performance and career advancement. It's worth noting that whether "nice guys" can succeed depends on how we define "niceness." Simply being compliant and overly polite can be more harmful than beneficial for one's career. In personality research, the trait "agreeableness" serves as such a counterexample—highly agreeable individuals are often perceived as exceptionally easy-going and pleasant, but this trait does not necessarily lead to career success and may even be a hindrance. This pattern, identified in past research, was confirmed in this study.

Despite the positive aspects of prosocial motivation, the study also unveiled the variability of its impact between studies. This variability means that prosocial motivation does not always lead to increased well-being, performance, or career success. The meta-analysis revealed some possible reasons for these differences. For instance, compared with obligatory prosocial motivation formed out of a sense of duty or external pressure, discretionary prosocial motivation, stemming purely from personal will, better predicts job performance, although both types predict helping behaviors equally well. One explanation is that when prosocial motivation is autonomous, individuals tend to work harder, thus performing better. For example, if clerks working in a supermarket truly enjoy helping others, they will actively strive to help customers in need, thus improving their work performance. In contrast, if they help others out of responsibility and pressure, they may offer the minimum amount of help to fulfill job requirements and avoid feeling guilty but not go above and beyond. As a result, their job performance will not be enhanced substantially. Another explanation is that from the perspective of others, such as colleagues and leaders, discretionary prosocial motivation makes the helping behavior appear more genuine and authentic, so people may view it more positively, coloring their overall judgment of the helper. Although these interpretations cannot be confirmed with the current data, the varying outcomes produced by different forms of prosocial motivation are noteworthy.

The extent to which prosocial motivation is context-specific also impacts the outcomes of helping others. This research has found that "global prosocial motivation," which is the desire to help others regardless of the situation, is most closely related to well-being. On the other hand, the strongest predictor of job performance is "positional prosocial motivation," because it is often closely related to work tasks, and the motivation of helping others during task completion also means putting in more effort at work.

The study also explored cultural influences. It showed that in collectivist cultures, prosocial motivation leads to stronger well-being, possibly due to the emphasis on group interests in these cultures. Additionally, the study confirmed that prosocial motivation and self-interested motives are not contradictory. This finding suggests that the public's understanding of prosocial motivation might be biased. High prosocial motivation does not necessarily mean self-sacrifice. Helpers can consider their self-interests while assisting others, as these motives are not mutually exclusive.

Managerial Implications

The findings of this study have significant implications for both employees and managers. Prosocially inclined employees no longer need to worry that their willingness to help might bring negative consequences. As long as one helps out of a genuine motivation within their capacity, over time, this assistance will bring career success and happiness. Of course, understanding prosocial motivation is key. It does not mean being a "nice guy (or gal)" who unconditionally accepts others' requests and overly concerns themselves with how others view them. What matters is finding meaning in one's work, recognizing the value one can bring to others, naturally fostering prosocial motivation, and translating it into action.

For managers, this research provides valuable insights and empirical evidence for talent selection and promotion. While acknowledging a candidate's knowledge, skills, and competence, managers should also value prosocial motivation. Although this motivation may not immediately translate into new products or productivity, in the long run, mutual support and knowledge sharing within a team can reduce interpersonal conflicts, spark creativity, and significantly contribute to team and organizational development. Furthermore, employees with high prosocial motivation are likely to achieve better career outcomes and play important roles in the organization in the future, which has lasting significance and impact for the organization. However, managers should ensure that helping others does not become an obligation for employees, because discretionary motivation to help more often predicts a person's success.

To sum up, it is time for both individuals and organizations to discard the outdated notion that "nice guys finish last." By helping others, both individuals and organizations can achieve greater success and gain more happiness.

This summary is based on the full article: " Feeling Good, Doing Good, and Getting Ahead: A Meta-Analytic Investigation of the Outcomes of Prosocial Motivation at Work", *Psychological Bulletin*, 2022, 148(3–4), 158–198. Huiyao Liao (huiyaoliao@cuhk.edu.hk) is an Assistant Professor at the Chinese University of Hong Kong. Rong Su (rong-su@uiowa.edu) is an Associate Professor at the University of Iowa. Thomas Ptashnik (tptashni@providence.edu) is an Assistant Professor at Providence College. Jordan Nielsen (jniel@purdue.edu) is an Associate Professor at Purdue University. Jiaqing (Kathy) Sun is an Assistant Professor at the London School of Economics and Political Science (LSE).

The Making of the "Good Bad" Job: How Algorithmic Management Manufactures Consent Through Constant and Confined Choice

Original author:
Lindsey D. Cameron
University of Pennsylvania
Rewritten by:
Lan Wang
Peking University

In recent years, algorithms have increasingly taken over managerial roles traditionally held by humans. While gig work is typically considered a "bad job" – characterized by low wages, limited opportunities for advancement, and minimal labor protections – algorithmic management has allowed many workers to experience greater enjoyment and autonomy in their roles. This seven-year qualitative study of the ride-hailing industry uncovers how algorithmic management produces consent—defined as active, enthusiastic engagement in the work—through two key tactics: engagement, where drivers follow the nudges of the algorithmic management system, and deviance, where drivers manipulate their input into the algorithmic management system. Both tactics foster enthusiastic participation and skill development, making these "good bad" jobs more appealing despite their challenges.

In the digital age, gig work is transforming the employment landscape. Platforms like Uber and Instacart, powered by sophisticated algorithms instead of human managers, are pioneering this shift. Although gig work is often labeled as a "bad job" due to low wages, unstable schedules, and a lack of traditional benefits, many workers surprisingly prefer it over conventional employment. For instance, Ostergaard (2017) found that one-third of workers favor algorithmic management over human bosses. Many gig workers derive a sense of purpose and satisfaction from their roles, actively working to meet or surpass platform goals.

Traditionally, researchers have portrayed gig platforms as tyrannical, likening them to invisible cages that restrict worker autonomy. However, this view underestimates the level of agency workers can exercise within these systems. Unlike previous studies, Cameron's research introduces the concept of "choice-based consent," where frequent, small choices within algorithmic management systems encourage workers' active and enthusiastic engagement. This approach makes these so-called "bad jobs" surprisingly appealing, despite their inherent challenges.

Sample and Data Collection

Cameron conducted a seven-year qualitative study (2016-2023), involving 160 hours of participant observation, 112 conversational interviews, and 136 semi-structured interviews across 23 North American cities, along with an analysis of social and print media. By immersing herself in the ride-hailing industry as both a driver and a rider, Cameron gained first-hand insights into the industry's dynamics. She experimented with different driving strategies, attended defensive driving and legal rights classes, and recorded a total of 112 rides across different cities.

Her interviews with 63 drivers (44 men, 19 women), who averaged 14 months of experience, 1 800 trips, and a rating of 4.87/5.0—mostly relying on driving as their primary income source—provided valuable insights into their driving strategies, experiences, and problem-solving approaches. This rich and diverse dataset allowed Cameron to apply a grounded theory approach to identify significant themes and develop new theories.

Algorithmic Management in the Ride-Hailing Industry

In the ride-hailing industry, sophisticated algorithmic management systems have largely replaced human managers. These systems deploy various algorithms to influence driver behavior and optimize service. For instance, dynamic pricing algorithms incentivize drivers to work during peak hours by offering surge pricing, notifying them of high-demand times, and providing bonuses for meeting weekly ride quotas. Matching and evaluation algorithms further enforce compliance: drivers with high customer ratings receive quicker matches to new rides, while low ratings may result in warnings, deactivation, or less lucrative matches. Meanwhile, work-instruction algorithms offer navigation guidance, and telematics closely monitor driving behaviors like braking and acceleration.

Navigating Algorithmic Management: Engagement and Deviance Tactics

Although algorithmic management may appear to impose strict control, it actually offers drivers a degree of choice within set boundaries. Cameron identified two key tactics—engagement and deviance—that drivers employ to navigate this

system. These tactics not only enable drivers to work within and around the algorithms but also foster a sense of agency, reinforcing their consent and creating a balance between control and autonomy.

Engagement Tactics: Playing Within the System

Drivers using engagement tactics align themselves with the algorithmic management system, strategically leveraging app data to enhance their earnings. Simple engagement involves responding to algorithmic nudges, such as driving to high-demand areas. For instance, George from Boston monitors heat maps before logging on, positioning himself in locations with the highest fare potential. Some drivers take it further, using additional software or multiple phones to predict demand trends and optimize routes. Accepting all ride requests is another common strategy; by staying focused and consistently taking rides, drivers are often surprised by how much they can earn by the day's end.

More complex engagement requires nuanced decision-making, where drivers don't strictly follow algorithmic prompts but instead make choices that best suit their goals. For example, Eric from D.C. bypasses high-surge areas to pick up more passengers in a shorter amount of time, maximizing his earnings. Similarly, Boxton from Detroit turns off the app in low-demand areas to avoid unprofitable rides, taking into consideration the dynamic pricing algorithm. This approach demands ongoing monitoring and critical evaluation of algorithmic suggestions, demonstrating drivers' sophisticated understanding of the system.

Deviance Tactics: Pushing Against the System

Drivers employing deviance tactics skillfully manipulate the algorithmic management system to maximize their own benefit. Simple deviance includes sidestepping blind matching algorithms by selectively screening and choosing rides. For instance, when Marsha from D.C. found herself stuck in traffic on a long, shared ride, she ended the ride and went offline temporarily. After coming back online, she advised the passenger to request a private ride, allowing them to reconnect and reduce wasted time. This maneuver benefited both Marsha and the rider. Similarly, Arthur from L.A. often rejects rides, only accepting rides within a five-minute radius, saving time and gas to ensure profitability. Others, like Orion in Detroit, carefully screen rides, avoiding certain areas (e.g., liquor stores) or certain riders (e.g., those with children) based on factors like location, name, or rating.

More complex deviance tactics involve advanced strategies to manipulate one's standing within the algorithmic system. For instance, maintaining a high acceptance rating is essential for accessing platforms and unlocking special incentives. On the night of Donald Trump's inauguration, when downtown D.C. was difficult to access, Smith accepted ride requests but delayed his response, forcing passengers to cancel and thus preserving his perfect acceptance rating. Another tactic to inflate surge pricing involves toggling airplane mode while waiting in virtual airport queues, creating the illusion of fewer available drivers and pushing fares higher. Orion from Detroit used this approach to secure a $180 fare—well above the typical $40 rate.

Outcomes: Skill Development and Management Conflict

Engagement tactics allow drivers to optimize their earnings while enhancing their self-image as skilled professionals. Many drivers take pride in their ability to "work smart" and navigate the system effectively, which fosters a sense of mastery and reduces conflicts with the algorithmic management system. By aligning with the system's prompts, drivers often find it works to their advantage, leading to greater job satisfaction and a more cooperative working relationship.

In contrast, deviance tactics, while also boosting drivers' sense of skill, heighten tensions

with the algorithmic management. Drivers who employ these tactics take pride in outsmarting the system, often sharing their strategies in hushed tones to avoid detection and penalties. They tend to view their relationship with the algorithm as adversarial, focusing on maximizing their own benefits while evading sanctions from the system.

Withdrawal

Some drivers choose to abandon algorithmic management entirely. Reasons for quitting include low pay, conflicts with customers, app frustrations, and the physical toll of driving. Additionally, better opportunities, such as traditional jobs or family commitments, can prompt drivers to leave the platform.

Others may withdraw involuntarily due to factors that undermine the system's integrity. In pursuit of more profitable rides, some drivers resort to "geo-spoofing" tactics. A popular method, known as "the phone holding game," involves two participants—one driver stationed at a prime location (typically an airport) with a phone in the ride-hailing queue, while the second driver completes rides and then returns to the airport. The drivers swap phones each time one returns, keeping the queue phone signaling availability for pickups and reducing downtime. Other drivers use software to override GPS tracking, allowing them to appear at specific locations or artificially extend route lengths. While these tactics may temporarily increase earnings, they violate platform rules and often lead to warnings or bans.

Managerial Implications

While the idea of robots completely taking over most jobs may still seem like science fiction, algorithms are rapidly assuming many managerial roles traditionally held by humans—such as hiring, directing, evaluating, and even firing workers. From trucking to warehousing, retail, and home healthcare, a diverse range of jobs is now overseen by algorithmic systems. Although often labeled as "bad jobs" due to low wages and limited benefits, many workers find satisfaction in these roles.

As gig work increasingly becomes a career choice, workers embrace a culture of hustle and entrepreneurship. On-demand aggregator apps like Gridwise and JackApp provide more flexibility, allowing workers to choose the highest-paying gig at any given moment. This constant sense of choice encourages individuals to work longer hours, invest more effort, and commit more deeply to their roles. Without the frustrations of dealing with difficult bosses, workers enjoy flexible hours and take pride in mastering their skills—often finding genuine fulfillment in the work.

Additionally, the fast-evolving nature of platforms and algorithmic management systems presents regulatory challenges that need urgent attention. While clarifying labor contracts is crucial, Cameron's research highlights the importance of offering workers autonomy through constant choices and consent. This approach not only boosts job satisfaction but also makes these seemingly "bad jobs" more appealing. For legal scholars and policymakers, focusing on these new work structures can help ensure accountability from platforms, ultimately benefiting both workers and customers.

This summary is based on the full article: "The Making of the "Good Bad" Job: How Algorithmic Management Manufactures Consent Through Constant and Confined Choices," *Administrative Science Quarterly*, 2024, 69(2), 458-514. Lindsey D. Cameron (ldcamer@wharton.upenn.edu) is an Assistant Professor at the University of Pennsylvania. Lan Wang is an Assistant Professor at Peking University.

How Do Founders' Workspace Uses Influence Their Identity?

First-time founders may not realize that their space uses can play an important role in the development of their entrepreneurial identity, or in how they come to see "who they are." This 2.5-year ethnography tracks 67 first-time entrepreneurs in a coworking facility through interviews, observations, and drawings over time to explain the co-construction of place and entrepreneurial identity. Specifically, the study traces two primary groups of founders — "Settlers" and "Nomads" —those who tended to stay put, and those who moved around. Settlers and Nomads interacted in different ways with other collocated entrepreneurs. These interactions, over time, related to how they came to see themselves, and to how they perceived their work environment. Specifically, Settlers developed as entrepreneurs within a community, while Nomads did not develop as entrepreneurs in an office space.

Original author:
Eliana Crosina
Babson College
Rewritten by:
Monica Ren
Macquarie University

Tori is a founder who used to work at "OfficeCo," a shared office space. Whenever Tori went to OfficeCo to work, he switched seats and kept his distance from others. His primary concerns were focusing on the business and on being efficient. Tori often felt like a "Nomad" at OfficeCo. He generally lacked a sense of community and belonging. Moved by these feelings, he eventually left OfficeCo and found a new job at an established company. Tori went as far as to return money to clients who had prepaid for his services. He also turned down investors and prepared to sell his business. Explaining his decision, he said, ''I could not do it anymore. I could not see myself as an entrepreneur. I had to leave.''

Mika is the founder of another startup. He also worked from OfficeCo. He did not choose a specific seat at first; however, he eventually gravitated toward a given desk, and he even started "reserving spots" for his recurrent neighbors. Mika soon found that he and these other entrepreneurs could share the challenges and frustrations inherent in the entrepreneurial process. They empathized with each other, and in some cases, they even became friends. Over time, Mika and other "Settlers" like him came to see

OfficeCo as a community of likeminded founders. This sense of community related to their developing identity as entrepreneurs. Mika expressed the importance of community, noting that his interactions with other entrepreneurs helped him "better understand what it takes to be an entrepreneur." Now, he defines himself based on what he does: "Right now, I define myself pretty much by my business, by the success of my business, by the failures of my business, just by the business, by the grind, by the challenge."

These two stories appear in a recent study by Dr. Eliana Crosina, an assistant professor in Entrepreneurship at Babson College in Massachusetts, USA. Dr. Crosina conducted a 2.5-year ethnography that longitudinally tracks 67 first-time founders in a coworking facility via interviews, observations, and drawings. Dr. Crosina found that, over time, OfficeCo became more than just a convenient background and more than just a place to gather. Founders from various industries (e.g., software, marketing, manufacturing, engineering, etc.) dynamically co-constructed their workplace while at the same time developing their identity as entrepreneurs, and in some cases, not as entrepreneurs. Understanding how entrepreneurial identity does (or does not) develop is important because research suggests that entrepreneurial identity drives entrepreneurship—including the types of businesses founders create, how they respond to setbacks, how they grow, and even when and how they may exit their businesses. In previous studies, the role of physical space as shaping and being shaped by "entrepreneurial identity" had not been explored.

Dr. Crosina's data reveal that first-time founders made distinct spatial choices while at OfficeCo: the choice to stay put (for Settlers) or to move around (for Nomads). Over time, this seemingly insignificant decision shaped the development of varying relationships with collocated others—more disclosing for Settlers, and superficial for Nomads. These relationships were associated with the development of different role prototypes, generally more accessible and fallible for Settlers, and more distal and disembodied for Nomads. Varying views of what entrepreneurs do, or of what entrepreneurship means more broadly, linked to distinct views of both space and identity. For Settlers, OfficeCo became a community, and they embraced entrepreneurship as self-defining. For Nomads, OfficeCo remained just an office space, and they could not see themselves as entrepreneurs.

Managerial Implications

This research helps explain the role of workspace in the development of entrepreneurs' identities.

For first-time founders, what entrepreneurship means can be unclear. Understanding their uses of workspace and the patterns of situated interactions that varying space uses occasion can help them answer critical questions such as "What does entrepreneurship mean to me?" and "Who am I (as a startup founder)?"

This summary is based on the full article: "Co-Constructing Community and Entrepreneurial Identity: How Founders Ascribe Self-Referential Meanings to Entrepreneurship", Administrative Science Quarterly, 2024, 69(2), 370-416. Eliana Crosina (ecrosina@babson.edu) is an Assistant Professor at Babson College. Monica Ren is an Assistant Professor at Macquarie University.

The Fire to Inspire: How a CEO's Passion for Organizational Development Ignites Employee Creativity

Passion is essential not only for employees, but also for CEOs. A CEO's passion for organizational development can influence other managers and employees within the organization profoundly through social interactions over time.

Original authors:
Qing Gong
Kennesaw State University

Dong Liu
Georgia Institute of Technology

Xiao-Ping Chen
University of Washington

Chunyan Jiang
Nanjing University

Guoquan Chen
Tsinghua University

Rewritten by:
Qing Gong

Is passion important for the success of a company? Prior research shows that passion is critical to the success of new ventures. An entrepreneur's passion has a contagion effect on investors and employees and can help the company gain support and resources during the startup stage. However, as a company matures, does the leader's passion still matter? To answer this question, we focus on the CEO's passion for organizational development. Through a field survey and experimental studies, we found that a CEO's passion for organizational development can ignite employees' creativity by influencing the leadership style of middle managers.

What is Passion, and Passion for What?

The definition of passion varies across various fields, but there is a consensus on its essential characteristics in the literature. First, passion is domain-specific—an individual passionate about music may lack interest in areas outside of music. Second, passion manifests as a strong, positive emotion towards a particular field or activity, but it goes beyond mere emotional experience. Passion also encompasses a deep personal significance, as it reflects one's preferences and values and encompasses a strong desire to pursue related goals. These characteristics make entrepreneurial passion a key factor in helping entrepreneurs persevere through the dynamic early stages of a startup, which ultimately contributes to their new ventures' success.

However, beyond the initial startup phase, does passion still matter? When Lisa Su became CEO of AMD, this nearly 50-year-old semiconductor company teetered on the brink of collapse. Su embarked on bold reforms driven by immense enthusiasm and ultimately revived the company from the edge of bankruptcy. She continued with unwavering passion to lead AMD into the fierce competition of the AI era. Similarly, when Xiaomi quickly rose to global prominence as a leading smartphone company, it also inevitably faced intensified competition and challenges from both internal and external environments. Lei Jun, founder and CEO of Xiaomi, guided the company through continuous transformations with unrelenting passion. This passion led Xiaomi to achieve breakthroughs in various emerging fields and even daringly entered the smart electric vehicle industry. Lei said that it was courage that led Xiaomi out of adversity, and this courage stemmed from an everlasting passion. Examples like these demonstrate that as companies mature, they may encounter challenges of stagnation, and it is the leader's passion that can be the key to revitalizing the organization.

Our research suggests that even in established companies, leaders such as CEOs can possess passion similar to that of entrepreneurs. The difference lies in the focus: while entrepreneurial passion often centers on acquiring resources and creating a company, a CEO's passion for the company's development stems from a desire to achieve sustainable competitive advantage, with a stronger emphasis on changing the status quo and identifying new growth opportunities. Moreover, compared to the direct emotional contagion effect entrepreneurial passion has on audiences like investors, a CEO's passion for organizational development can influence other managers and employees within the organization profoundly through social interactions over time.

Through open-ended surveys of 120 CEOs and other senior executives in the U.S. and China, we found that a CEO's passion for organizational development has affective, cognitive, and behavioral manifestations. In terms of affective manifestation, managers who are passionate about their company's development often feel energized at work and experience a sense of fulfillment and happiness. Cognitively, passionate managers often envision when the company achieves significant breakthroughs and greater success.

They also recognize the personal significance of the company's success. This passion also manifests behaviorally, as these managers are fully committed to the company's development, constantly thinking about the business, and frequently seeking advice from others to gain new ideas for developing the company.

How a CEO's Passion Ignites Middle Managers' Transformational Leadership and Employees' Creativity

A CEO who is passionate about the company's sustained development will first and foremost influence the leadership style of middle managers. Middle managers play a crucial bridging role in companies, communicating organizational goals and visions and translating them into practical implementations. Their perception of the company's direction and normative expectations profoundly impacts how they lead their subordinates. The CEO serves as the key indicator for middle managers in interpreting the company's direction. When the CEO is passionate about the company's development, middle managers can sense the company's desire for change and growth. The CEO's passion also reflects the significance and importance of continuous development, as well as the strong positive emotions associated with pursuing change and ambitious goals. These perceptions will influence middle managers, motivating them to exhibit more transformational leadership behaviors and lead their teams in embracing change.

Transformational leadership is characterized by inspiring subordinates through a compelling vision while also encouraging and developing them to challenge the status quo and achieve higher, shared goals through proposing new ideas and approaches. Under the leadership of transformational managers, employees will likely see their creative contributions as meaningful and valuable for achieving an appealing vision, motivating them to generate novel and useful ideas at work and improve the status quo. Moreover, transformational leadership encourages employees to share new insights, develop creative thinking skills through intellectual stimulation, and grow alongside the team. Therefore, transformational leadership also creates a fertile ground for employees to unleash their creativity.

Our field study, involving 35 companies, 170 middle managers, and 595 employees, shows that when CEOs themselves have a strong internal passion about the company's development, middle managers in these companies also exhibit more transformational leadership behaviors. Furthermore, middle managers' transformational leadership is further related to employee creativity. Through vignette-based experiments, we also found that when participants were presented with a scenario of a passionate CEO, they perceived that CEO's company as being more entrepreneurial-oriented, inferring that the company's strategies emphasize proactivity, innovation, and risk-taking. When participants assumed the role of managers within such a company, they were more likely to choose transformational leadership styles. In another vignette experiment, we found that when participants were asked to complete a task requiring creativity and divergent thinking, those who had a transformational leader as the task assigner demonstrated greater creativity, regardless of whether the leader themselves exhibited creativity.

Amplifying the Impact of CEO Passion for Organizational Development

A CEO's passion for organizational development essentially reflects their personal values and love for their work. However, how can this passion be more accessible and effectively translated into the concrete actions of middle managers and employees? We found that one key factor is the CEO's self-promotion skills to shape an image of competence and credibility. Through field studies and vignette experiments, we discovered that when CEOs leverage self-promotion skills, the relationship between their passion for organizational development and middle managers'

transformational leadership becomes stronger.

We believe that through self-promotion, a CEO can expand their impact, establish a reliable and authoritative image, and thereby earn the respect and admiration of other managers and employees within the company. When middle managers recognize the CEO's passion for driving the company's development, and also perceive the CEO's exceptional capability to lead the company toward higher goals, they find the CEO's passion more compelling and develop stronger faith in it. Consequently, they are more receptive to the CEO's passion and willing to be inspired by the passion and adapt their leadership behaviors to support the company's growth. In contrast, when a CEO does not have strong social skills in self-promotion, even if the CEO is burning with passion, middle managers may not perceive the passion as credible because it is more difficult for them to fully recognize the CEO's competence in actually growing the company. Therefore, when a CEO effectively uses self-promotion to build a competent image, their passion for organizational development can exert a broader and more profound impact.

Managerial Implications

During times of entrepreneurship, business leaders need to be driven by passion to establish new ventures. Our research suggests that regardless of a company's maturity, it remains crucial for leaders to lead the company with passion in order to maintain its vitality and innovative capacity. A leader's passion for organizational development not only affects their own behavior but also shapes the organization's norms, shaping middle managers' understanding of the company's goals and vision, and ultimately influencing the creativity of employees. Moreover, because passion is domain-specific, the target of a leader's passion will profoundly influence the company's direction and the leadership style of middle managers. If a leader's passionate goals are not aligned with the company's developmental direction, it may lead the company astray. Therefore, understanding a leader's passion should be approached with greater specificity and depth.

For companies that rely on innovation to maintain their competitive edge, it is especially important for key leaders, such as the CEO, to remain passionate about the company's development. Passion should also be a key criterion in selecting leaders. Additionally, CEOs and other key leaders should proactively demonstrate their passion for the company's development to inspire other managers and employees to innovate. Passion is not only expressed through eloquent speeches but also manifested through a leader's deep insights into the company's development and their actions and commitment in leading the company forward.

Furthermore, since passion originates from personal values and desires, the extent to which a leader's passion is recognized and supported by others depends on the leader's personal impact. To further enhance the effectiveness of passion on igniting change-oriented behaviors from other members of the organization, leaders can leverage self-promotion strategies to build a positive and influential personal image, thereby spreading their passion throughout the company and genuinely influencing the behavior of every member within the organization.

This summary is based on the full article: "The Fire to Inspire: A Multilevel and Multimethod Investigation of How and When CEO Passion for Organizational Development Impacts Employee Creativity", *Journal of Management Studies*, 2023. Qing Gong (qgong@kennesaw.edu) is an Assistant Professor at Kennesaw State University. Dong Liu (dong.liu@scheller.gatech.edu) is a Professor at Georgia Institute of Technology. Xiao-Ping Chen (xpchen@uw.edu) is a Professor at the University of Washington. Chunyan Jiang (cyjiang@nju.edu.cn) is a Professor at Nanjing University. Guoquan Chen (chengq@sem.tsinghua.edu.cn) is a Professor at Tsinghua University.

From Foe to Friend: Exploring State-Led Destigmatization

The state plays a pivotal role in the destigmatization of specific categories of organizations. To achieve this, it must strike a balance between reducing stigma and maintaining its own legitimacy, employing both "frontstage" and "backstage" strategies and adjusting them iteratively. By highlighting the pragmatic value of such organizations, the state can also alleviate the ideological conflicts that often accompany the destigmatization process.

Original authors:
Milo Shaoqing Wang
Arizona State University
Christopher W. J. Steele
University of Alberta
Rewritten by:
Hao Feng
Shanghai University of International Business and Economics

The destigmatization of organizations, particularly business firms, has become a key area of research in management studies. Stigmatization can severely damage a firm's reputation, erode consumer trust, trigger talent attrition, and complicate access to financing, ultimately undermining investor and entrepreneurial confidence. These effects can have broader, negative implications for the overall business environment. While addressing the stigma attached to individual firms is important, combating the stigma associated with an entire category of organizations holds even greater

significance for fostering a healthy business climate and promoting economic development. However, this broader effort is undoubtedly more challenging.
Two scholars from Arizona State University and the University of Alberta conducted a comprehensive theoretical analysis and a detailed case study to examine how the state can take a leading role in the destigmatization of entire organizational categories. Their case study focused on the revival of private business category in China following the market-oriented economic reforms, revealing that the state can advance destigmatization by strategically combining "backstage" strategies, such as regulatory leniency, with "frontstage" actions, such as legislative changes. This complementary use of strategies also helps safeguard the regime's legitimacy. Particularly during the initial stages of category destigmatization, the state can mitigate ideological conflicts by emphasizing the pragmatic value of the category, thereby enhancing the chances of success.

How the State Influences the Process of Category Destigmatization

Stigmatization often arises when a category of organizations, such as private businesses, conflicts with a prevailing ideology. In these situations, internal members of the category typically face significant ideological barriers, making destigmatization difficult to achieve without external intervention. The state, with its unique enforcement power and authority to create and implement policies, can play a pivotal role in breaking this impasse and advancing the destigmatization of organizational categories.
The state's capacities can be broadly divided into "administrative capacity" and "cultural capacity," both of which complement each other in the destigmatization process. Administrative capacity refers to the state's ability to alter a category's position within the social structure through the enactment of laws, policies, and regulatory or coercive measures. Cultural capacity, by contrast, involves the state's ability to shift public perceptions of the category through media campaigns and other forms of influence, thus addressing stigma at the cultural level. By leveraging both capacities, the state can achieve more effective destigmatization. On the one hand, administrative capacity provides institutional support for destigmatization efforts through legal reforms and regulatory leniency. On the other hand, cultural capacity reshapes societal attitudes via media outreach and public education, helping to mitigate or eliminate cultural stigma.
When the state intervenes in the destigmatization process, it often faces a critical dilemma: supporting a category stigmatized by a mainstream ideology could jeopardize the state's own legitimacy. This challenge is particularly acute in societies where diverse groups, representing different ideologies and values, hold conflicting views on destigmatization. Consequently, the state must carefully manage its interactions with members of the stigmatized category, the general public, and various social groups, continuously refining its strategies. This dilemma often forces the state to adjust its destigmatization approach iteratively, responding not only to feedback from the stigmatized category but also to shifting public opinion and the evolving dynamics of ideologically diverse groups.
To navigate this dilemma, the state-led destigmatization process should initially focus on highlighting the pragmatic value of the stigmatized category, rather than, as traditional research suggests, emphasizing its moral value from the start. When a category of businesses or organizations is deeply affected by ideological bias, a morally driven approach to destigmatization may provoke public

challenges to the state's legitimacy from certain social groups, creating significant obstacles. In contrast, if the state underscores the pragmatic contributions of the category, such as job creation and productivity growth, it can reduce opposition and resistance while preserving its own legitimacy.

A Case Study: Destigmatizing Private Business During China's Economic Reforms

Focusing on the destigmatization of private enterprises in post-reform China, researchers conducted an in-depth case study on the state's leading role in this process. Building on theoretically oriented analysis, the study integrates extensive empirical evidence from diverse sources, including historical archives, newspaper articles, statistical data, oral histories, and interviews. Prior to the reform and opening-up, private business in China was heavily stigmatized under the influence of extreme "leftist" ideologies. Private firms were morally condemned for allegedly fostering exploitation and social inequality, and were marginalized by the central planning economy system. Following the launch of market-oriented economic reforms, the Chinese government embarked on a destigmatization process for private enterprises. Research shows that iterative interactions among the state, the private business category, and the public, as well as within the government itself, produced critical turning points, allowing the process to be divided into four stages. In each stage, the state employed both "backstage" and "frontstage" destigmatization strategies. Through backstage approaches, such as regulatory leniency and granting private business greater operational freedom, the state aimed to reduce resistance to destigmatization. Frontstage strategies, including legislative changes and the formal acknowledgment of private firms' positive contributions, were used to publicly communicate the state's ideological agenda and policy actions. For category members, backstage actions facilitated safer, behind-the-scenes growth, while frontstage actions enabled them to openly demonstrate their values and moral legitimacy. The specific strategies adopted by the state in each of the four stages are as follows:

Phase 1: Localized destigmatization experiments. The establishment of special economic zones created a trial environment for private business, enabling them to adopt the operational models of foreign-invested companies. The state connected private business to pragmatic values, such as job creation and addressing the material and cultural needs of the population, through localized regulations. It publicly certified exemplary firms on the frontstage while disassociating them from tainted values on the backstage. By assigning private business a complementary role rather than viewing them as a fundamental economic form, the state helped mitigate ideological exclusion against them. These actions provided opportunities for private firms to respond discreetly and positively, leading to beneficial social impacts and increasing public recognition of the category's pragmatic value.

Phase 2: The state supported the "cautious expansion" of private business. This phase involves not only the state's discreet efforts to relax regulations and help businesses eliminate stigma but also frontstage initiatives focused on institutional transformation to create a more supportive moral environment for private business within the mainstream ideology. In response, private firms expanded their behind-the-scenes activities, significantly contributing to employment and economic growth in local communities. However, this expansion also exacerbated economic inequality and provoked backlash from certain social groups that questioned and criticized the moral implications of private business growth.

Phase 3: The backlash helped precipitate "open conflict." Opposition to the reform reemerged, seeking to reinstate the stigma associated with private business in the public sphere. In response, private firms curtailed their commercial activities, undermining the tangible benefits they had previously contributed in terms of employment and economic performance. This, in turn, triggered a strong public desire for the pragmatic value of private enterprises.

Phase 4: The mounting public desire facilitated an "institutional settlement" between reformists and conservatives. As the state persisted in advancing and consolidating its destigmatization efforts, private business became increasingly proactive in the public sphere. Over time, mounting evidence highlighted the essential role of private business in fulfilling economic needs. This public recognition laid the groundwork for a moral reassessment of private business, prompting stakeholders to reconsider the balance between pragmatic and moral considerations. Ultimately, the state achieved the destigmatization of private business through a gradual process, maintaining their pragmatic value while progressively enhancing their moral status.

Managerial Implications

This paper analyzes how private businesses in China have transitioned from a stigmatized category to widely recognized economic entities during the historical process of reform and opening-up. This transformation highlights the increasing engagement of private firms in political and social affairs, as they actively articulate their demands through legitimate channels. Notably, their steadfast support for market-oriented and rule-of-law reforms contributes not only to a stable and predictable development environment for private business but also to their adaptability in response to policy adjustments or market fluctuations. Furthermore, firms can participate in discussions and policymaking through industry associations or chambers of commerce, advocating for policies that promote marketization, the rule of law, and regional development. Such involvement not only facilitates better adaptation to changes in the external environment but also enhances their recognition and influence within society.

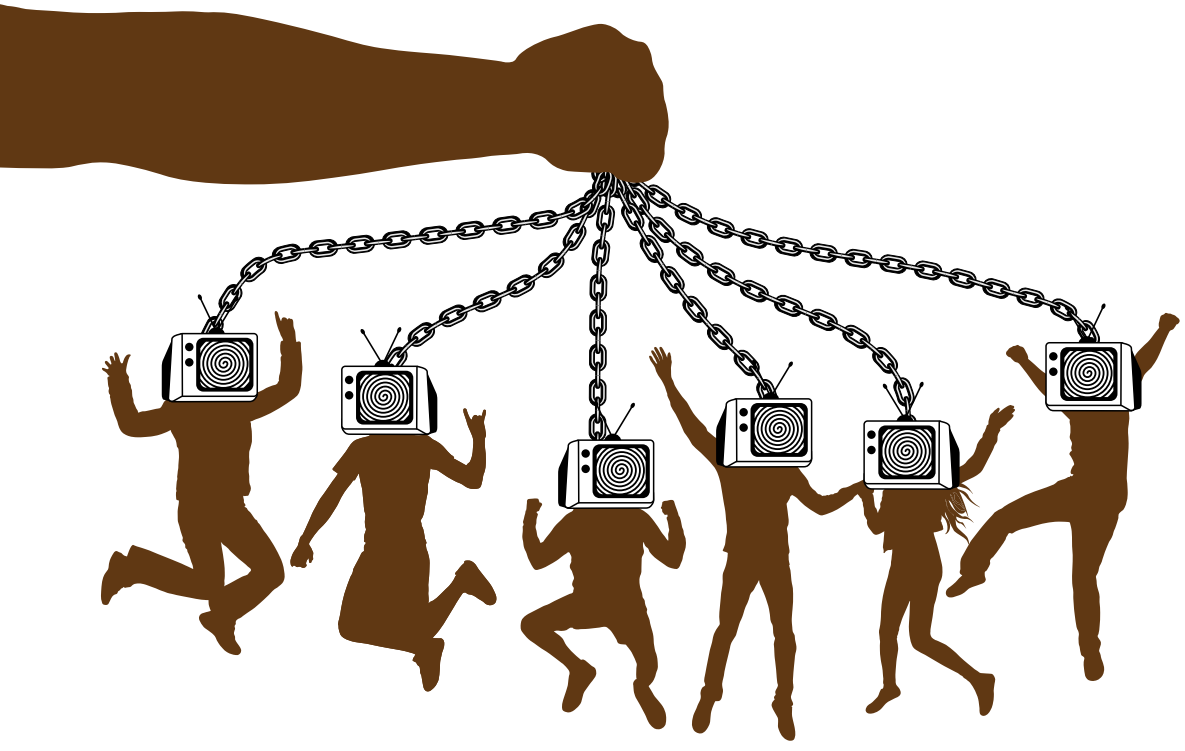
This study reveals that in promoting destigmatization, the state must balance the demands of various interest groups, continuously iterate and adjust policies, and ensure the continuity and predictability of policy implementation. For private firms, this necessitates vigilant awareness of shifts in policy direction and the ability to adjust operational strategies accordingly. As reforms progress, private firms must learn to strike a balance between government support and market regulations, seizing opportunities presented by policy incentives while avoiding excessive reliance on government support, which could undermine their market competitiveness. In the current global landscape marked by significant change, market uncertainty and complexity are on the rise, amplifying the impact of policy changes on businesses. Consequently, business leaders must cultivate a high degree of sensitivity to these dynamics, promptly adjusting their operational direction and strategic planning to better adapt and thrive.

This summary is based on the full article: "From Foe to Friend: Exploring State-Led Destigmatization", *Administrative Science Quarterly*, 69(4): 839-880. Milo Shaoqing Wang (milo.wang@asu.edu) is an Assistant Professor at Arizona State University. Christopher W. J. Steele (csteele1@ualberta.ca) is an Associate Professor at the University of Alberta. Hao Feng is a Lecturer at Shanghai University of International Business and Economics.

The Manipulating Hand: How Institutional Investors Utilize the Media to Strike Against Competitors

Institutional investors gain control of the media by holding stakes in media outlets, and then employ both subtle and overt tactics in media management to influence media coverage for the sake of their own interests. This research reveals that institutional investors may convey certain information to media company executives in daily conversations, or directly place internal personnel into media companies, in order to ensure their objectives are met. Executives and reporters of media companies, on the other hand, follow the instructions of investors to guarantee personal interest, such as keeping their jobs safe.

Original authors:
Mark R. DesJardine
Dartmouth College
Wei Shi
University of Miami
Xin Cheng
Renmin University of China
Rewritten by:
Xican Xi
Fudan University



"Whoever controls the media controls the mind."

— Jim Morrison

(American singer and poet, lead vocalist of the rock band "The Doors")

In the past twenty years, American institutional investors have shown an unusual interest in news media companies. In 1999, institutional investors owned 69% of the shares of 17 publicly listed newspapers in the United States. By 2019, this proportion had risen to 86%. In 2020, one of the largest news publishers in the United States, The McClatchy Company, filed for bankruptcy, attracting multiple investors vying for ownership. At first glance, this phenomenon seems perplexing: from a financial perspective, media companies generally lack standout performance, so why do profit-driven investors show such keen interest in them?

Three scholars from Dartmouth College, the University of Miami, and Renmin University of China, through rich data and detailed empirical research, have unraveled one of the mysteries behind this. It turns out that after institutional investors gain control of the media, they can weaponize it to attack competitors of the companies they hold stakes in. They employ both subtle and overt tactics in media management, inducing the publication of more negative news about competitors, thereby gaining a competitive advantage for the companies they hold stakes in. This seemingly covert manipulation leads the media away from true, independent, and unbiased journalistic ethics, exacerbating the public's trust crisis in the media.

How Institutional Investors Influence Media Coverage?

To answer this question, we first need to understand how media coverage is produced. Most media companies have multiple departments, including administration, advertising (business), and editorial, with the editorial department directly responsible for producing and managing all content. Within the editorial department, there is a strict hierarchical structure, ranging from reporters to responsible editors for various content sections and up to the editor-in-chief. While reporters responsible for content production have some discretion, many articles typically require approval from editors before being published. As the highest-level manager of the editorial department, the editor-in-chief has the final decision-making power over the content, but their decisions are often subject to intervention from company executives, especially when it involves content with significant impact or sensitivity (such as product recalls). In this way, institutional investors have the opportunity to use various overt or covert methods to influence the media outlets they hold shares in.

Firstly, fund managers can hold one-on-one meetings with media company executives to convey certain information. U.S. laws restrict corporate executives from disclosing information to specific institutional investors, but do not restrict the flow of information in the opposite direction, enabling institutional investors to guide media companies through information dissemination. For example, during a meeting, a fund manager might casually mention, "Have you heard about the recent scandal involving Company A?" Company A may be a competitor of a company held by

the institutional investor. The media executive immediately understands the implied message and what type of coverage is "needed". This tacit understanding represents a softer approach.

At times, institutional investors may resort to more "hard" measures to ensure their objectives are met, such as vying for seats on the media company's board of directors or directly placing internal personnel in the management of media companies. Alden Global Capital, a U.S. hedge fund, has done this. Since 2019, Alden has controlled two board seats at Tribune Publishing, the owner of newspapers like the Chicago Tribune, the Baltimore Sun, and the New York Daily News. In mid-2021, Alden further gained controlling interest in Tribune Publishing, with its chairman, Heath Freeman, assuming the role of CEO, enabling Alden to directly influence the media company's internal personnel decisions. The executives of the Chicago Tribune later recollected that after Alden took charge, the chief editor of the Chicago Tribune—a seasoned journalist and Pulitzer Prize winner—was dismissed, and in his place was appointed an individual who clearly indicated a willingness to act as directed.

The increasing concentration in the media industry makes the strategies of institutional investors more effective. Top executives of media companies control the livelihoods of journalists and editors, and the "pressure to keep their jobs" limits their ability to maintain independence in reporting. Under these direct or indirect pressures, many media executives have to cater to the interests of institutional investors, ensuring that the direction of media coverage aligns with these interests. Consequently, it becomes natural to publish more negative reports about competitors of the companies held by institutional investors.

Of course, the extent of negative coverage depends on the willingness and ability of institutional investors to manipulate the media. For instance, if a competitor closely resembles the company held by the investor in terms of products or has significant market overlap, the investor is more likely to target them. Additionally, the influence of institutional investors on the media varies. A key factor determining the relationship between institutional investors and their holdings is the investment horizon. Institutions with longer investment horizons have more opportunities to interact with company management and build close relationships. Long-term investors are often seen as high-quality shareholders with unique insights, and their investment decisions attract attention and imitation from other investors. If long-term investors threaten to sell their shares, it can significantly impact the stock price of media companies. These factors give long-term investors greater influence over media reporting decisions.

Finally, differences in compensation structures among media executives can also affect the ability of institutional investors to manipulate the media. In some cases, a significant portion of stock-based compensation in the pay packages of certain media executives means their personal wealth is closely tied to the company's stock price. This alignment of interests makes it easier for them to align with institutional investors and filter news from an investor's perspective. In contrast, media executives with lower proportions of stock-based compensation may lack some intrinsic motivation.

Evidence of Institutional Investors Manipulating the Media

Through the analysis above, we have seen a clear picture of institutional investors manipulating media coverage, yet it inevitably raises a new question: Apart from the sporadic cases mentioned above, can we see more systematic and substantive evidence? Three researchers have collected rich and detailed data and utilized regression analysis tools to provide convincing evidence.

Just as preparing ingredients is necessary before cooking a great meal, researchers first used multiple data sources to construct the sample, dependent variables, and independent variables for regression analysis. Most of these data are commonly used in business and financial research. Particularly noteworthy is that the authors quantified the concept of "negative reporting" to serve as the primary dependent variable for regression analysis. To achieve this, researchers obtained media reporting data from RavenPack. This database not only provides news articles related to listed companies but also offers a key variable: the Event Sentiment Score (ESS) of media reports, which measures news sentiment through text analysis, market reactions, and expert consensus, ultimately resulting in an event sentiment score (ESS) ranging from 0 to 100 (0 representing the most negative).

At times, different reports on the same event, even if differing by just a few words, can leave readers with completely different impressions. In February 2019, the American video game publisher Activision Blizzard announced a new layoff plan, with CNN and Fox News using different headlines in their coverage: CNN's headline read "Fortnite Effect strikes again: Activision lays off 8% of its workforce," while Fox's headline stated " Activision to lay off 800 workers as video game sales drop.[1]"As Fox's headline provided background information on the layoffs, viewers likely experienced less negative sentiment. According to RavenPack's analysis, CNN's report had an ESS of 13, while Fox's report had an ESS of 43. To quantify the sentiment of each media outlet's coverage of each company, the researchers calculated the annual average ESS of all reports on that company by the same media outlet and used it as the dependent variable for regression analysis.

The primary independent variable used in the study is the "rival" relationship in ownership between media outlets and listed companies. Intuitively, if Media A and listed Company B have the same major shareholder (an institutional investor holding over 5% of outstanding shares), and Company C is a competitor of Company B, then A and C have a rival relationship. If multiple competitors of C share the same major shareholder with Media A, the rival relationship between A and C is stronger. The researchers quantified the rival relationship between media outlets and listed companies using institutional ownership data and a product similarity index between companies. Ultimately, the researchers compiled a sample consisting of 4 152 listed companies and 15 subsidiary institutions of listed media companies.

The results of the regression analysis indicate that media outlets held by institutional investors do indeed exhibit systematic differential treatment towards different listed companies, and this difference is statistically significant. If there is a rival relationship between a media outlet and a listed company, the coverage of that company contains more negative sentiment. Specifically, for one standard deviation increase in the rival relationship between media outlets and listed companies, the negativity of media reports increases by 7.7%.

In addition, the researchers conducted a more detailed comparison of differences between companies based on institutional investors' willingness and ability to manipulate the media. The results were completely in line with their hypothesis: Companies held by institutional investors have higher product similarity with competitors, or higher market coverage overlap, leading to more negative coverage by media outlets held by institutions. This implies that in highly competitive relationships, institutional investors are more motivated to manipulate the media to undermine their competitors. Meanwhile,

1 The release of the phenomenal game "Fortnite" has led to a significant decline in sales for many other game publishers, known as the "Fortnite Effect".

media companies held by long-term institutional investors, as well as media companies with more executive ownership, are more likely to negatively report on companies with rival relationships. In other words, if institutional investors are long-term investors, their ability to influence media reporting decisions will be greater; and if equity compensation constitutes a significant portion of executive pay in media companies, executives are more likely to cater to the demands of institutional investors.

And thus, the invisible hand manipulating the media is revealed.

Managerial Implications

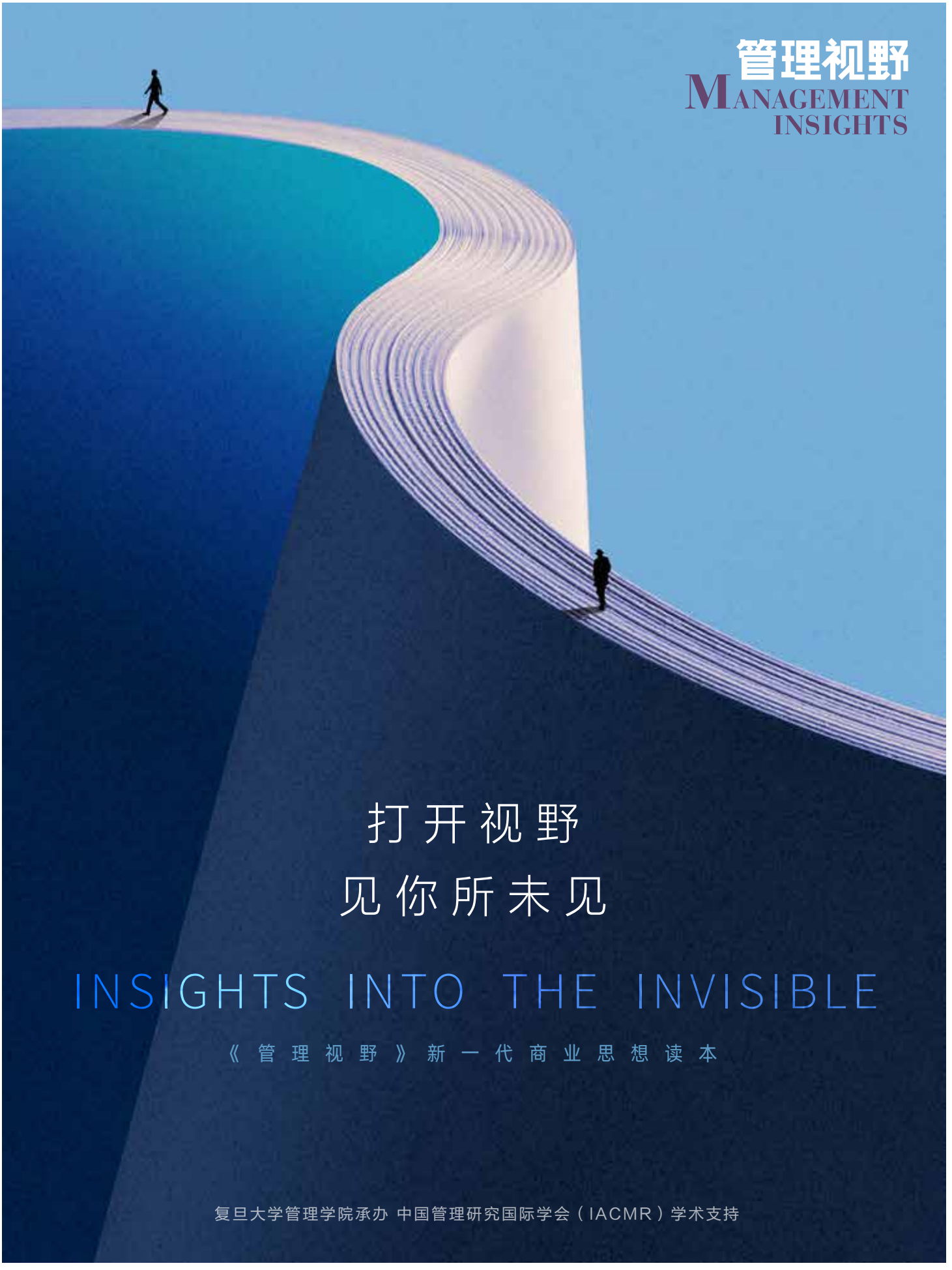
The positive interaction between media and capital is essential for attaining "good governance."

We are surrounded by information in our daily lives. The information we receive shapes our cognition and preferences, fundamentally influencing the decisions we make, big and small. A healthy society cannot be without media whose mission is to disseminate the truth. For a media outlet, the most important "asset" is the trust bestowed upon it by the public. The aforementioned research reminds us that the interests in modern commercial society are intricately complex, and the control of media by interest groups often appears in more covert and "soft" forms. Therefore, for media to maintain its original intention of truth, independence, and fairness, it needs to resist more covert pressures and temptations. Identifying these covert forms of manipulation and finding ways to address them is crucial for the "good governance" of society.

This study also inspires us to contemplate the relationship between media and capital. Some may intuitively believe that we should strive to "de-commercialize" the media as much as possible, severing the ties of interest between media and capital. This "linear" mode of thinking leads to some instances of throwing the baby out with the bathwater. Indeed, the market and capital are the roots of some chaos in the media, but they are also the driving force behind the efficiency and scale of the media industry. Without the market and capital, the function of the media as the information intermediary of the entire society will greatly diminish. Economic studies show that increased competition in the news market can reduce manipulation from the supply side.[Gentzkow, Matthew, and Jesse M. Shapiro. 2008. "Competition and Truth in the Market for News." Journal of Economic Perspectives, 22 (2): 133-154.] Therefore, in the long run, what we should truly be concerned about is not the connection of interests between capital and the media, but whether the intervention of capital will endanger the diverse ecosystem of the media industry. As mentioned earlier, the increasing concentration in the media industry is a significant reason why editors and journalists are more prone to bow to executives.

While the main focus of this study is on the "producers" of the media industry, its conclusions also serve as a wake-up call for us, the "consumers" of the media industry. In today's world where covert media manipulation is rampant, maintaining diversified information sources is particularly necessary. Just as one would compare prices at various stores before making a purchase, one should also consult multiple news sources; otherwise, one might unknowingly fall victim to being "brainwashed" and have their interests exploited.

This summary is based on the full article: "The New Invisible Hand: How Common Owners Use the Media as a Strategic Tool", *Administrative Science Quarterly*, 2023, 68(4): 956–1007. Mark R. DesJardine (mark.r.desjardine@tuck.dartmouth.edu) is an Associate Professor at Dartmouth College. Wei Shi (wshi@miami.edu) is a Professor at the University of Miami. Xin Cheng (chengxin@rmbs.ruc.edu.cn) is an Assistant Professor at Renmin University of China. Xican Xi is an Associate Professor at Fudan University.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复旦大学管理学院承办 中国管理研究国际学会（IACMR）学术支持

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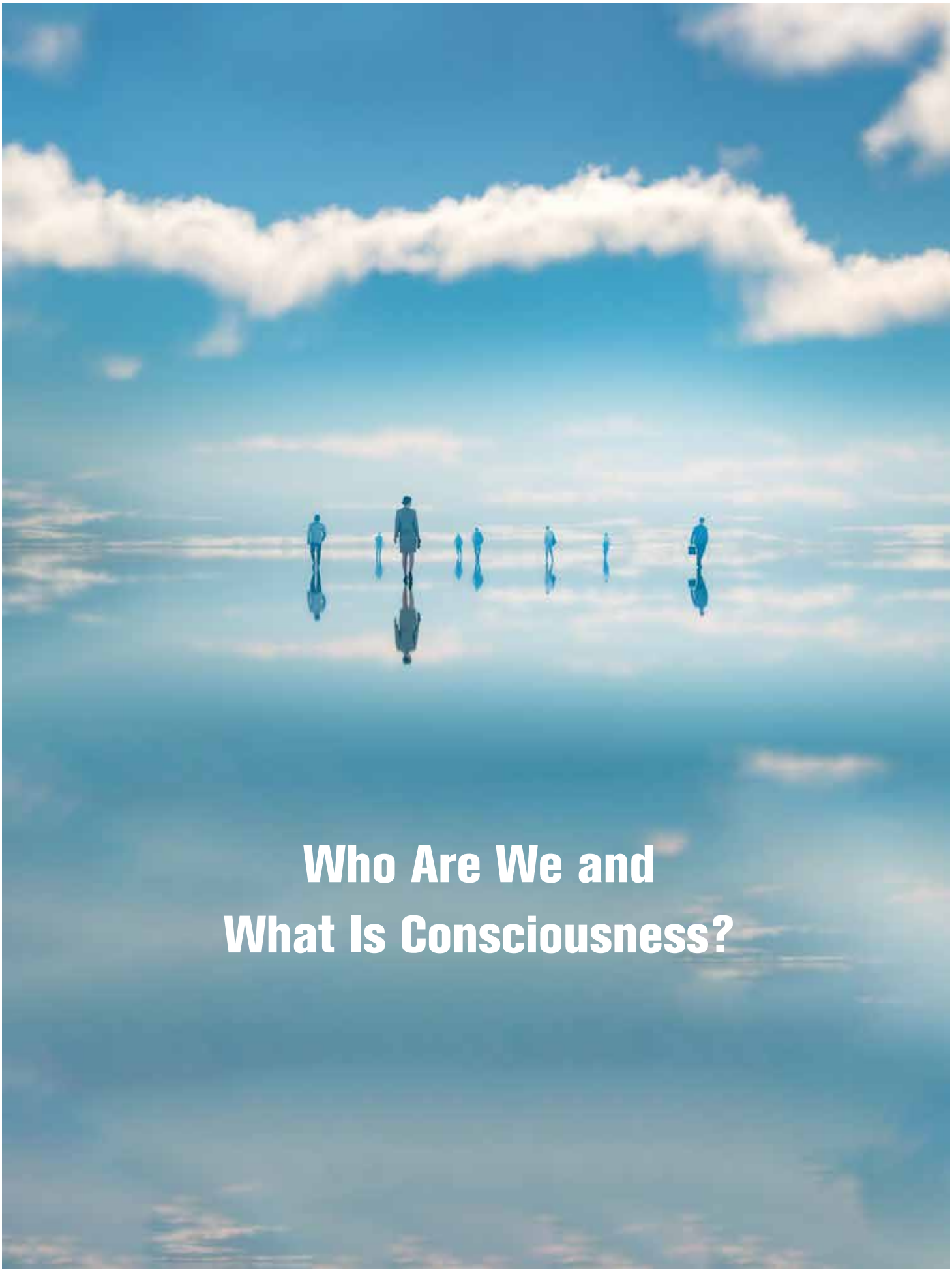


Who Are We and What Is Consciousness?

Anil Seth
author of *Being You*

Xiao-Ping Chen
Philip M. Condit Endowed Chair
Professor of Management of
the Michael G. Foster School
of Business, University of
Washington
Executive Editor-in-Chief of
Management Insights

Twenty-five years ago in a German bar, neuroscientist Christof Koch bet philosopher David Chalmers that we would understand the neural basis for consciousness by 2023. The result is clear, Koch lost. Today we still haven't reached any consensus on how consciousness is constructed. We have no idea, in Koch's words, how this three-pound organ with the consistency of tofu exudes the feeling of life.

At a time when artificial intelligence technology is developing in full swing, our expectations about the potential of technology to reshape our future are accompanied by worries about the possibility of losing control. Hence, consciousness is no longer the preserve of philosophers and priests, poets and artists, but a topic of practical significance for all humans. Anil Seth offers a unique perspective: the brain is a prediction machine, constantly using sensory input to calibrate its best guess about what's going on. Reality – or, at least, our perception of it – is a "controlled hallucination", which *The Guardian* calls a forever version of The *Truman Show*.

In this sense, it is reasonable to infer that this kind of hallucination is based on sensory information, which is unavailable to AI systems like LLM or video generation models. As a result, these models can hardly be considered intelligent. An obvious proof is that while language models can answer your question fluently, but they actually don't have an understanding of what they say.

So, how is this world in our brains constructed? Is the world I see real? How does the feeling of "I" arise? Why should we study consciousness, and how should we view machine consciousness and the challenges it presents? Regarding these issues, Professor Xiao-Ping Chen from the University of Washington, executive editor of *Management Insights*, had an in-depth conversation with Seth.

Xiao-Ping Chen: Hi, Professor Seth, it is a pleasure to connect with you online. I recently read your book *Being You* and watched your TED Talk, both of which I thoroughly enjoyed. In my opinion, it is one of the best books on neuroscience and brain research. Your writing is exceptional.

I was so inspired by your book that I immediately wrote a review to recommend it to the readers of *Management Insights*, a bilingual magazine that bridges academia with management practitioners. Although my own research lies outside the realm of neuroscience, as a social psychologist, I am always keen to stay abreast of the latest developments in psychological and brain research related to human consciousness.

From the moment I opened your book, I was captivated by the first paragraph of the prologue, where you recounted your experience undergoing a minor operation and losing consciousness as your brain filled with anesthetic. You astutely highlighted the difference between this state and dreaming, where one is not awake but still conscious. This compelling comparison drew me in, and I found the entire book to be equally engaging. Thank you for guiding me into a new realm of understanding.

In my search for more information about your work, I discovered that you are currently working on a project called the "Dream Machine," which sounds intriguing. Given its connection to dreams, I am curious about your exploration of consciousness, subconsciousness, and unconsciousness. Do you differentiate between these constructs in your research? Is the subconscious, in your view, a form of consciousness? Or might unconsciousness itself be a state of consciousness?

Anil Seth: No, I think these are very distinct concepts, but it will depend on how you define them. I start the book by suggesting that consciousness in its most fundamental sense is what goes away in general anesthesia and what comes back when you return. Then on what's unconscious, you can either be completely unconscious, like under general anesthesia, or you can be conscious, but then some aspects of what's going on can be unconscious. For instance, with perception, I might not be consciously aware of some of the things my brain is still responding to. Lots of studies, including some in our lab, look at this distinction between conscious and unconscious perception. When it comes to the "subconscious", I tend to avoid that word because it tends to have a lot of psychoanalytic connotations.

Dream Machine: Is Consciousness a Controlled Hallucination?

Xiao-Ping Chen: In your book, you define consciousness as a controlled hallucination. I wonder if subconsciousness is uncontrolled or controlled hallucination.

Anil Seth: Well, as just mentioned, I don't really use the term subconscious. And I talk about perception as a controlled hallucination, *not* consciousness completely. The idea is this. What we experience is not the result of the brain "reading out" the world from the sensory signals. Instead, the brain is always using sensory input to calibrate its best guess about what's going on. It's that best guess, this top-down controlled hallucination, as I put it, that is – I think – what we experience. We don't passively perceive our worlds, we actively generate them. This process of brain-based best-guessing – Bayesian

inference – will itself not normally be accessible to consciousness. In other words, we're not aware of how our brain does this, so you can say all the neural mechanics are unconscious, but the result of them is what we are conscious of.

Xiao-Ping Chen: Okay, that makes sense. Now can you share with me about your dream machine project?

Anil Seth: Sure, it's a very different thing, but it's been very interesting and exciting. It's a collective immersive multisensory experience that involved collaboration with musicians, architects, engineers, and many others. It's based on an idea we've been working on in the lab for year – though I need to say that I was not the main originator of the Dreamachine - I was asked to join the project as the lead scientist. The idea was to use bright flickering white light to give visual hallucination-like experiences to people. It's a fascinating phenomenon. If you get the system set up right, pretty much everyone will have powerful visual hallucinations of colors and of shapes and so on. This is interesting for consciousness research because your brain is generating all these visual experiences with the eyes closed. In the Dreamachine project, we realized that this was a fascinating opportunity to do something for the general public that could be transformative:to give people the direct experience that their brains are generating their experience. We also decided to make it into a collective experience. We had groups of 30 or 40 people at a time experiencing this with specially composed music and other things. Over the course of summer 2022, we had about 40,000 people experience Dreamachine. We obtained a lot of interesting data, but I think more importantly, we were able to ignite the curiosity of thousands of people about the brain and about consciousness. [link: https://dreamachine.world/]

Xiao-Ping Chen: Was it the case that people with different occupations or from different fields formed different images when they were experiencing the flickering white light?

Anil Seth: Basically everybody who experienced this had their own individual experience. No two were the same. This is one of the other interesting things. By having people do this in a group situation, and by allowing them to talk to each other afterwards, they get fascinated by comparing their experiences, and especially when they're told that the stimulation was the same for everybody.

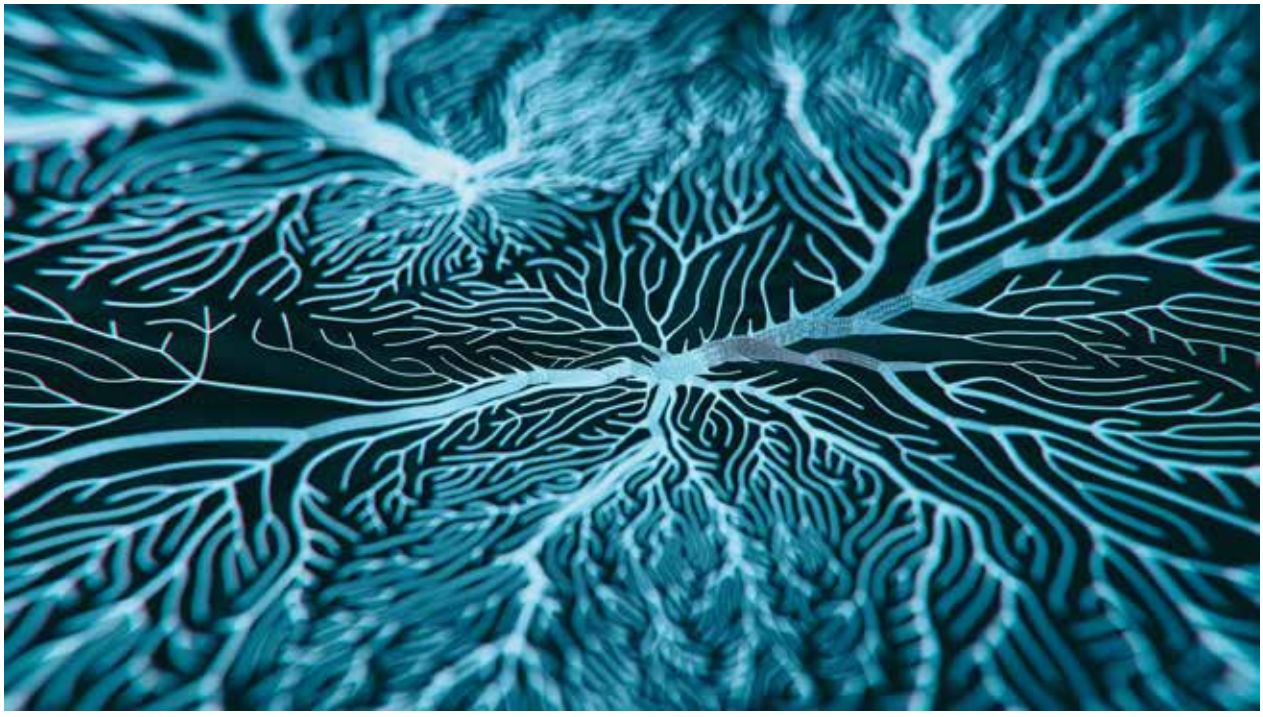
The Brain Is a Prediction Machine

Xiao-Ping Chen: Absolutely fascinating. One of the reasons I appreciated your book was your clear stance on the definition of consciousness. While most neuroscience literature describes the brain as an information processing machine that shapes our concepts and understanding of the world, you emphasize a top-down process in the formation of consciousness. I believe both processes are essential, correct? Abstraction or knowledge about certain concepts must stem from the initial step of information processing: perceiving the world and determining why and how we define objects, such as a table. After observing various tables, we form an abstraction—defining a table as an object with a surface supported by four legs. Subsequently, when we encounter an object with these characteristics, we identify it as a table. Does this interpretation align with the message you intended to convey in your book?

Anil Seth: That is very central to the idea. All theories of predictive processing, of the brain is a prediction machine, of perception as inference, all of these related perspectives, have in common the idea that perception is dependent both on bottom-up, or what I prefer to call "outside-in" signaling the sensory information that flows into the senses and flows deeper into the brain, and on the top-down or "inside-out" signaling. Now different perspectives might associate these different directionalities with different things. In the view I develop, the bottom up signaling is primarily there to report the differences between what the brain expects and what it gets. Sensory signals, then, are best thought of as "prediction errors", while the top down signals are the predictions themselves, and these predictions determine what we perceive. Perception very broadly, is the process of the brain updating its predictions to minimize these bottom-up prediction errors. You need both – you can't have only one or the other.

Xiao-Ping Chen: Very well-articulated. We're delving into Bayesian probability theory, which elucidates how individuals discern reality. We form predictions, but simultaneously, we must verify their accuracy through a bottom-up process. This iterative loop allows us to calibrate our understanding of the external world and ensure its accuracy.

Anil Seth: I think mainly that's the case, but I think there is a smooth continuum between perception and understanding here, so that this is not purely a method of checking ones understanding or abstract knowledge about a situation. It's built into the colors, the shapes, the



smells, the touch, the taste, the textures of our lived world. These things, these processes apply to our perceptual experience, just as much as they might apply to our beliefs about the world and the self and the body.

Self-Consciousness: What We Experience Is Constructed

Xiao-Ping Chen: Very well, thank you. Your discussion on the construct of self-consciousness is indeed fascinating. One of the experiments you described in your book—the rubber hand illusion—demonstrates a controlled illusion of self-consciousness. I wonder if this illusion would persist after we become aware of it. As we grow more conscious of such illusions, we might develop a deeper and more accurate understanding of our own identities. What do you think?

Anil Seth: That's indeed the hope. One goal of the book is to try to help people better understand who they are, from the perspective of neuroscience and philosophy. Part of this lies in recognizing – through examples like body illusions – that our perceptions of both the world around us, and the body or self, are indirect. They're always constructions. They're not revealing things as they objectively are. That's a key point throughout the book.

The idea that everything we experience is a construction is not new. Many people have pointed out – Immanuel Kant for example – that there is no possibility of direct perceptual or conscious experience of the world *as it is* or indeed of the body *as it really* is. Experience is always a kind of construction. Visual illusions can help us realize this: when we experience an optical illusion of some kind, we can recognize that the brain is making stuff up, it's not just

relaying information transparently from the world. The same goes for illusions like the rubber hand illusion. Now there's a lot of discussion about what the mechanism is, why people have these experiences. But what's true is that they are quite compelling experiences for those people that have them. And that is enough to show that even something as basic as my experience of what is part of my body is not something we can take for granted. It's something that the brain is always *doing*.

Xiao-Ping Chen: The mechanism was also described in your book. It's because your brain established a connection between your senses and the rubber hand. Because you look at the rubber hand all the time, instead of your own hand, overtime, you perceive that to be your own hand.

Anil Seth: We're still working on what's actually happening in this illusion. The standard story is that it results from the brain integrating visual and tactile information. It can see a fake (rubber) hand. It can see this fake hand being touched. It feels touch because the real hand is being touched too. And it puts these things together to reach a 'best guess' that the fake hand is somehow part of the body. That's the standard story. But it turns out that a more parsimonious explanation is that people have this 'rubber hand' illusion experience, because this is what the experiment design encourages them to experience. It's the result of what psychologists call *demand* characteristics: the aspects of the experimental design that implicitly or explicitly encourage people to behave a particular way or perceive things a particular way. The rubber hand illusion is full of demand characteristics. So that might explain what's going on – and indeed we've quite a lot of evidence for this now. But the illusion nonetheless still serves to make the point that one's experience of one's own body, at least for some people, can be quite dramatically altered, even with very simple techniques.

Xiao-Ping Chen: Agreed. Do you remember, among the participants, how many of them did not make that connection?

Anil Seth: People – including us – typically find that about 20% of people don't experience anything much. I'm not a fan of strict thresholds like this. I think there's rather a continuum. My colleague Peter Lush did these experiments, and we correlated responses on this rubber hand illusion with how hypnotically suggestible people are. That turned out to be very informative, there's a strong correlation, which is what you would expect if the effect is driven largely by demand characteristics. There might be a threshold or a cut-off, but the important aspect is that if you sample enough people, the thing that leaps out is that there's a correlation, more than any particular cutoff.

Xiao-Ping Chen: Absolutely. As a psychologist, I recognize that experiments involving people rarely yield absolute certainties. When we observe that 70% of participants respond similarly, we deem it a representative phenomenon worthy of study. Does this imply that there is no objective truth in our perception of the world or ourselves? Our brain constructs everything we perceive, based on the cues it prioritizes. So, is there no absolute truth?

Anil Seth: No, I don't agree with that. The fact that the brain, the perceptual experiences are constructed does not mean that they are *arbitrary* – that there's "no truth". It does

not mean that they're not intimately related to how things really are. This is why in the term "controlled hallucination", the "controlled" is just as important. If I'm about to cross the road and I see a car come towards me, there's something true about that perception. If I just walk in front of the car, I'm gonna die, and so there's something real and true that perceptual experience generally gets right, although not always. There's a truth value to perception, but our experience of these things is still a construction, and these two things are compatible. Now, some cases may be slightly different. It's difficult to say whether an object has a "true" color. Philosophers will argue about this. Some philosophers will say, yes, an object does have a true color. Other philosophers will say, actually, it doesn't, an object will have a way of reflecting light, but there's not a "true color". And so the color will depend on the person looking at it. There's room for debate here. In general, evolution has made very sure that our perceptual experiences reflect aspects of the world reliably that are important for our survival. That, to me, is a better criterion than saying whether perception is true or not, because to say perception could be 'true' or 'veridical' assumes the possibility that we could experience things directly as they are, when – I think – that's not possible.

Our neural circuits have been fine tuned by evolution so that we experience things not as they are, but in ways that are useful to our survival. I think this is really central. I'm definitely not trying to say that our perceptions are completely arbitrary, or that we make the world up and there's no real world. No, none of that. There is a real world and we experience in ways which reflect real properties of that real world. If it wasn't like that, we wouldn't be doing a very good job of staying alive.

Xiao-Ping Chen: All that is reflected in the word "controlled" in controlled hallucination. That's a very good answer. My next question is related to what's going on today with the rapid development of technology in terms of ChatGPT 4o and Sora and all these very advanced tools. Do you think these machines have intelligence?

Do ChatGPT4o and Sora Have Intelligence and Hallucination?

Anil Seth: It depends on what you mean by intelligence. They are impressive, these machines, the language models and video generative models are all very impressive. I hesitate to call them intelligent.

Xiao-Ping Chen: Why not?

Anil Seth: Because from a biological perspective, intelligence has different kinds of properties. Intelligence is broadly about doing the right thing at the right time. More specifically, one can define intelligence as the ability to solve problems flexibly or achieve goals by flexible means. It's not really clear that language models do this kind of thing. They are impressive in how they can respond to queries, but then again, they are basically trained on everything that's ever been written. And they are also still quite easy to trip up in various ways. You can often reveal that the language model actually doesn't the kind of understanding that we might think it does. I think we overestimate the properties that these language models have, because we tend to privilege language, because we're very linguistic creatures. And we think if something can speak to us fluently, we are biased to feel that it must understand and be intelligent. I think language

models provide an interesting and historical first counter example to the idea that when a system that can speak fluently must understand things.

Xiao-Ping Chen: It speaks nonsense?

Anil Seth: Yes and no. A lot of what it says can be useful, because it's trained on a lot of useful things and it can put pieces together in interesting ways. But I would still claim that it doesn't actually understand what it's saying at all. Or – at least – this is a very strong claim for which there's currently insufficient evidence. LLMs are tools that we're still trying to figure out how to use. And by the way, a lot of people say that language models "hallucinate" when they make stuff up. That's wrong, and unhelpful to our understanding of what's going on. As we've just been discussing, hallucination means *perceiving* something, having an experience. I certainly don't think language models have experiences, but the term "hallucination" encourages implicitly to think that they do. There's no reason to believe they are conscious. The term hallucination can be misleading because it can encourage people to think of them as conscious when they're not.

There's another word – "confabulation" which is more appropriate. In clinical psychology, confabulation means people making stuff up without knowing that they're doing it. The words we use to describe these systems matter, because they constrain how we think in ways that we're not often aware of. If we say that a language model hallucinates, then we're implicitly encouraging people to think about these things in a particular way. And that can lead us to misunderstand what's actually going on. That can then be harmful in all kinds of ways in terms of the regulations we think are necessary and in how we interact with them ourselves.

Xiao-Ping Chen: I completely agree with you. When I have a question or need to search for something, I turn to ChatGPT for immediate responses, which are often quite good. The reason they are effective is that they access a vast repository of knowledge stored in the cloud. They can search the internet and select information likely sourced from the most experienced experts. However, it is crucial to remember that if this information is inaccurate, the system won't be able to discern that. It merely gathers data and provides feedback. In other words, the quality of responses depends entirely on the accuracy of the available information. If the sources are flawed, then high-quality responses cannot be guaranteed. Unless we can fact-check the information's accuracy, we cannot be sure whether the responses are reliable.

Anil Seth: Unfortunately, it's not even enough for all the source data to be true, because what language models will do is they'll put elements together in different ways. That can be very useful, and gives language models the potential to be a real tool to spur human creativity. You can try out lots of different combinations, which is why they seem very compelling to us. When we ask a question, we can get creative answers that can be both novel and useful. .Of course things get much worse if you train the models on garbage, but even if you don't train them on garbage, there's still no guarantee that they won't give you garbage back. It's a difficult situation. The surface appearance of language models is terrific, and there are many exciting use cases, but one should certainly never trust the output of a language model without then verifying it in some other way.

Xiao-Ping Chen: Yes, I particularly appreciate your point about how we describe large language

models. When we label responses as “funny”or “hallucinating,” we risk assuming these machines possess a form of consciousness. This is a dangerous implication, as it shapes how we perceive AI and algorithms. Your earlier point is spot on: we need to be cautious in our choice of words when describing their behavior. We tend to anthropomorphize them, attributing a mind and intent, when they simply do not possess such qualities.

Interestingly, some of my colleagues are studying cultural differences in how people perceive machines. For instance, the number of robots in Asian countries like Singapore, Japan, South Korea, and China significantly surpasses those in the US, UK, Germany, and other Western countries. This includes both industrial and service robots. Why is this difference so pronounced? Often, we associate technological advancements with the West. Yet, these Asian countries seem to embrace robots to a far greater extent.

My colleagues suggest a cultural perspective: attitudes toward robots vary based on religion, history, and exposure. In the East, there is a tradition of respecting non-human entities, believing that spirits inhabit all things, allowing people and machines to coexist harmoniously. Conversely, in the West, there is often an aversion to the idea of machines becoming dominant, with a fear that they might outsmart humans. What are your thoughts on this perspective?

Anil Seth: I think it's entirely plausible that there are these cultural differences. I'm not sure how sharp the distinction is, or how overlapping the opinions are. I mean there's plenty of people in the West who are not machine averse at all. And machine aversion can be motivated for very many reasons, There are legitimate concerns about job loss. These concerns are completely separate from more existential fears driven by science fiction that robots are about to take over and so on.

But we're also talking about very different kinds of technology here. Language models and robots are very, very different from industrial robotics. People don’t tend to think that industrial robots are potentially conscious in the same way that hat language models might be, which as I previously said, is a problematic inference to make. I'm sure these issues will become more prominent as robots and AI in general become more dominant and more prevalent in our societies. Cultural differences may well become more noticeable, and understanding this difference will be key to effective technological development.

Is Consciousness Measurable?

Xiao-Ping Chen: Yes, I agree. When I read your book, I was particularly fascinated by the discussion on measuring consciousness. You compared it to temperature, explaining how scientists determined what temperature is and devised methods to measure it, despite its lack of objective existence. Similarly, consciousness appears to share this characteristic. You detailed some recent advancements in measuring consciousness, and I wonder if there have been any new developments since the book was published.

Anil Seth: It's an exciting area: there's definitely movement and progress, even if no major new landmarks. The history here is interesting. There are big differences between consciousness and temperature. But there's still a very interesting historical parallel It was surprisingly difficult in the history of science to develop ways of measuring temperature, because you needed a scale, and how do you get a scale before you've got a reliable thermometer? There was a "chicken and egg" problem that took a long time to solve. Now we take measuring temperature as something very easy – we take the methods for granted. But it was anything but simple at the beginning.

The example of temperature tells how important measurement can be for science. But temperature is a single dimension thing. If something has a temperature of 85 degrees Centigrade, then that's all you need to know about how hot it is. Whereas consciousness does not reduce to a single number. It cannot be captured by a single dimension. Any attempt to do so will always be an approximation. It will stand in for something that's much more complex, highly multidimensional.

But it's still useful to develop and apply simple approximations because there are pressing cases where people have brain damage and end up in ambiguous states where behaviorally they seem to lack any consciousness, but you don't know what's going on inside the brain. Even imperfect measures can be useful here. Excitingly, some existing approximate measures of consciousness have already made an impact in neurology. It's a fast- moving area. We're contributing a little bit, here at Sussex, by looking at different mathematical measures of complexity in brain activity, because that seems to be something that's quite indicative of global level of consciousness.

Xiao-Ping Chen: I'm trying to think about it in a simple way as a non-expert. Because when we describe brain activity, it's the neurons and electrons that are active. So can you just measure their activity?

Anil Seth: One of the big challenges in

neuroscience is that methods of measuring brain activity is still very limited. We can measure the electrical fields generated by lots of brain cells being active at the same time. But it's very difficult to decipher what an individual neuron is doing. It's a little bit like holding a microphone a mile above a city, and then trying to figure out what people are saying in individual conversations. You can't really do it.

Another alternative is to put electrodes into the brain. You can't really do this in human beings unless there is good clinical reason. Even if you do, you can only measure from a few neurons. You certainly can't measure from all 86 billion. Then we have other methods like functional magnetic resonance imaging (fMRI), which is very popular. But that doesn't even measure neural activity, that measures how oxygenated the blood is, which is, again, a proxy for neural activity – and has very poor resolution in time

The key point here is that in other fields of science, measurement technology has been critical. In astronomy, the James Webb telescope and the Hubble telescope allowed many new discoveries. Particle accelerator in physics allowed us to look at the very small, and discover many new things. The brain is not very small, and it's not very far away, but it is very complex. What we don't have, yet, is a kind of James Webb telescope or particle accelerator equivalent for dealing with that level of complexity. If we did, that would be very helpful. It's partly a technological thing, but it's also partly a theoretical thing. The physics of complex systems is much less developed than the physics of the very big or the very small.

Xiao-Ping Chen: I was truly fascinated by your description of observing a real brain during a patient's surgery. You had the opportunity to look at half of the brain, but noted that without specialized instruments, it was difficult to discern any activity. Simply observing with the naked eye revealed nothing.

Anil Seth: This is true in many situations, right? The human eye is pretty limited. Even so I found it awe-inspiring to see somebody's brain 'in the flesh' so to speak, whilst this person is still alive. Inside all of our heads, fundamentally, is just stuff. It doesn't look like very much, but within it is a universe of incredible complexity that's responsible for all our thoughts, beliefs, hopes, fears, dreams, emotions, sights, sounds. Everything that we are depends on this. And that gives one a great sense of humility, I think, in the face of what nature can accomplish.

Can AI Help Us Reach the Noumenon?

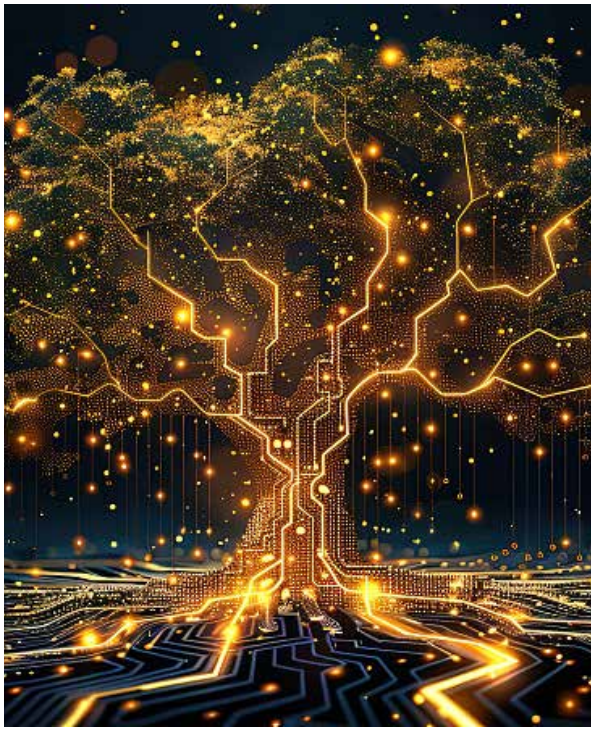
Xiao-Ping Chen: Truly fascinating. My last question is philosophical. It's related to advanced AI. Emmanuel Kant, the German philosopher, talked about the phenomenon that we observe, and he also talked about the noumenon, the fundamental nature of a phenomenon. To what extent do you feel that ChatGPT or Sora or other LLM could help us to reach the noumenon?

Anil Seth: Not really, I think trying to find out the fundamental nature of reality is a question for physics, not for generative AI. Physics – and science in general – are all ways we can extend the range of human perception to go beyond our natural limitations. But it's difficult to know how far we will get.

I'm sure anyone who's familiar a little bit

with quantum mechanics will know that there are many competing interpretations about what quantum mechanics means. The equations work very well for predicting the outcomes of experiments, and the theory explains a lot of things. But no one really knows what the theory as a whole means. From that perspective, the noumenon still remains very mysterious, even with all the powerful methods of quantum physics, which reveal a universe very different from how things seem in our human perceptual experience. We can get closer to the noumenon, but it's still unclear whether we can get all the way there. And I honestly don't think Sora or GPT 4o is really helping us very much in that mission.

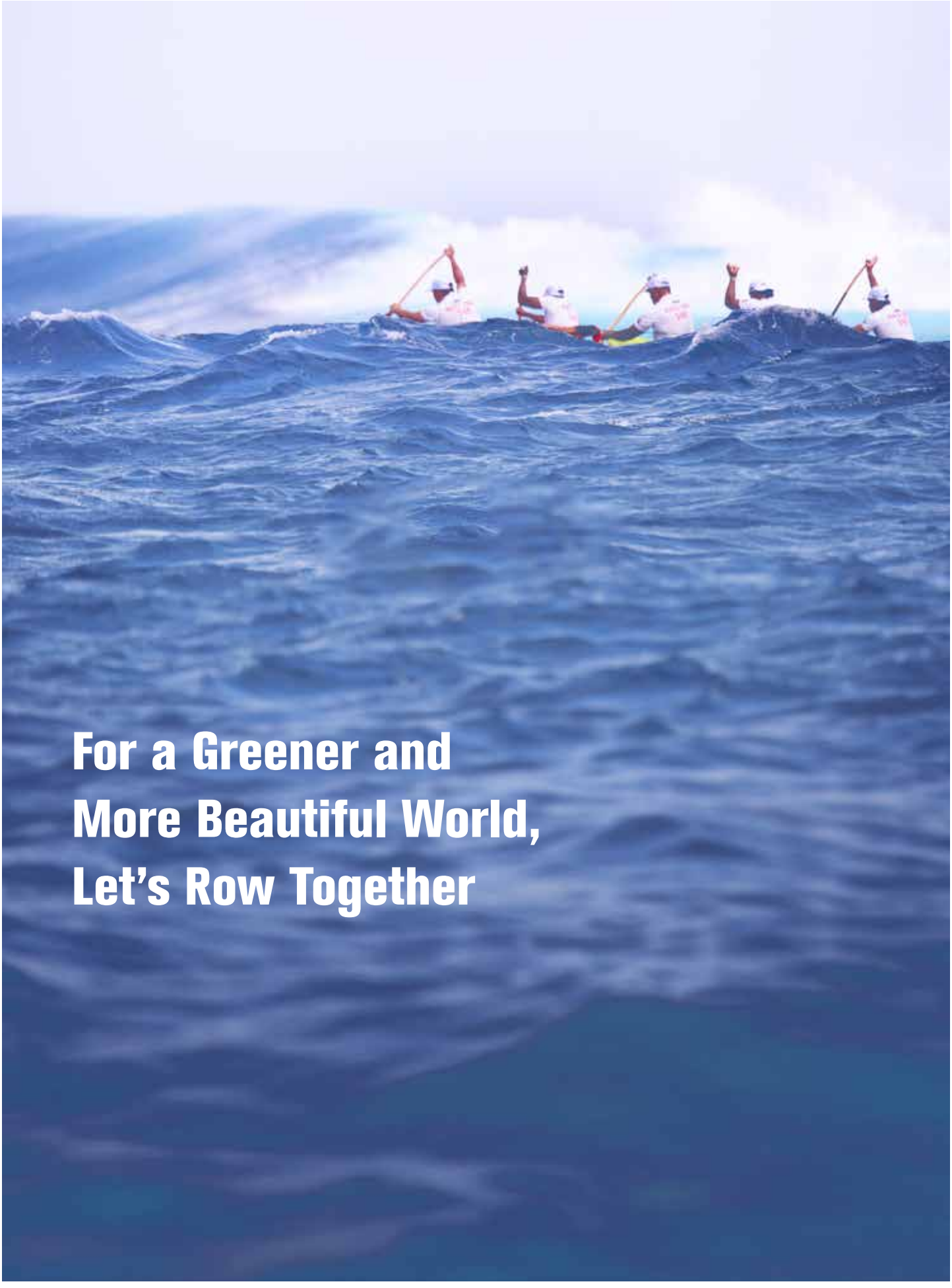
Xiao-Ping Chen: I agree. Maybe the telescope and the microscope can help more than Sora and ChatGPT to help us to reach the noumenon. Now I wonder if you can summarize a few key points for the readers of our magazine.



Anil Seth: I am happy to. The great thing about consciousness research is that on the one hand, it's one of the oldest mysteries in science and philosophy, and we're making progress. Part of the aim of my book is to just convey some of the excitement about what we're understanding in consciousness research. It's also a mystery that that matters to each of us, because we are conscious individuals. So another aim of the book, is to help people look at the world and look at themselves differently, to understand ourselves better, to know yourself better. We are always striving to do this in one way or another; there's a personal aspect to it, too.

The third thing to mention is that consciousness research is also highly practical. There are important implications in medicine, in neurology and psychiatry for understanding disorders of consciousness and psychiatric conditions like depression, schizophrenia, anxiety, and more. But it's also relevant in everyday life when we think about how we interact with other people. It helps to understand that we each see the world in our different, unique way. And it gives us some humility about our experience, when we recognize that they are constructed. It can help us deal with difficult issues in our own lives to recognize that our emotions are also perceptual constructions, and don't necessarily – if ever – reflect things as they are.

Then there is a host of wider issues in ethics, in how we deal with nonhuman animals, how we ought to deal with them anyway, how we should think about artificial intelligence, what we should do about emerging neural technologies like brain machine interfacing, all of these things. An understanding of consciousness is essential to navigate society as these technological challenges and opportunities within our society become more pressing and more prevalent.



For a Greener and More Beautiful World, Let's Row Together

Wang Shi
Founder of Deep Dive
and Vanke Group

Xiao-Ping Chen
Philip M. Condit Endowed Chair
Professor of Management of
the Michael G. Foster School
of Business, University of
Washington
Executive Editor-in-Chief of
Management Insights

After reading Wang Shi's new book, Return to the Future, I learned about his second entrepreneurial venture. Reflecting on our last interview, which was a decade ago, I couldn't help but feel a bit nostalgic. Over these ten years, Vanke Group has undergone many changes, and Wang Shi completely stepped down from all his positions at Vanke in 2017, embarking on a new chapter in his life.

In 2011, he went to Harvard University, followed by further studies and research at the University of Cambridge and Oxford University. He even studied at the Hebrew University of Jerusalem. He overcame numerous cultural and language barriers to adapt to his new life. During his time at Cambridge, he was inspired to establish Deep Dive, an organization that promotes carbon neutrality through rowing.

During the global pandemic from 2019 to 2022, Wang Shi led the Deep Dive team through numerous challenges, rowing in 123 canals and urban rivers worldwide, crossing fourteen countries. Through rowing, they spread the message of carbon neutrality and water environment protection.

In summer 2023, Wang Shi brought the Deep Dive team to the University of Washington. While attending classes, they visited great companies in Seattle, climbed Mount Rainier, and rowed on the beautiful Lake Washington. I was fortunate to have the opportunity to interview him again.

Xiao-Ping Chen: Hi, Wang Shi, it's great to see you again! I remember our interview in Yabuli years ago, where you shared many fascinating and thought-provoking stories about founding and managing Vanke. I later wrote an article, The System Illuminated by Sunshine, based on that interview, which was published in Chinese Management Insights (the predecessor of Management Insights), and it had a very positive impact on many business managers.

Recently I read your new book, *Return to the Future*, in one go and felt a strong sense of familiarity. The book, rich with photos and diary entries, documents your rowing adventures with the Deep Dive team in many countries and cities over the past three years, which I greatly admire. The familiarity comes from the fact that I've visited over 90% of those places, bringing back memories of my travels, including the cultures, landscapes, and foods I experienced.

I was also very impressed by how active you were during the pandemic. While most people were stuck at home, you bravely traveled to many places and engaged many people in meaningful activities. Of course, I also admire your dedication to extreme sports, waking up early every day to do physical training.

I'm curious about your motivations for your second entrepreneurial venture after stepping down from Vanke. You initially took on advisory roles at BGI and Broad Group before deciding to start your own business again. What drove you to this decision, and what were your goals at that stage in your life?

Wang Shi: To answer that, I need to start from my retirement from Vanke. I originally planned to retire at 70, in 2021, but due to well-known reasons, I retired earlier. For me, Vanke was a significant part of my life, but it was just one of my life's works, meant to be passed down through generations. Vanke was built on a professional management system, not family succession, so when I decided to leave, I left completely.

When Broad and BGI invited me to help, I agreed. At the same time, I established two charitable foundations: the Rural Sustainable Development Foundation and the Mammoth Foundation. I had this idea of farming in barren lands, inspired by Israel's agricultural practices in the desert.

Although China has 9.6 million square kilometers of land, there isn't much that's suitable for farming. I once visited farms in Israel to see how they created fertile fields in the desert, and that sparked the idea to establish a foundation for this cause. This is a charitable activity, and we also created an organization called the Hundred

People's Society, mobilizing two types of people to participate. One type is entrepreneurs like myself, who have the financial capacity and resources to drive this initiative. The other type consists of well-known public figures, agricultural experts, and academic leaders who serve as high-level advisors. Some entrepreneurs, like Liu Yonghao, who is both an entrepreneur and engaged in agriculture, and the most famous agricultural expert, Yuan Longping, whom I invited to be the honorary chairman of the foundation, gladly accepted. It happened to be his 90th birthday that day.

From 2018 to 2020, I spent most of my time growing crops in the desert and mountain valleys. However,later on, I was disheartened to find that in China, not to mention the desert, many fertile fields were left uncultivated. This was a huge blow to me. If even fertile fields are not being farmed, what's the point of farming in the desert?

This realization led me to appoint a more suitable person, Mr. Chen Xingjia, a former county mayor turned philanthropist, as the chairman of the Rural Sustainable Development Foundation.

Second Venture: From Charitable Foundations to Social Enterprises

Wang Shi: The Mammoth Foundation, named after the extinct mammoth, is a collaboration between BGI, Vanke, and Songhe Capital, focusing on popularizing molecular biology. Just as microscopes opened a window to the microscopic world, gene sequencing is now essential for understanding the molecular world.

The foundation mainly relies on the research strength of BGI. I am only nominally the co chairman of the board. This foundation was established in 2018. We thought, when the microscope was first invented, only scientists could use it, but later, every elementary school had one. Now, the future of gene sequencing development will also follow this trend.

However, in Chinese middle schools, there are no gene sequencing devices yet, while there are seven middle school labs in the U.S. with gene sequencers. Our ideal is to promote it in China and in colleges and universities, but before the pandemic, we couldn't send out a single one. The pandemic seemed to have provided a global gene sequencing science lesson. Long story short, later on, not only domestically but also abroad, people wanted it. For example, we chose Ontario, Canada, to build a FireEye (Huoyan) Laboratory. Since Norman Bethune was from Ontario, the lab is named after him. Everyone in China knows that during the war of resistance against Japan, Bethune represented the Communist Party of Canada in China to participate in the anti-fascist war. So many years have passed, and now with the pandemic occurring worldwide, the story of China's assistance to Canada in fighting the pandemic comes full circle.

My decision to start a second venture was driven by two main reasons. First, in October 2020, China announced its dual carbon goals for 2030 and 2060. This signaled the arrival of the carbon-neutral economy era, which requires a business model to achieve these goals. Second, I realized that the Chinese public was largely unaware of carbon neutrality, despite my 20 years of green efforts at Vanke. This challenge excited me, as it aligned with my long-standing commitment to green initiatives.

I decided to leverage my social resources for this cause. Unlike my agricultural foundation, where I had to seek help from others, I was well-prepared for this carbon-neutral venture, having spent 20 years on green initiatives. This was the main motivation behind my decision to start Deep Dive in 2020.

Xiao-Ping Chen: It sounds like a serendipitous encounter with your true calling! Your years of entrepreneurial and management experience, personal journey, and network all seemed to have prepared you for this moment, leading to the creation of Deep Dive. I find the name "Deep Dive" very fitting. It reminds me of Amazon's core value of deep diving into their work, requiring employees to have a profound understanding of their field.

Deep Dive: Enhancing Life's Depth

Wang Shi: Indeed, it was a serendipitous match. In recent years, I've felt the need for deeper self-reflection and calmness. Although people have started to calm down after the pandemic, in previous years, everyone seemed to be extremely busy with their 996 (9 am to 9 pm, 6 days a week) schedules, and 5+2 (weekdays and weekends). To calm myself, I chose to study abroad. In 2014, while at the University of Cambridge, I decided to establish the Deep Dive program. Why? Well, it's a long story.

In 2011, I went to Harvard University hoping to receive a more systematic university education (since I never received a formal university education before). At the same time I wanted to get away from the the spotlight in China and let people forget about me. I took many general education courses with undergraduate students, which was very tough. However, I never expected my actions to cause

such a stir among the Chinese entrepreneur community. Some even mocked, “Does Harvard have a senior university? A Chinese class?” They thought I was pretending and tried to expose me. But my intention was to leave China to study, so I didn’t meet anyone, no matter who they were. I followed a strict daily routine: apartment, library, classroom. Dinner never took more than 20 minutes, and I finished my assignments around 1am every night.

I noticed two types of people on the Harvard campus. One type walked quickly; they were either teachers or students. The other type walked leisurely; they were mainly tourists. I walked quickly. Sometimes, when I heard someone call “Mr. Wang” and turned around, a group of Chinese tourists would rush over. Later, when someone called “Mr. Wang,” I pretended not to hear. Later, an old entrepreneur friend of mine, who was sending his child to school in Boston, came to visit me. I told him that I really didn’t have time to accompany him and asked if he wanted to attend a class with me. He agreed. That day, the class was about smart city systems at the Kennedy School of Government. After the class, we chatted, and he found that I really understood the course content. He was very touched. He said, “I have been working for 20 years now and feel that I am quite capable in various aspects. I came here with everyone’s doubts to see if you were really studying seriously. I didn't expect you to be so earnest.” He then decided to leave his company for a year and come to the US as a visiting scholar. He later spent a year at Stanford and then went to the Hebrew International Institute, where he became my classmate.

After returning to China, he publicized it so much that Chinese entrepreneurs organized groups to come see me. At that time, I was in Cambridge. They came to Cambridge not only to see me but also to hold seminars. I realized I couldn’t avoid it, so I decided to start the Deep

Dive program.

This program is somewhat like a short term EMBA training course. In one month, students learn three things. The first is sports, specifically rowing. Cambridge and Oxford are great places for rowing, so we wake up at 5 a.m. every day to train, giving them a taste of the discipline I experienced at Harvard. The second is meals. For 28 days, participants cannot eat Chinese food, although each dormitory is allowed to keep a bottle of Lao Gan Ma and Sichuan pickles. Consumption must be logged, as I believe that experiencing different cultures, especially their dietary habits, is very important. When I went abroad for the third time, I set a rule for myself to not eat Chinese food while abroad. The third aspect is learning English. Every morning is dedicated to language training, and the afternoons are for visiting companies and laboratories, and engaging in themed discussions with professors.

Xiao-Ping Chen: Hahaha, you're making them pass three hurdles: sports, diet, and language, pushing and expanding their boundaries. That's quite a challenge!

Wang Shi: Exactly, and they nearly went crazy when they had to debate in English at graduation. By the third or fourth batch, we couldn't find more participants. Fortunately, I've been mobilizing overseas Chinese students, especially doctoral candidates, to participate in rowing since my time at Harvard. Now, they're doing really well. When I arrived in Cambridge in 2014 to row, foreigners looked at me with a confused expression because there were so few Asians in rowing. Now, every college has Chinese students

participating in rowing, and it has become a tradition. So, although I didn't get Chinese entrepreneurs into rowing, I did get Chinese students and doctoral candidates into it, which makes me quite proud.

For example, when we went to Boston, a graduate student named Hao Shuai organized a competition. During our time in Europe, I was accompanied by the first postdoc student I taught to row at Cambridge. This year in Munich, we had a rowing competition against Tongji University's rowing club at the Technical University of Munich. So, the Deep Dive program has cultivated rowing seeds internationally, and they have flourished worldwide. This is why we could successfully complete global canal rowing crossings in the past two years, greatly benefiting from the training we did in the early years of Deep Dive.

Deep Dive: Understanding Our Origins and Future

Xiao-Ping Chen: The seeds you planted early on are now bearing fruit, which is gratifying. Can you clearly articulate Deep Dive's vision, mission, and core values?

Wang Shi: Deep Dive's mission is to understand oneself. The exchange between Eastern and Western cultures provides a broad perspective. First, we need to understand our cultural roots. Second, we need to know where we're headed. Understanding Western civilization helps us navigate our future.

When I started the Deep Dive program, my goal was to help everyone understand the differences and similarities between Eastern and Western cultures. Why did I insist on no Chinese food? Because understanding the local culture is crucial, and through food, we can connect more deeply with locals, learn about them, and make friends. For instance, it was at Cambridge that I realized how my English colleagues eat. First, there's a pre dinner drink, very short, no more than 15 minutes. Then, we serve ourselves and the actual eating takes no longer than half an hour. After that, everyone leaves together and goes for post-dinner drinks, or tea, or coffee, and chat for at least two hours. I discovered that post-dinner drinks are a wonderful way to exchange ideas, get inspired, understand each other, and strengthen bonds.

While Chinese people also value eating together, where relationships are built over a meal, Chinese drinking culture often involves drinking to the point of inebriation as a means to communicate and build trust. But post-dinner drinks allow for verbal and body language exchange and a clash of thoughts. So, my wish through Deep Dive is to learn how to bravely push beyond one's own limits and adapt to different cultural backgrounds. Additionally, to slow down and think carefully about what success really means.

Xiao-Ping Chen: Excellent, in English, you might call this "soul searching." You've expressed this well in your book, and I felt a strong connection when reading it. Have the participants of Deep Dive achieved what you intended? Are they clearer about their inner selves and more resilient?

Wang Shi: Yes, many have experienced such changes. Take Wang Weidong for example. He graduated from Peking University's Law School, then worked at the NPC Law Committee, was an exchange scholar in the US, then did his PhD at the University of Chicago. He worked at a

major law firm in the U.S. for 10 years before he returned to China to teach at the Law School of Peking University and the Research Center for National Conditions, and later became a partner at a private law firm.

Mr. Wang was very self-assured and capable. Once he decided something, he always thought his decision was right, and that others were wrong. He was also overweight. He joined the fourth session of Deep Dive and studied very diligently. Now he has transformed himself. He used to be out of breath from walking, now he not only rows but also does rock climbing and climbs snowy mountains, and he also has started learning ballroom dance.

Xiao-Ping Chen: It seems that Deep Dive completely changed his life.

Wang Shi: Yes, he's more empathetic and actively participates in various school activities as well. Another participant, a woman named Gao Can, started learning the violin at 44, went to the Central Conservatory of Music, and stayed on as a teacher. She later became an exchange scholar at the Cincinnati Conservatory of Music and is now back to China as an associate professor at the Central Conservatory of Music, teaching violin. After joining our rowing team, she saw alumni climbing snowy mountains and applied to do the same. I strongly opposed it because while rowing doesn't easily injure your hands, climbing snowy mountains could damage her hands and ruin her career. But every time I opposed it, she applied again. She said, "I am calm, I've been confined to a small circle since I was 44 and couldn't go anywhere, nor participate in any sports to protect my hands. Now that I can row, I can climb mountains too." She said that my worries were my problem, not hers.

Xiao-Ping Chen: Through rowing, she rediscovered herself and became clearer about the kind of life she wants.

Wang Shi: She really did climb a snowy mountain and is now preparing to climb a second one. Additionally, she joined the rock climbing team. Later, her colleagues at the Central Conservatory of Music said her violin playing style has also changed—she's more open and robust.

Deep Dive: Commitment to a Greener World

Xiao-Ping Chen: How many participants does Deep Dive have now?

Wang Shi: Over 200, which is below my expectations, but the impact has been significant. We have alumni associations in Shanghai, Beijing, and Shenzhen. Their commitment has been crucial for our global canal rowing challenges, even during the pandemic.

Let me give you a contrasting example. In 2009, at the UN Climate Change Conference, there were only 3 Chinese entrepreneurs representing 100 companies. In 2019, the Climate Change Conference held in Madrid, Spain had a delegation of 140 entrepreneurs representing one million companies. The 2020 conference was postponed to 2021 due to the pandemic and held in Glasgow, Scotland. Over 40 Chinese entrepreneurs registered, 18 obtained their visa, but by the time we were booking tickets, only 8 remained, and in the end, I was the only one who boarded the plane.

On the contrary, the call for the 14-country canal crossing initiated by Deep Dive in October 2021 was surprisingly successful. Without the

active participation of the Deep Dive members, it would have been impossible.

Xiao-Ping Chen: So, during the 14-country canal crossing, were there Deep Dive members at every location?

Wang Shi: Some places had members, some didn't, but they would follow along. In the U.S., we had participants in Washington D.C., Chicago, Boston, New York. In Europe, many people participated throughout, while some joined in 5 or 8 countries, others flew from the U.S. to Japan to join.

Xiao-Ping Chen: This initiative is quite remarkable, but also very complex, involving activities in so many countries and with so many participants. During this process, what were some of the specific problems you encountered, and how did you solve them?

Wang Shi: Actually, I made the decision to initiate this while I was in Glasgow, as the only Chinese entrepreneur representing China. I found that during that time, Chinese entrepreneurs were afraid to go out—firstly due to fear of infection, and secondly due to fear of quarantine. But since I was engaged in philanthropy, I kept going out and coming back throughout 2020, and was quarantined for a total of 9 weeks.

I also noticed that the number of people coming to China from abroad significantly decreased due to visa difficulties and quarantine fears. In this situation, I decided to embark on urban crossings, acting as a bridge to connect increasingly distant people. Although we have the internet, face -to-face interactions and the exchange of energies feel different. The international canal crossing was not just about environmental protection but also served as a messenger role.

For instance, at the Glasgow conference, I was the most qualified to talk about China, and the foreigners were most interested. Of course, I repeatedly emphasized that I was not a spokesperson for the Chinese government and was speaking only on behalf of myself.

Later, the University of Cambridge awarded me an honorary doctorate and invited me to their work dinner. In 2014, I was appointed a fellow of Pembroke College. I remember during a conversation, I bluntly told Guterres that the UN's efforts were insufficient. Guterres was very upset, saying, “We awarded you a fellowship, yet you criticize me.” I responded that as a Chinese representative, with China meeting its 2020 carbon reduction targets and now having dual carbon goals, this inspired me to embark on a second entrepreneurial journey. As I spoke, I watched Guterres' expression—no reaction, neither approval nor disapproval—but his wife was nodding continuously.

After dinner, Guterres unexpectedly came up to me and, in stiff Chinese, said, “Thank you.” During the pandemic, while traveling abroad, I discovered that environmental protection and sports health were green passes, and carbon neutrality was a green pass that allowed smooth travel worldwide. Environmental protection encompasses not only carbon neutrality but also biodiversity conservation. For example, when we went to Japan, Japanese activities follow annual plans. We were there to row, and as foreigners rowing in Japan, it was impossible to arrange this a year in advance. In Japan, we are familiar with Toda, having participated in their international rowing invitational since 2007. This time, we hoped to row in Tokyo Bay at the Tokyo Olympic venue. They said we had to come back in 2023 and join next year’s plan. It was even more difficult to arrange trips to other regions like Kyushu and Shikoku. So, I approached the rowing association, coincidentally during the transition of presidents.

I expressed our desire to conduct a hundred-city rowing challenge here. Their jaws dropped in disbelief. They never imagined that under such circumstances, Chinese people would row in cities worldwide, and they quickly agreed to our request. They even asked where else we wanted to row besides the sea forest and made us a special project of the Japan Rowing Association, giving us the green light.

Xiao-Ping Chen: Wow, that’s truly amazing! Your green pass became a key to the world.

Wang Shi: Exactly, who would have thought? We could barely keep up, rowing in two cities a day. Take Germany's Kiel Canal for example. It isn’t as famous in China as the Suez or Panama Canals. It spans two seas within Germany, the North Sea and the Baltic Sea, serving as an international canal passage. While in Hamburg, locals told us it would be a pity if we didn’t visit the Kiel Canal. So, we spontaneously decided to go, but only had the weekend free.

The Kiel Canal folks said they were closed on weekends, and we could visit on Monday. We discussed it, and as part of the canal crossing challenge, we decided it was worth the visit even if we couldn’t row. So, we drove there, and sure enough, the club was deserted. At the pier, a family of three was playing. Seeing us, they curiously asked why we were there. We told them we were there to row, but the club didn’t open on weekends, so we had to wait until Monday. The man said that he was a member of the club and could call the manager. Twenty minutes later, the manager arrived, opened the boat shed, and told us to choose a boat, row, and put it back when we finished. This was at the Kiel Canal in Germany, where our common language was sports and rowing.

After rowing, the manager was still there, so we invited him to dinner to show our gratitude. The restaurant was right by the canal. We hadn’t

even sat down when we heard the Chinese national anthem playing in the distance. I thought, "This manager is really thoughtful, playing our national anthem while we're eating abroad!" Then I saw him nod towards the distance, and the national flag of the People's Republic of China was slowly rising. I quickly stood up and saw a COSCO ship passing by.

Xiao-Ping Chen: Hahaha, what a coincidence! I remember many years ago, while I was visiting the Suez Canal in Egypt, a COSCO freighter passed by too. It made me feel so proud. I'm delighted to hear that your canal crossing journey went so smoothly and was full of surprises. Lastly, I'd love to hear about the value and significance of your new book, Return to the Future, for ordinary managers and entrepreneurs.

The Meaning of Life: Finding Balance Between Adventure and Nature

Wang Shi: The pandemic made many people reflect on why they were so busy. In the face of natural disasters, people realized that busyness isn't always a choice. It's crucial to slow down and manage time well in a competitive environment. While I used to believe in "seizing the day," now in my old age, I feel that "life is long."

Xiao-Ping Chen: Why is that?

Wang Shi: In youth, with robust health and energy, one might believe in longevity. But aging brings a different state, with a deteriorating circulatory system and various illnesses. It's essential to cherish time in old age, maintaining good physical and mental health. Allocate time wisely, but don't work every day. Have leisure time to freely manage your schedule.

Choosing not to work is also a form of leisure. However, there's a sense of urgency, especially among influential entrepreneurs. Even if the pandemic forced relaxation, anxiety remains common. Young people face serious employment issues, but finding a job isn't too difficult if one isn't picky about fame, status, or income. The primary concerns are survival, longevity, and quality of life.

Xiao-Ping Chen: So, in this sense, your book is valuable for everyone.

Wang Shi: Yes, calm and unhurried. I'm not afraid of quarantine; I wrote this book during quarantine. In 2022, I was quarantined for a total of 13 weeks. After each quarantine period, I would summarize my canal crossing experiences, and by December, I finished the manuscript in Seattle without wasting any time.

I know that among entrepreneurs, I'm often seen as someone who doesn't focus on business. "Aren't you running a business? Why are you climbing Mount Everest? You must have been carried up there." "Isn't climbing Mt. Everest enough? Why do you need to be a visiting scholar?" But I love adventure and finding a balance between exploration and enjoying nature—that's the meaning of life. You might have noticed that I have a very positive attitude towards life, and I hope to pass this positivity on to others. I often say, if at some point I become pessimistic, then society really has no hope.

Xiao-Ping Chen: I completely agree. I especially love your description of rowing: "Rowing on the river without leaving a trace." It's so beautiful, blending seamlessly with nature.

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