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Introduction: The diversity and dynamism of Chinese philosophies on leadership

CHAO-CHUAN CHEN AND YUEH-TING LEE

OVER 8000 years ago, the fundamental religious belief in China was a form of shamanism (Lee and Wang, 2007; Xu, 1991; Yuan, 1988). Shamanism is the spiritual belief or practice of a shaman who can connect the inner world with the outer world, the body with the soul, and the living with the dead. As time went on, Confucianism and Daoism developed out of shamanism as two of the fundamental Chinese belief systems and these have affected Chinese behavior and thinking almost on a daily basis for thousands of years (see Hsu, 1981). When the formerly subordinate states of the Zhou dynasty (841–256 BCE) began to break away to create competing states, chaotic political and social changes ravaged China. Accompanying these social and political changes were many schools of thoughts, including Confucianism (Chapters 1 and 2), Daoism (Chapter 3), Legalism (Chapter 4), and the school of military arts philosophy (Chapter 5), known in history as the “100 Schools of Thought” (see Table I.1). Each school (*jia*) was headed by its own master or masters (*zi*), and had academics and disciples to study, teach, and propagate their respective philosophical and ideological perspectives and views. These masters contested to offer advice, primarily to rulers, on expanding powers and restoring peace and order to society. It was common for rulers or leaders to receive scholars or advisors from different schools and hear their debates on ways of governing. The ancient leadership philosophies featured in this book come from the major philosophical schools of thought during the historical period.

Despite this, when Western scholars think of Chinese leadership or Chinese culture in general there is often a serious lack of appreciation of the diversity and dynamism in Chinese philosophies and ideologies: Confucianism is for many the shorthand for Chinese culture. In this book, Chinese cultural diversity and dynamism and, by extension, the diversity and dynamism of Chinese leadership thinking, strike us most

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Excerpt

[More information](#)

Table I.1. Major schools of philosophy in Ancient China.

Schools	Pioneers or representatives	Basic focus/meaning	Examples
Daoism (<i>Dao Jia</i>)	Laozi, Zhuangzi, Lie zi and the hermits	Naturalistic, or the way it is	<i>Dao</i> (the Way), <i>de</i> (morality), <i>zi ran</i> (nature), <i>shui</i> (water), <i>wei wu-wei</i> (active non-action)
Confucianism (<i>Ru Jia</i>)	Confucius (Kongzi), Mencius (Menzi), and the literati	Social order or hierarchy	<i>ren</i> (humanity), <i>yi</i> (righteousness), <i>li</i> (ritual), <i>zhi</i> (knowledge), <i>xin</i> (trust), and <i>xiao</i> (filial piety)
School of Yin–Yang (<i>Yin–Yang Jia</i>)	Fu Xi, King Wen and the practitioners of occult arts and astronomy	<i>Yin–yang</i> opposites	The Book of Change as well as the five elements (i.e., metal, wood, water, fire, and soil)
School of Name (<i>Ming Jia</i>)	Hui Shi, Kong Sun Long and the debaters	Relativity and universals	“A white horse is not a horse”
Legalism (<i>Fa Jia</i>)	Hanfei and the men of methods	Man-made laws and rules	Clear-cut rewards and punishments
Mohism (<i>Mo Jia</i>)	Mozi and the knights	A close-knit organization and discipline; no war	All-embracing love and technology to prevent war
School of the Art of War (<i>Bing Jia</i>)	Sunzi, Sun Bing, and the war strategists	War is necessary for peace	The best way to win a war is to defeat enemies without actual fighting or killing

Sources: Based on the work of Fung (1948: 30–37) and Lee (2000: 1066).

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Excerpt

[More information](#)*Introduction*

3

forcefully and convincingly. From the beginning, there was not just one Chinese thought or just one Chinese philosophy. The first part of this book features three major philosophies as related to statesmanship and leadership: Confucianism, Daoism, and Legalism. While each school of philosophy is analyzed in its own chapter, we will here discuss their differences and similarities on some fundamental issues concerning human nature and social systems, and will also discuss Sunzi's *Art of war* as it relates to these three philosophies (see also Chapter 5). We then discuss how modern Chinese leadership theories and practices have been affected by traditional Chinese and Western thoughts on leadership and management. These modern Chinese leadership theories and practices include the revolutionary theory of Mao and the economic reform theory of Deng (Chapter 7), paternalistic leadership (Chapter 6), and philosophical thoughts by current business executives on organization, leadership, and management (Chapter 8), and conclude with a commentary (Chapter 9) by a Western student of modern Chinese leadership. Clearly, the twenty-first-century leadership in China is not well understood by the outside world. Such lack of understanding contributes to the tensions between leaders and managers inside and outside of the Middle Kingdom. That such a situation has existed for the last century and more is expected given the recent depression of China's economy and struggles with foes both inside and outside of China. At the dawn of the twenty-first century this ignorance of leadership in China is unforgivable. This book is an attempt by Chinese scholars to begin the process of examining Chinese philosophies and theories of leadership from indigenous perspectives. Due diligence requires a deeper understanding of the new, the emerging, and the traditional lessons of leadership.

Traditional philosophical perspectives on leadership*Human goodness vs. badness and the rule of virtue vs. law*

Confucius and Mencius, the two founding fathers of Confucianism, believed in human goodness; that is, humans are born with natural kindheartedness. As evidence, Mencius pointed to human beings' natural, instinctive compassion shown to others suffering, their shame over evil deeds, and their ability to know right from wrong. Human beings therefore have a natural inclination to think and act in ways

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Excerpt

[More information](#)

that follow the moral and social norms and benefit society. Bad behaviors like disregard of others, disobedience, and violence are unnatural distortions of human goodness caused by social conditions and by lack of moral education.

Based on the human goodness assumption, Confucius and Mencius advocated that the ideal kingship and government are benevolence toward the common people and stressed that leaders should rely on education to reinforce, extend, and further develop human goodness. The assumption of human goodness was contested and even despised by other schools of thought such as the Legalists, who pointed to human selfish desires and feelings and criminal acts of theft, robbery, and murder as evidence of human badness. On the basis of human badness, the Legalists contended that morality is hypocritical and useless and advocated relying on the iron fist to maintain social order.

This strong challenge to human goodness might therefore undermine the viability of the tenets of Confucian philosophy of benevolence and the rule of virtue. Xunzi, a Confucianist who nevertheless bridged Confucianism and Legalism, proposed a coherent philosophy that decoupled human goodness from benevolent government. While upholding the general philosophy of benevolent sagehood, Xunzi argued vehemently against Mencius' thesis of human goodness and proposed an explicit antithesis of human badness. Xunzi pointed to human hedonistic desires and emotions, such as wanting food when hungry and warmth when cold, as natural instincts. Because desires are many and resources are few, natural instincts, if left uninhibited, are bound to lead to aggression and violence, and hence to social disorder and disintegration. Xunzi conceded that humans, despite their basic hedonistic motives, are equipped with the capacity for consideration, which allows them to develop goodness, conceived as the acquired human nature. Human goodness therefore is learned, developed, and cultivated through concerted efforts at the individual and institutional levels. By acknowledging or even insisting on the badness of human nature, Xunzi elevated even more the necessity for education, morality, and ritual and conduct propriety, upholding the rule of virtue and morality as advocated by Confucius and Mencius. Furthermore, Xunzi emphasized the supplementary function of rules, regulations, and even punishment.

Paradoxically, Xunzi's theory of human badness serves to legitimize human self-interest as an important factor in leadership. According

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Excerpt

[More information](#)*Introduction*

5

to Xunzi's theory of human badness, peasants and sage-kings are all born alike with basic egoistic and hedonistic desires and interests. What distinguishes the sage and the noble from the common or the petty is first and foremost the degree of goodness, namely, learned virtues that result from self-cultivation. Xunzi never claimed that acquired good nature could and should eliminate or replace the basic born nature. In places, his philosophy smacked of an instrumental view of morality, in suggesting that the cultivated person has not only a more benevolent but also a more effective way of satisfying basic needs.

Xunzi's arguments of human badness, his recognition of self-interest, and his emphasis on rule-based propriety serve as a bridge between Confucianism and Legalism, the major proponent of which is Hanfei, Xunzi's student. Hanfei, a standard-bearer of the Legalist school of thought, preferred strict and effective enforcement of laws over the exhortation of Confucian moral values. His Legalist philosophy of leadership and government was based on the assumption of human self-interest, especially its competitive and subversive side. Unlike classic Confucianists, who based a philosophy of benevolence on moral virtues and ritual propriety, Hanfei had no confidence in morality and did not care for rituals. Instead he believed in power, laws, and manipulation as major means of government and leadership. The Legalist philosophy shared the vision of creating stable, peaceful, and prosperous states, though by a different means, namely, the rule of law under the sovereignty of the emperor. Hanfei believed in the separation of public and private self-interest and proposed fair and effective ways of exercising power and laws. For example, laws and regulations must be objective and universally enforced so as to be fair and laws should be practical, enforceable, and well publicized so as to be effective.

Where does Daoism stand regarding human goodness and badness? It was not a central concept in Daoism but we may infer a Daoist position on this issue from writings by Laozi and Zhuangzi on the relationship between humans and the natural universe. The Daoists assumed a unified and coherent universe and believed that nature is guided by immanent patterns and forces, known as the *Dao* (the Way), rather than by any omnipotent external creator. Human beings are constituent members of the natural universe, not its masters or members with privileges. The natural way of the universe, the *Dao*, should also be the way of human existence and human relations.

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Excerpt

[More information](#)

On one hand, this position seems to suggest that human nature is beyond moral judgment because being natural is the way it should be. Being one with nature is the ideal state of human existence. In this sense, true human nature is good. However, Daoists also viewed human self-interested desires as major blocks standing in the way of humans being in harmony not only with nature but also with other humans. Only sages who have the capacity to understand and know the Way can rise above selfish desires and possessions to achieve peace and harmony with nature. Sages, of course, are not born: one becomes a sage through learning. Paradoxically then, following the natural way requires being unnatural in the sense of being enlightened. It seems that in the Daoist value system, while the supreme state of affairs is the original natural state, which is free of desire and self-interest, human beings are actually not natural enough, and the way to become natural is to emulate the way of nature.

Individualism, relationalism, and collectivism

Chinese culture has been characterized as collectivistic by social psychological and organizational research (Hofstede, 1980; Markus and Kitiyama, 1991; Triandis, 1995). Furthermore, Chinese culture has been shown to emphasize the importance of social affinity and obligation to personalized collectivities over either individuals' self-interest or the collective interest of large and impersonal collectivities (Brewer and Chen, 2007; King, 1991). However, such characterizations, while useful for contrasting Chinese with non-Chinese, and Eastern with Western cultures, obscure important ideological and philosophical diversity within Chinese culture. We contend that while the culture may be dominated by a certain ideological perspective at a certain historical stage, for a certain domain of life, and in a certain situation, the Chinese are no strangers to alternative divergent ideologies including those taking the individualist, the relationalist, and the collectivist perspectives. The *individualist* perspective views people as primarily independent individuals rather than members of communities, places priority on individual rights and interests, and promotes social exchanges with other individuals and communities for the fulfillment and satisfaction of individuals' rights and interests. The *relationalist* perspective views people as social and relational beings, that is, as members of social communities rather than independent

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Excerpt

[More information](#)*Introduction*

7

individuals, places priority on duties and obligations to other individuals and communities to which an individual is affiliated, and engages in maintaining and enhancing the common welfare of the community. The *collectivist* perspective views people as either individuals or as members of communities or both, but it places priority on the interest and welfare of superordinate communities over either individual or subordinate communities and engages in activities that promote the common welfare of superordinate communities (Brewer and Chen, 2007).

The classic Confucianism is probably the most typical form of relationalism (Hwang, 2000; King, 1985). Although Mencius and Xunzi differed in their assumptions concerning human goodness and badness, there was no difference between them in their emphasis on the importance of cultivating virtuous human characters that maintain and extend affinity and love for fellow human beings. Furthermore, Confucianists believed that virtue started at home with members each fulfilling their role responsibility and held the familial model as a template for the community and the state. Confucius, however, also believed that the supreme goal of government was to build a universal world of peace and harmony and the mechanism for developing this universal community of all human beings was to build upon and extend family-based relationalism to larger and more superordinate communities. In theory, Confucianists seemed to advocate collectivism rather than relationalism. However, Confucian philosophy saw more commonality and complementarity between small communities and their more encompassing communities. And because of the Confucian position on the moral supremacy of family and friendship, especially for the common people (he held higher standards for scholars and officials), the collectivist perspective recedes to a secondary (if not subordinate) position relative to the relational one (Hwang, 1987; King, 1991). This can be seen in the oft-cited story in which Confucius would advise violating law rather than reporting the wrongdoings of one's parents. In reality, therefore, Confucianism clearly puts relationalism first, collectivism second, and individualism last. However, even in Confucianism there exist individualist beliefs such as the importance of introspection (*nei xing*), the non-subjugatability of the individual will, and the importance of self-development and self-enhancement (Munro, 1985).

The Legalist perspective contrasts sharply with Confucianism (see also Chapter 4). As discussed above, Hanfei argued that individuals,

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Excerpt

[More information](#)

including rulers, were driven by self-interested motives. However, he did not believe self-interested motives were bad or evil as did his Confucianist teacher, Xunzi. The belief about human self-interested motives by itself may not mean that Legalists believed in the legitimacy of individual rights, but in rejecting Confucian morality it certainly did not put priority on individuals' social and moral obligations. More enlightening is that Legalists proposed the separation of public and private interests, which in effect affirms the legality and morality of individual self-interest. Hanfei also proposed objectivity and universality of laws to ensure effectiveness and fairness and to use objective and rational principles to select talents, evaluate performance, and administer the state. Finally, Hanfei believed that rule by law was more effective in running the state and more instrumental in promoting the stability and prosperity of society. Hanfei's Legalism seems to be most consistent with individualism in its recognition of the legitimacy of self-interests and motives, but in the end it is much more amenable to collectivism than to relationalism.

The Daoist position as proposed by Laozi and Zhuangzi is more complex. On one hand, Daoism proposed the most holistic perspective on human existence in that human beings are an intrinsic part of the universe. The way of nature is the supreme way of the universe, hence of the society and of the individual. The ultimate purpose of human existence is to be one with the Way, with all things, in harmony and union. Individuals should therefore embrace and adapt to their environment just like water to the various contours of the land. In this sense, the Daoist philosophy is collectivist with regard to the large community of the universe; it is neither relationist nor individualist because Daoism questioned attachment or obligations to one's self or self-interest as well as to social institutions such as the family or the state. On the other hand, of all Chinese traditional philosophies, Daoism, by Laozi and Zhuangzi, stands out as the champion of the individual and individualism (Berling, 1985). First, in the submerging of self to the *Dao* of nature, a person becomes truly his or her natural self; individuality, indeed sagehood, is achieved through wholeness. Second, Laozi and Zhuangzi valued individual solitude above all else (Whitman, 1985). Withdrawal from the public was not viewed as aberrant or abnormal but rather a legitimate and wise means of survival and a lofty means of turning away from the conventional world for union with the *Dao*. Lastly, Laozi and Zhuangzi advocated

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Excerpt

[More information](#)*Introduction*

9

tolerance and non-interference by the government as a means of achieving peace and stability. Daoism, while viewing total submergence of self with the *Dao* as the ultimate objective, also contained individualist seeds of the self, the right of individuality, and freedom from social control. In summarizing the above discussion of the *Dao* and the relationship between the individual, social institutions, and the universe, it is reasonable to see Daoism as putting individualism before relationalism and holding collectivism in its most general and broad sense, that of the universe.

Social hierarchy and social equality

The extensive hierarchy in Chinese society in general and the leader-member relationship in particular have been unquestioned. In fact, they have been taken for granted in almost all philosophies and theories featured in this book except for Mao's theory of communist and socialist revolution. In Chapter 2 on Xunzi, the concept of social distinction (*fen*), which reflects the Confucian view of social systems, is discussed in more detail. Here it suffices to say that hierarchy in the Confucian leadership philosophy bears a symbiotic relationship to authority, unity, order and stability, morality, and productivity as opposed to rebellion, anarchy, disorder, moral deterioration, and economic poverty. Xunzi argued that society or community formation was what distinguished humans from animals and hierarchy was natural in human society because of the inherent individual differences in human biology, skills, and needs and because of limitations on resources. He also defended the need for hierarchical distinctions on social, moral, and economic grounds. Lastly, Xunzi held that social distinctions were fair and functional if they were based on superiority of moral character, ability, and performance and the basic human needs were met for all members of the society. Overall, Confucianism legitimized and advocated a clear social hierarchy more forcefully and coherently than hierarchy in economic and material possessions. Indeed, reducing the economic and material benefits of the elite might be one way of gaining legitimacy for its social distinctiveness. Furthermore, in granting social distinctions, Confucianists gave more weight to moral character than to ability or task performance.

Daoism was not built on the premise of social distinctions, neither did it envision a society of hierarchical order or encourage individual motives

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Excerpt

[More information](#)

and behaviors to seek social or material distinctions. Nevertheless, Daoism did not promote social equality either, at least not in any sense of socio-political activism. First, there was a hierarchy in the Daoist ontology of the universe: the *Dao* of One gives rise to the dual of *yin* and *yang*, which in turn give rise to the trio of heaven, earth, and humanity, which in turn give rise to all other things. Second, one major theme of Daoist being was to be able to move up and down in the hierarchy of social status, just like water following the contour of the terrain. Note that the hierarchy was not to be abolished or reduced but to be followed and adapted to, and those who were best at practicing active non-action (*wu wei*) deserved to be leaders. So, while the Confucian primary criterion of granting social distinction was benevolent morality, the Daoist one was active non-action. Nevertheless, the Daoist views of non-action and of focusing on “being” rather than achieving provided a non-assertive, if not skeptical, counter-perspective to social hierarchy, and their views of human existence tended to have a flattening effect on the social hierarchy.

Hanfei’s Legalism did not challenge the social hierarchy beliefs of Confucianism although the individualist assumption of individual self-interests could provide a philosophical foundation to do it. Instead, Legalists designed different means of maintaining social hierarchy and order, namely through laws and regulations and through power manipulation and control, not unlike those of Machiavellianism. Accordingly, instead of Confucian morality, the primary basis of social hierarchy was one’s abilities, possibly more political rather than task-oriented, that contributed to performance. Sunzi, in the *Art of war*, took for granted hierarchy, obedience to orders, and the unity of the chain of command as the given structure of the army, which sounds reasonable considering the military nature of the organization and the context of warfare. It was the qualifications insisted on by Sunzi for the hierarchy that were quite unusual for his times and even for today. Sunzi insisted that once out in the field the general should have autonomy to conduct warfare based on the *Dao* of war and the sovereign should not interfere. In the field, the general is obligated to abide by the *Dao* of war (*zhang dao*) rather than by the order of the king (*jun ming*). Additionally, Sunzi seemed to hold different criteria for judging the legitimacy of social hierarchy, that is, morality for the supreme leader but ability, especially wisdom, for high-ranking but non-supreme leaders.