The Roles and Wisdom of Chinese Traditional Philosophy in Explaining Corporate Leadership

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Abstract

Theory development in leadership has been researched in different ways, depending on the researcher’s methodological choices and understanding of leadership. Using an inductive analysis based on this study, the influences of Chinese traditional philosophy on leadership have emerged. Specifically, the themes of the influences are pointed to the following Chinese traditional philosophies: (1) Spiritual- Buddhism; (2) Humanity-Confucianism; (3) Naturalistic-Taoist philosophy; and (4) Strategic- Sun Zi Art of War. The knowledge and evaluated understanding of the Chinese traditional philosophy are embedded in the life experiences of the respondents. Considering the dynamics of corporate leadership practices and the demands of the ever-changing macro, meso and micro environments, situational context as well as the followership, it is important to acknowledge that wisdom or wisdom to act, rather than mere leadership behaviour that would ensure generation of leadership dynamism. Such an acknowledgement could further drive and reinforce and offer a richer view to sustain the wisdom to act derived from Oriental values and philosophy that influence corporate leadership practices for organizational success and performance.

Keyword: Chinese traditional philosophy; wisdom; corporate leadership and inductive analysis;

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1. Introduction

Theory development in leadership has been researched in different ways, depending on the researcher’s methodological choices and understanding of leadership (Yukl 2010). Most empirical studies fall into distinct lines of research such as the trait theories (Burn, 1978; Guillen, 2010 and Northouse, 2010 and Stogdill, 1974), behavior (Chemers, 1997; Dixon, 1985 and Pettigrew, 1992), leadership situation (Bass et al. 1975; Hersey and Blanchard, 1982 and Nicholson, 2001) and transactional and transformational leadership ( Bass, 1990; Bass and Avolio’s 1994; Gill, 1997Timothy and Piccolo, 2004).

Through the inductive analysis based on this study, the influences of Chinese traditional philosophy on leadership have emerged. Specifically, the themes of the influences are pointed to the following Chinese traditional philosophies: (1) Spiritual- Buddhism; (2) Humanity-Confucianism; (3) Naturalistic- Taoist philosophy; and (4) Strategic- Sun Zi’s Art of War. The knowledge and evaluated understanding of the Chinese traditional philosophy are embedded in the life experiences of the respondents.

It is necessary to discuss an important concept revealed from this study that is wisdom and wisdom to act. This concept is critical to understanding of leadership study. Srivastva and Cooperrider (1998) assert that the need for wisdom is increasing particularly for the studies of management and leadership but is less and less available. Vaill (1998) further claims that wisdom is characterized by flexible and intuitive qualities that are especially appropriate for our times. The most active consideration of wisdom is in the leadership literature (Boal and Hooijberg, 2000; Eflin 2003; Hersley and Farrel 1997; Holliday and Chandler, 1986; Korac-Kakabadse, Korac-Kakabadse, & Kouzmin, 2001; Liu 2014; Malen and Kriger 998; Kriger & Seng, 2005; Whittington, Pitts, Kageler, Goodwin, 2005 and Yang and Bond (1990) where it is seen as critical understanding and action for complex corporate decision making, applying both knowledge and actions for organizational purposes and reasons.

According to Hutchins (1986), wisdom tends to promote the application of integrative abilities even under the various situational contexts and backgrounds. These abilities included avoidance of preconceptions, insights in relatively inclusive ways, act in a reasonably way that preserved freedoms with common good.

2. Literature Review

The recent development of human based and virtue based leadership has reflected an increasing concern about the apparent absence of Chinese traditional philosophy and wisdom despite some studies of ethical leadership conducted through Western lenses in the past decades. Despite the global homogenizing of organizational process particularly on the standard management practices, Chinese traditional philosophy and wisdom is perceived as the most important factor in the evolution of Chinese business leadership practices around the world. In another words, Chinese leadership studies cannot be isolated in context from Chinese traditional philosophy and wisdom rooted in the rich Chinese culture and philosophy. (Liu 2009; Messmann 2014; Redding 1990; Wah 2010; Warner 2008; Cheng 2011; Yao 2006). Yet, no empirical studies found in the literature have explicitly defined “evaluated knowledge and understanding of Chinese traditional philosophy” other than borrowing the construct from the literature. This indicates that evaluated knowledge and understanding of Chinese traditional philosophy has just begun to attract scholarly attention in leadership research.
In its most general sense, Chinese traditional philosophy, which has evolved for more than 2,500 years, was fundamentally influenced by five molding forces: Confucianism, Taoist Philosophy, Buddhism, Sun Zi’s Art of War and I Ching (Zhang 2009). These five molding forces have constructed and formed a culture based on humanism which has created the Chinese way of life practically and philosophically. These five schools of thoughts are mutually complimentary to each other.

Similarly, according to Sternberg (1990), wisdom requires the exceptional understanding of logical arguments based on sound propositions. Nonetheless, wise people are more epistemologically skeptical. Their fluid intelligence questions the knowledge inherent in propositions. Thus, a wise person needs occasionally to be skeptical of the facts, common sense and orthodoxy. He further contended that wisdom also requires one to emphasize at the right level by choosing what facts are salient in a given situation. In other words, filtering and interpreting the noise from within their own community and determining the salient points on which to act are crucial to wisdom. Good judgment should also be used to reach better decisions. So, the ability to interpret and decode meaning and mental maps of other community members is essential to wisdom. In other words, it is noted that differences in the definitions and conceptualization of wisdom tend to occur between various scholars as a result of their different approaches towards the study of wisdom. However, wisdom remains a complex and complicated construct as different individuals may possess dissimilar qualities of wisdom dependent on their demographical differences such as age, gender, social class and other geographically defined characteristics. Therefore, wisdom or wisdom to act creates barriers to effective leadership.

3. Theoretical development and research propositions

The Properties of Evaluated Knowledge and Understanding of Chinese Traditional Philosophy

The core concept of evaluated knowledge and understanding of Chinese traditional philosophy discussed above is examined and confirmed in the data. It is clear that, Buddhism, Confucianism, Taoist Philosophy and Sun Zi’s Art of War represent most important dimensions of evaluated knowledge and understanding of Chinese traditional philosophy. Spirituality is attributable to leaders influenced by Buddhism. Humanity explains respondents’ corporate leadership influenced by Confucianism. Naturalistic and Strategic respectively explained the influences by Taoist philosophy and Sun Zi’s Art of War. Thus, conceptualization of the properties of evaluated knowledge and understanding of Chinese traditional philosophy were categorized into the following four constructs: (1) Spiritual-Buddhism, (2) humanity-Confucianism, (3) naturalistic-Taoist philosophy, and (4) strategic-Sun Zi’s Art of War.

Spiritual -Buddhism Leadership Wisdom

According to Fernando and Jackson (2006), Buddhism does have an influence on management practices in Buddhist countries, and that a wider application of the principles may be beneficial to management practitioners, regardless of religious orientation. Buddhism offers an interesting perspective on the proper practice of management. They further commented that Buddhism plays a significant role in the decision-making of managers in Sri Lanka. It is noted that the literature on the effect of Buddhists’ beliefs on managerial practice is quite limited.

This study provides a theoretical framework for more empirical investigations into this influence. At the same time, the basic tenets of Buddhism have relevance for managerial activity outside Buddhist countries. Santina (1984) has proposed that Buddhist beliefs are very consistent with Western scientific beliefs. He postulates that Buddhism has a pragmatic orientation, deals with cause and effect, focuses on problem-solving, and recognizes the importance of observation and verification. All of these are relevant issues to managerial research and practice.
In a study of wisdom of Buddhism, the Dalai Lama and van den Muyzenberg (2009) stated that Buddhism focuses on two elements for the leader: one is on taking the right view and the other is doing the right thing. Within ‘taking the right view’ they discussed the important elements like thinking the right way (the intention of the action has to be right), being able to think the right way (mindfulness), developing wisdom (study, discussion, listening to others) while accepting reality and staying positive. ‘Doing the right thing’ is mostly about ethical standards of one’s behavior. They further commented about the six perfections: generosity, ethical discipline, patience, enthusiasm, concentration and wisdom. Field (2007) similarly elaborates on these eight paths. He suggested that the fulfillment of the values of the eightfold is enough for an effective Buddhist leadership wisdom. The studies seem to support that the knowledge and evaluated understanding of Buddhism could lead to driver of wisdom to act. In this study, the knowledge of the Chinese traditional philosophy, specifically Buddhism had been proven to have influence on effective leadership practices.

Consequently, spirituality offers a cognitive foundation for the construct of evaluated knowledge and understanding of Chinese traditional philosophy.

Proposition 1. Evaluated knowledge and understanding of Chinese traditional philosophy affects the approach of corporate leadership one takes.

Proposition 1a. Corporate leaders with a deep and evaluated understanding of Buddhism are more likely to engage in spiritual leadership.

Humanity –Confucianism Leadership Wisdom

According to Hwang (1995), The Confucian way of humanity is best described by the following propositions in the Golden Mean: ‘Benevolence (ren) is the characteristic attribute of a person. The first priority of its expression is showing affection to those closely related to us. Righteousness (yi) means appropriateness, respecting the superior is its most important rule. Loving others according to who they are and respecting superiors according to their rank give rise to the forms and distinction of propriety (li) in social life.

Western leadership theories, however, overlooked leadership wisdom recommended by Confucius. The four leadership approaches such as power-influence, trait, behavior, and contingency has ignored leadership wisdom that based on exceptional understanding of humanitarian referenced to Confucianism. House and Singh (1987) asserted that leadership as mentioned by Confucius is a force of personality that induces not only a high degree of loyalty and devotion to community but also a high degree of trust as a leader. Confucius also encourages leaders to enhance positive moral values and higher-order needs of subordinates Burns, (1978). However, such an understanding of leadership was merely resided at theoretical dimensions without practical implications.

In this study, it was found that the evaluated understanding of Confucianism of continuous practice of humanity to love all men through ren and chung yung focusing on developing the confidence within selves and sincerity towards others had driven to formation of wisdom to act for leadership practices. It was learned that this wisdom to act had led to effective people management based on trust and respect. Likewise, the evaluated understanding of Confucianism of relating to society in a harmonious way and devoted to virtue had led to harmonious working relations within organisations. The running of an entire organization is devoted and committed to well-being of all stakeholders of society at large had also driven the wisdom to act for effective leadership practices. As a result, social harmony has greatly improved and renewed. The findings of this study are consistent with the studies done by Hwang (1995).

Thus, the following proposition is in order.

Proposition 1b. Corporate leaders with an evaluated understanding of Confucianism are more likely to engage in humanity leadership.
Naturalistic – Taoist Philosophy Leadership Wisdom

According to (Liu, 1997; Pan, 2001; Cheung, 1989), the application of Tao in leadership should institute the inaction or doing nothing that deviates from the natural course that can be considered to be the most effective course. This principle suggested that the inactive, non coercive leader can gain effective support from the followers naturally. The findings of this study are consistent with the evidences of values of fluidity and flexibility that adjusted to changes of environment.

Similarly, the perspectives on studying nature are also observed in managerial and leadership studies. In management principles, Western management styles focuses on the rights and responsibilities (the yang component) whereas the Oriental styles rely more on relationship and values. (the ying component) (Chen 2002). In reality, both are equally critical for organizational performances.

Also, according to Chen (2002), Western management styles consider courage, charisma, out spokenness and risk taking as some of the good qualities of an effective leadership (the yang component). On the other hand, oriental management styles highlight qualities such as wisdom, patience, tolerance and perseverance (the ying component).

In this study, the findings indicated that the evaluated understanding of Taoist Philosophy on maintaining a balance of all aspects of life is of paramount importance in achieving universal harmony. Treating staffs equally and passionately had contributed towards wisdom to act. Apart from this, it is also noted that emphasize the interrelatedness and relativity of everything in the world in the form of ‘ying' and 'yang'. Such holistic thinking is applied and evidenced and reflected clearly by the group's vision and mission statements has also greatly contributed towards wisdom to act in this study.

*Proposition 1c. Corporate leaders with an evaluated understanding of Taoist philosophy are more likely to engage in naturalistic leadership.*

Strategic – Sun Zi’s Art of War Leadership Wisdom

Furthermore, it is noted that an exceptional understanding of strategic changes tactics in accordance with the contours of the terrain had been observed to drive the wisdom to act strategically. This implies that detailed planning; moral influence and discipline have contributed towards Sun Zi leadership wisdom as catalytic wisdom to act for effective leadership practices.

The findings of this study are supported by the related literature. For instance, Moral character is seen as one of the most important quality of an effective leader. Moral rules are social contract that must be adhered to. The fundamental factors that determine the success of a war is the ‘Way’ (Lin 1995). The Way is the underlying factor that makes people think in line with the leader with devoted followership.

Likewise, Wee (2005) stated that moral influence refers to the additional quality of a leader which distinguishes the leader from others while playing the role of commander or general. The moral influence is critical in determining the success of organizational endeavors. Recently, there were vast evidences of corporate corruptions and issues of moral decay among the corporate scenes in many parts of the world and caused the crisis of confidence due to immoral or unethical leadership.

Similarly, Wee (2005) agrees with the findings of this study that leadership will fail in long run unless it is supported by moral influence. Sun Zi also mentioned that the ability to command is another factor that should be observed. According to Sun Zi, command includes a wise, trustworthiness, sincerity, benevolence, courage leadership behavior (Lin 1995). The leader needs to establish his moral influence with good personal character before effective leadership. By wisdom, leader should be wise in his thought and actions.
4. Concluding Remarks

Considering the dynamics of corporate leadership practices and the demands of the ever-changing macro, meso and micro environments, situational context as well as the followership, it is important to acknowledge that wisdom to act, rather than mere leadership behavior that would ensure generation of leadership dynamism. Such an acknowledgement could further drive and reinforce and hopefully help to sustain the wisdom to act derived from Oriental values and philosophy that influence corporate leadership practices for organizational success and performance. It is noted that, in conclusion, unlike Western research that mainly emphasizes theories development, the tao of Chinese traditional philosophy is important, it is the holistic practical undertaking based on wisdom. It is found that the concept of tao is similar among the respondents; the differences were fundamentally in terms of approaches influenced by evaluated understanding of Chinese traditional philosophy, values and wisdom that drive wisdom to act for effective leadership practices.

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