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, 1997; Timothy 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

In its most general sense, Chinese traditional philosophy, which has evolved for more than 2,500 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

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.

Proposition1. Evaluated knowledge and understanding of Chinese traditional philosophy affects the approach of corporate leadership one takes.

Proposition1a. 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 I

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, outspokenness 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.

Proposition 1d. Corporate leaders with an evaluated understanding of Sun Zi Art of War philosophy are more likely to engage in strategic leadership.

Figure 1. A Conceptual Framework of Chinese Traditional Philosophy, Wisdom to Act and Leadership Approach

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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