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Traditional Chinese philosophies and contemporary leadership

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ABSTRACT

We discuss three traditional Chinese philosophies—Daoism, Confucianism, and Legalism—as they relate to Western-originated leadership theories. We analyze articles reporting interviews with fifteen contemporary Chinese business leaders to determine how their leadership practices reflect the traditional philosophies. We discuss future research directions for Chinese and global leadership. In a response to world-wide call for developing indigenous theories and knowledge about management, we encourage scholars to consider cultural settings and traditional wisdom in their studies of contemporary leadership practices.

Introduction

Traditional philosophical and cultural roots influence the thought patterns and behaviors of all citizens in a community including its leaders (Parsons & Shils, 1951). Hence, leadership practices would reflect unique cultural idiosyncrasies even though in a rapidly changing context, multiple forces could shape the behavior of its people. For example, in China, it has been shown that leadership behaviors reveal cultural, political and economic influences (Fu & Tsui, 2003). Due to global competition and Western education, many Chinese business leaders have adopted Western management practices (Tsui, Wang, Xin, Zhang, & Fu, 2004). Though most scholarly studies of leadership in China have relied on Western leadership theories (Zhang, Chen, Chen, & Ang, 2014), there are also studies invoking the deep Chinese philosophical thoughts such as Confucianism or Daoism in explaining possible patterns of contemporary Chinese leadership behaviors (Fu, Tsui, Liu, & Li, 2010; Jing & Van de Ven, 2014). Further, it has been documented that Chinese philosophies, especially Confucianism, greatly impact leaders in the Chinese diaspora, and have done so for many years (Chai & Rhee, 2010). Clearly, traditional philosophies are still part of the cultural fabric in China today. In this paper, we seek to understand the ideas underlying three major traditional Chinese philosophical schools—Daoism (also spelled Taoism), Confucianism, and Legalism—which have an explicit discourse on leadership. We identify their parallels in the major leadership theories in the Western literature, and analyze, through published reports of interviews with fifteen successful Chinese business leaders, how current Chinese leadership practices may reflect these traditional philosophies.

Our work diverges from most (cross-) cultural leadership analyses that often use culture as a moderating variable or contextual factor. Instead we investigate culture's main effects by examining how the three traditional Chinese philosophies treat leadership. Our choice of these three philosophies was influenced by a recent survey of traditional values in a sample of more than two thousand

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Chinese (Pan, Rowney, & Peterson, 2012). The factor analysis results showed that Chinese people combine Buddhism and Daoism, probably because both are characterized by action avoidance. In addition, they consider Confucianism, Legalism, and the Art of War as separate types. While Daoism, Confucianism, and Legalism provide extensive discussion on managing people and leading the state, the Art of War focuses on competition such as in business strategy or marketing, thus less relevant to the purpose of the current paper. Though relatively less known than Daoism and Confucianism, Legalism—with emphasis on rules, systems of rewards and punishment, and preservation of power—was a very important stream of traditional Chinese thinking. It was a widely adopted practice in Chinese leadership for centuries and, as we will show, is still the major form of leadership practices in contemporary China.

We first introduce the core ideas of the three traditional Chinese philosophical schools, focusing on content relevant to leadership. We then link each school to current leadership theories and summarize our ideas in propositions. We further aim to detect the influence of these traditional philosophical schools in the leadership practices of contemporary Chinese business leaders. Drawing on articles that reported interviews of fifteen business leaders, we code their leadership behaviors according to the school they exemplify. We use these fifteen cases to illustrate, rather than a test of, the propositions. Finally, we discuss how traditional culture could be a rich source of understanding for future leadership research in China and beyond.

Traditional Chinese philosophies and leadership

The founders of traditional Chinese philosophies offered "normative theories" rather than descriptive, "middle range" theories (Merton, 1968). They prescribed desirable leadership behaviors without always providing reasoning or empirical support. Instead they used metaphors, analogies, and sometimes examples to support their arguments. Often their ideas have multiple interpretations and are quite difficult to decipher. Therefore, we rely on mainstream interpretations and translations of the most prevalent and authentic parts of their writings.

The founders were born about 2500 years ago, approximately 500 to 300 BCE. Laozi, founder of Daoism, was a contemporary of Confucius. Han Fei, founder of Legalism, learned from a teacher believed to be a student of Confucius. Both Laozi and Han Fei authored their respective books, but Confucius's legacy was gleaned by his pupils from their dialogues with Confucius. All three founders targeted their teachings to emperors and their officers, which can be analogous to contemporary CEOs and middle managers. Table 1 shows the major ideas, leadership principles, and contemporary Western leadership theories most similar to each school. We describe the three schools in chronological order of their development to show possible influence of earlier thoughts on later ideas and the possible of influence of time as a context.

Daoism on leadership

Daoism is named after the difficult-to-define term *Dao*. Laozi's book, *Dao De Jing*, explains that Dao comes from a mystery that cannot be explicitly stated or expressed. The meaning changes at different places in the text, but its most essential meaning is that Dao comprises true, authentic, unchangeable laws ruling all things. Thus, all people, including leaders, must follow its guidance.

Daoism teaches leaders to avoid useless and counterproductive actions. One of the most famous sayings on leadership from *Dao De Jing* is "Governing a large state is like cooking a [pot of] small fish" (Lynn, 1999, p. 164), which "means no stirring. Action results in much harm, but quietude results in the fulfillment of authenticity. Thus the larger the state, the more its ruler should practice

Table 1
Leadership and three traditional Chinese philosophies.

	Daoism	Confucianism	Legalism
Title of original treatise	Dao De Jing (aka Tao Te Ching).	The Analects. A record of dialogues with Confucius, written by his students.	Hanfeizi
Founding philosopher or "teacher"	Lao Zi (aka Li Dan, Li Er, Lao-Tzu, Lao-Tsu, Lao-tze)	Confucius (aka Kong Qiu, Kong Zi, Kong Fuzi, K'ung Fu-tzu, the Master)	Han Fei (aka Han Fei Zi)
Birth, death, relationship to the other two philosophers	B. circa 571 BCE D. circa 471 BCE Oldest of the three	B. 551 BCE D. 479 BCE 20 years younger than Lao Zi who answered Confucius's questions regarding rituals.	B. 281 BCE D. 233 BCE (about 300 years after Lao Zi). Learned from Xun Zi, a student of Confucianism.
Target	Born rulers	Born rulers, officers, and ordinary people	Born rulers and officers
Basic leadership arguments	No over-leading, no action, empower subordinates to lead, balance and avoid extremes, selflessness	Establish healthy virtuous climate through learning, meditation, and self-reflection. Differentiate benevolence, respect, and ritual to encourage followers. Promote and praise followers.	Use power to exercise influence. Establish laws and use contingent awards to fit human nature. Implement rules universally, no personalized approach, promote by experience.
Most relevant current leadership models	Laissez-faire Servant leadership Authentic leadership Empowering leadership Paradoxical leadership	Transformational leadership Paternalistic leadership Leader–member exchange Individual consideration	Initiating structure Transactional leadership Path–goal leadership