

## **Confucian foundations to leadership: a study of Chinese business leaders across Greater China and South-East Asia**

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This study examines the degree to which Confucian ideology is evident in the practices of modern Chinese business leaders. Based on a review of the literature, the study uncovers evidence of four historical influences: Confucianism, Daoism, Mohism and Legalism along with one modern influence, Communism. In relative terms, Confucianism is the most dominant ideological influence and the one that most distinguishes the fundamentals of Asian business leadership from those of the West. A conceptual model of the archetypal Confucian business leader is developed and then applied to the content analysis of a recent biographical database of 200 Chinese business leaders. Four exemplars of Confucian leadership in the modern business context are described, one each from Mainland China, Hong Kong, Taiwan and Malaysia/Singapore. It is proposed that this study has scholarly and pedagogical implications, including demonstrating the relevance of traditional Asian thought to extend Western-centric theories of leadership and identifying Asian leadership exemplars to enhance current business school curricula.

**Keywords:** Asian leadership; Chinese chief executives; Confucianism; cross-cultural; leadership development

### **Introduction**

Asia's economic transcendence has reached a 'tipping point' such that social, cultural and scholarly influences now augment the flood of exports flowing from East to West. Whether in the form of architectural magnificence at the Beijing Olympics, green investment in Korea or software brilliance in India, the West is starting to pay close attention to Asia's soft wealth, its cultural and intellectual munificence as well as its hard wealth in terms of finance, goods and services. The long-standing dominance of Western-centric knowledge, characteristic of the twentieth century, is becoming eclipsed. It is predicted that the twenty-first century will belong to the fast-rising Asian powers (Mahbubani 2008, Kim *et al.* 2011).

Against this backdrop, management and human resource management scholarship in Asia have been in a state of flux (Yeung *et al.* 2008) and are ready for more scholarly attention (Rowley and Warner 2010). Meyer (2006) exhorts that Asian management research needs to assert more confidence in the face of Western influence. He points out the paradoxical challenge confronting scholars of achieving international publication in predominantly Western journals while maintaining local relevance.

In parallel, the omnipresent drive towards 'globalization' has created its own set of challenges. The unanswered question is 'Will our future be such that issues of national and

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regional difference pale in comparison to the homogenizing universalism of global corporate behemoths?' This study takes the position that cultural distinctions will remain both relevant and insightful. It agrees with the views of renowned cross-cultural management scholar, Hofstede (2007, p. 419), who, commenting on Asian management in the twenty-first century, states, 'My viewpoint that management problems remain the same over time, but that their solutions differ from country to country is politically incorrect in an age in which business is supposed to be globalizing.' Hofstede citing Tung (2005) goes on to suggest that a reversal is on the horizon in which future Asian managers will require cultural awareness training in order to understand their European and American subordinates.

The focus of this study is on one of the most popular, salient and controversial facets of current management scholarship, that of leadership. Indeed, the explosive growth of research in leadership has paralleled that of the successful Asian economies. Rao (2008, p. 55) from the London Business School refers to leadership as a 'hot topic' and goes on to suggest that its current salience is a natural response to increasing turbulence in most aspects – economic, environmental, social and technological – of our global world. Eminent leadership scholar Bennis (2010, p. 64), with Joan Goldsmith, reinforces the critical need for genuine leadership stating, 'Genuine leaders seem almost to be an endangered species, caught in a whirlwind of events and circumstances beyond rational control.' Stogdill (1974, p. 259) noted that 'There are almost as many definitions of leadership as there are persons who have attempted to define the concept.' Clearly, leadership theory is multi-faceted and dynamic. There is continual evidence of emergent new paradigms, including authentic leadership (Avolio and Gardner 2005), distributed leadership (Pearce *et al.* 2010) and neuroleadership (Rock 2010).

Of specific relevance to this study, leadership has become of increasing scholarly interest as a cross-cultural phenomenon; a trend sparked by Dickson and colleagues (2003) seminal work which now culminates in a broad array of publications (e.g. Deng and Gibson 2011, Festing and Maletzky 2011, Guthey and Jackson 2011). In addition, extensive research conducted under the *GLOBE* study has reinforced the importance of cross-cultural acumen for today's business leaders (House *et al.* 2004, Javidan *et al.* 2006).

Given the growth in the Asian economies, it is natural to explore the driving forces behind its momentum, including that of effective leadership. Ulrich (2010) edits a compilation of informed views across Asia as to the dynamics of effective leadership, emphasizing the quintessentially 'Asian' concept of achieving balance across paradoxes. Lin (2008), in reference to China, recommends the study of Chinese leadership in order to provide insights into improved economic performance. Pittinsky and Zhu (2005, p. 936) are quoted as 'The study of the changing Chinese culture and its impact on Chinese leadership is a gold mine for leadership researchers.'

This study posits that Chinese business leadership is distinctive relative to Western practice. It provides evidence to suggest that the source of differentiation manifests at the level of ideological foundations. Specifically, this study finds that Confucianism offers explanation and insight as to the nature of modern Chinese business leadership. This finding has implications for both research and practice: first, it highlights the relevance of traditional Asian thought to leadership theory development (Meyer 2006, Fang 2010). Second, it reinforces the culture-specific (*emic*) nature of leadership research (Leung 2007, Bruton and Lau 2008). Finally, it responds to recent calls in the literature (Ghemawat 2008, Navarro 2008) for more Asian leadership exemplars to counterbalance Western dominance in current business school curricula.

## Research questions

The purpose of this study is to address three research questions:

1. How does Confucian ideology render in terms of a modern business leadership archetype?
2. Is there empirical evidence of Confucian leadership in current Asian business practices?
3. What are the implications of Confucian ideological influences for leadership theory and development?

## Methodology

This qualitative research relies on a comprehensive biographical database of the top 200 business leaders identified as instrumental to Chinese economic growth. Until recently, such data were not available to the West in a structured and comprehensive format. Fortunately, Zhang and Alon (2009), over a period of several years, along with a collaborative team of 40 scholars, developed a biographical dictionary of *New Chinese Entrepreneurs and Business Leaders*. Each leader is profiled with an entry (400–1000 words) which summarizes his or her life history, career, roles and accomplishments to date.

While Zhang and Alon's (2009) biographical database comprises 200 subjects, this study is limited to a relevant subset of leaders ( $n = 99$ ) who legitimately can be classed as representative of mainstream Chinese society and as 'exemplary' while performing in the role of a business CEO (chief executive officer). Remaining database entries were excluded for the following reasons: (1) although of Chinese origin, some individuals were excluded as not representative of mainstream Chinese society because they had been exposed to significant influence from Western ideology and management thinking through education and/or early work experience in the West (e.g. Chang, Chung-Mou 'Morris', founding chairman of Taiwan Semiconductor, who received his MS degree from Massachusetts Institute of Technology, PhD from Stanford University and went on to work for Texas Instruments, and Wu Ying, President and CEO of UT Starcom China, who earned a graduate degree in electrical engineering from New Jersey Institute of Technology and went on to work at Bell Labs). Under the second classification criterion (exemplary business CEO), a number of individuals were excluded from the analysis because (2) they were Chinese individuals instrumental to business growth, but not in role of business chief executives, rather they contributed as content experts from academe and government policy organizations (e.g. Liu Ji, former President of the China–Europe International Business School, and Wang Mengkui, Director of the Development Research Center of the Chinese State Council); (3) they were individuals whose contribution to enhanced growth was in the form of financial reforms to create more efficient capitalization and markets (e.g. Ma Hong, one of China's most influential economists, and Yang Mingsheng, Vice chairman of the China Insurance Regulatory Commission and former President of the Agriculture Bank of China) or (4) they were individuals who had been business luminaries, including CEOs, but who were not deemed 'exemplary' because they had been found guilty of crimes including fraud and corruption (e.g. Lai, Changxing, former head of Yuanhua Group, who was charged with smuggling goods into China (\$6.4 billion) and remains at large in Canada fighting extradition charges, and Mou Qizhong, former President of Nande Economic Group, who received life in prison for defrauding a state bank in receipt of a \$75 million loan).

This study developed, from the literature, an archetypal model of the modern Confucian business leader. This archetype was applied using content analysis methodology

(Krippendorff 2004) to the biographical data. Each chief executive was scored on a scale from '1' (antithesis of Confucian ideology) to '10' (exemplary of Confucian ideology), with '5' indicating no clear evidence either way of ideological influence in reported leadership behaviour. To score high on this scale, content analysis of the individual's biographical data had to uncover evidence of Confucian ideology such as attention to *he* (harmonious relations at work and in business dealings). Li's (2008) work provides evidence as to the centrality of the concept of harmony within Confucian thought. To score low on this scale, the content analysis had to display evidence of a dialectical orientation in which the world is viewed, opposite to harmonious, as a pluralistic collision of thoughts and contradictory values (Van de Ven and Poole 1995).

This methodology identified 46 Chinese business leaders who showed evidence of Confucian philosophy in their thinking and behaviour, of which exemplars (those scoring 9 to 10) were researched in greater depth using literature and web-based sources. Four of these exemplars were chosen as illustrative and representative for the purposes of this study. These particular four were selected under the following criteria: (1) geographical representation across the business domains of Greater China and South-East Asia and (2) the availability of more primary biographical data, including Western business press publications and translations from the Chinese business press, with which to corroborate the initial material from Zhang and Alon's (2009) biographical dictionary.

### Chinese business leadership

The first point to note with respect to the academic literature on leadership in China is its growth. While its volume remains negligible relative to the proliferation of Western-oriented publications, which currently runs in the order of 3000 scholarly articles each year, the trend is positive. Based on their study of prominent academic journals, Bruton and Lau (2008, p. 645) state, 'More recently the amount of Asian-focused group and team research has expanded and has concentrated on leadership and trust.' Similarly, a simple online analysis using *ProQuest* indicates 8 scholarly articles in 2000 versus 26 in 2010, using 'leadership' as the subject and 'China' as the geographical location. Analysis of the literature using larger data-sets produced by comprehensive search engines (i.e. Google Scholar) produces evidence of three generic publication categories: (1) articles which study China's leadership as a nation and its increasing role in world affairs (e.g. Samy 2010); (2) articles which focus on business leadership but import and largely replicate existing Western studies (e.g. Zhang and Bartol 2010) and (3) articles which focus on the indigenous aspects of leadership in China (e.g. Seah *et al.* 2010). For the purposes of this research, only the third set is considered.

There are important distinctions between indigenous research that is 'context-specific' and comparative research that is 'context-embedded'. Tsui (2004) notes a degree of reciprocal scholarly potential between the two such that greater dimensionality can be incorporated into existing theories, and new phenomena, concepts and relationships can be created. Meyer (2006) proposes that indigenous research can contribute to global scholarly discourse, provided that the issue of contextualization is addressed comprehensively. The following literature, presented in chronological order, is illustrative of the context-specific literature on Chinese business leadership.

Seah and colleagues (2010) observe that very little is known about how national culture influences the leadership behaviours of Chinese CEOs. They found that indigenous leadership was efficacious in Chinese workplaces where 'personalism' (attention to personal relationships) and 'particularism' (situationally specific circumstances) were

dominant. Based on their case study on the implementation of a strategic IT system, they concluded (p. 372) that 'Chinese CEOs must strategically adapt their styles to match the prevailing socio-cultural milieu'.

Chen and Kao (2009) propose that Chinese leadership is distinct from that of the West. They studied leadership style in relation to non-Chinese subordinate psychological health. From the perspective of underlying leadership ideology and basic assumptions, their research found the dimension of 'paternalism' to be prominent and distinctive. Paternal leadership encompasses the concepts of authority, morality and benevolence. Its ideological origins are Confucian with minor secondary influence from Legalism's rule of law (Farh and Cheng 2000).

Lin (2008) provides a comprehensive review of the academic literature on Chinese culture and leadership. Evidence was found to indicate that three value systems provide the ideological foundation for Chinese leadership practices: Confucianism, collectivism and Communism. He concludes that collectivism has been prominent in cross-cultural leadership research but suggests that Confucianism and Communism offer potential as avenues for future research.

The question of what makes an excellent Chinese business leader was addressed in a structural modelling study by Selvarajah and Meyer (2008). They found (p. 371) that 'giving recognition for good work, having a strategic vision and creating a sense of purpose and enthusiasm' were instrumental in identifying leadership excellence. They also noted that these attributes are closely associated with Confucian values and long-term orientation.

Cheung and Chan (2008) call attention to the paucity of research on how Chinese leadership styles drive organizational success. In their analysis of interview data from 11 Hong Kong Chinese CEOs, they found Confucian and Daoist ideology to be relevant and explanatory. They propose (p. 474) that 'The Chinese style of leadership is distinguishable from the Western style that encompasses transactional, transformational, Christian or servant, and connective philosophies.' Specifically, their research findings were threefold as follows: (1) leadership practices consistent with Confucian and Daoist ideological foundations were distinct from Western styles, (2) organizational success from the perspective of leadership effectiveness is a function of trust, coordination, commitment, competence and innovation among followers and (3) creating employee security is a critical success factor in the Asian workplace.

Tsang (2007) studied the influence of national culture on performance management in the Chinese software industry. She found that the success of indigenous firms is associated with leaders who align their firms' performance management with the core cultural value of collectivism as a derivative of China's Confucian tradition. Her research concludes as follows:

By examining case study evidence of ten successful firms, this paper has demonstrated the significance of the cultural value of collectivism in relation to performance management in human resources among entrepreneurial Chinese software firms which originate from the Confucian tradition and are shaped by both the command economic system and the socialist market system. (p. 281)

Cheung and Chan (2005) studied the philosophical leadership foundations of eminent Hong Kong Chinese CEOs. This study looked across four ideological foundations: Confucian, Daoist, Mohist and Legalist. Citing the work of Dickson and his colleagues (2003), these researchers propose that the paternalistic and collective styles of Chinese leadership are different to the rationalistic and participative styles characteristic of the West. From the perspective of business ethics, this study found that Chinese leadership,

while reliant on Confucian principles, also incorporates Daoist (i.e. non-intervention), Mohist (i.e. altruism) and Legalist (i.e. impartiality) ideologies.

In a study of the variation in leadership styles among Chinese CEOs, Tsui and colleagues (2004) propose, in addition to the infiltration of Western philosophies, that Confucian and Communist ideologies are the most relevant ideologies. On a cautionary note, however, these researchers offer three caveats: (1) not all Chinese leaders are alike, (2) there is no one leadership stereotype in modern China and (3) cultural foundations are dynamic as China evolves socially in parallel with the dramatic pace of its economic growth.

Fu and Tsui (2003) studied print media in China over an extended period in order to define desirable leadership attributes. Building on the work of Li (1984), they state (p. 424), 'If we were to characterize in one word the ideologies, or cultural values, which have influenced the thinking and behaviours of the Chinese people the most, the word would be *Confucian*.' However, they also recognize the influence of contemporary ideology including Communism.

Finally, Li and colleagues (1999) found that Confucian ideology results in distinctive leadership practices relative to those in the West, in particular with respect to *guanxi* and 'in-group/out-group' approaches to group dynamics.

To conclude from the literature, there is evidence to suggest that Asian leadership, in particular Chinese leadership, is different from that of the West and that the basis for this distinction emerges from long-standing ideological and cultural orientations. It is also important to recognize that this dissimilarity is necessarily efficacious, not just in a symbolic sense but also in terms of leadership effectiveness and organizational success. With respect to ideological influence (see Table 1), Confucian philosophy clearly dominates; however, there are indications of influence from Daoist, Mohist and Legalist traditions. Of more recent relevance, the ideological impact of Communism is recognized.

### **Archetypal Confucian business leader**

To create an amalgam of Confucian ideology that models the contemporary Chinese business leader was a difficult task that had its limitations. Confucianism as an ideology has been dynamic over a span of 2000 years. While it centres on the historical figure of K'ung Ch'iu, later identified as K'ung-fu-tzu (551–479 BCE) or literally 'Master Kong', who is known in the West as 'Confucius' (a Jesuit translation into Latin in the sixteenth century), there have been many influences. Confucius himself was influenced by the teachings of the Western Zhou dynasty (1046–771 BCE), including those of scholar-minister *Shi Bo* who emphasized the concept of *he* (harmony) in taste, music and society (Li 2008). As a 'Master' in his own right, Confucius had his own students who lived on to document and interpret his philosophy. Boardman and Kato (2003) present a comprehensive, chronological overview of the main Confucian texts. One of the primary Confucian texts is the *Analects* (Slingerland 2003), which was published after his death. It has been found that several versions of this seminal document exist along with evidence to suggest that revisions have been incorporated in favour of subsequent generations (Brooks and Brooks 1998).

A leading proponent of Confucianism was *Mèng Zi* (Mencius, 372–289 BCE) who focused attention on the innate goodness of human nature. Around the same period, the Confucian philosopher, *Xún Zi* (312–230 BCE), took an opposing stance and proposed the antithesis, that of human badness, based on his observations of human hedonistic propensities and emotions. As such, he argued for greater reliance on rules and law, thereby creating an ideological bridge between Confucianism and Legalism.



Table 1. Evidence of ideological influence in Chinese leadership studies.

	Confucianism	Daoism	Mohism	Legalism	Communism
Seah <i>et al.</i> (2010)	Personalism and particularism	*	*	*	*
Chen and Kao (2009)	Benevolence and morality	*	*	Authority	*
Lin (2008)	All facets with emphasis on development of self	*	*	*	Commitment to the law, to the party and to fairness
Selvarajah and Meyer (2008)	Giving recognition, vision and sense of purpose	*	*	*	Attention to work demands
Cheung and Chan (2008)	Virtuous practice and benevolence	Naturalism, opportunity and change	*	*	*
Tsang (2007)	Harmony and relationships	*	*	*	*
Cheung and Chan (2005)	Benevolence, harmony, learning, loyalty, righteousness and humility	Flexibility and reversion (weak can defeat the strong)	Thrift and working with the masses	Self-control and innovation	*
Tsui <i>et al.</i> (2004)	Rituals, relationships, restraint and benevolence	*	*	*	Service to the people, hard work, loyalty and sacrifice
Fu and Tsui (2003)	All facets with emphasis on the virtues and five constants	*	*	*	Service, self-sacrifice, party policies and state laws
Li <i>et al.</i> (1999)	Relationships including in- and out-group and <i>guanxi</i>	*	*	*	*

Note: \*, no evidence.

Neo-Confucianism, a later version, emerged in the Song Dynasty (1130–1200) under the influence of *Zhū Xī*. It is interesting to note that ‘while overtly condemning Buddhism and Daoism, these scholars were busy combining metaphysical elements borrowed from these two religions with traditional themes from Confucian classics such as the *Analects*, the *Mencius*, the *Book of Changes*, the *Book of Rituals*’ (Tan 2003, p. 98). The most modern, twentieth century adaptation is known as ‘New Confucianism’, which is described as a ‘neo-conservative philosophy with religious overtones’ (Makeham 2003, p. 2). It should be recognized that Confucian ideology is regaining mass popularity and returning to fill the increasing void left by Marxist Communist doctrine, as evident by the prominence of the concept of *he* (harmony) that was celebrated in the Beijing Olympic Games slogan of ‘One World, One Dream’. In fact, political scholar Bell (2008) suggests that the Confucian concept of social hierarchy may act as a positive influence towards economic equality in China.

A number of scholars have applied Confucian ideology to the context of modern business. One of the most comprehensive treatments is Chen and Lee’s (2008) edited book entitled *Leadership and Management in China: Philosophies, Theories and Practices*. Integrating across a variety of contributors, this book discusses Confucianism, Daoism and Legalism, including similarities and differences. Themes that manifest in the modern workplace such as paternalism, collectivism and relationalism are covered in detail. The Confucian ideal of benevolent leadership is emphasized, building on the values of *rén* (仁) (benevolence/humanity), *yì* (義) (righteousness/honesty), *lǐ* (禮) (etiquette/politeness), *zhī* (知) (wisdom/knowledge), *xìn* (信) (faithfulness/fidelity) and *xiào* (孝) (filial piety).

Lin (2008, p. 308) states that ‘Confucian values remain a major cultural force underlying leadership practices in Chinese as well as other East Asian societies’. He provides a detailed table of cultural dimensions, contexts and leadership behaviours and proposes that business leaders embrace the leadership attributes of ‘benevolence as manifested in paternalism, sympathy, forgiveness, friendliness, trust and need fulfilment, harmony, learning, loyalty, righteousness and humility’.

Tsang (2007) points out that Confucianism has fostered collectivism in China, which manifests itself as *guanxi* relationships. In reference to the *Analects*, she reinforces the importance of social roles and situational constraints when the leader makes judgments. She writes (p. 275), ‘after hearing of a man being called a “man of integrity” for being a witness against his father in court, Confucius commented that “Men of integrity in my community are different. The father conceals for his son and the son for his father, therein integrity is found”’ (Wong 1991, p. 243).

Yan and Sorenson (2006) provide a summary of the literature pertaining to the influence of Confucianism within the context of Chinese family businesses, with particular focus on the issue of succession. They state (p. 239) that ‘social and economic network relationships (*guanxi*) are highly valued and tend to be based on personal friendship and trust (*xin yong*) rather than contractual relationships’.

Cheung and Chan (2005) discuss Confucian doctrine as it applies to leadership, noting the salience of the following concepts: benevolence, righteousness, harmony, loyalty, humility and learning. They propose that learning is a core concept in order to achieve the Confucian ideal of becoming an erudite and moral gentleman (*jūn zǐ*). In addition, there is a high emphasis on relationships starting with those of family and ancestors and emanating outwards. Implicit in the concept of relationships is the importance of loyalty. The essence of Confucian business leader practices is defined as (p. 49) follows: ‘Because leaders act like parents, they should be forgiving and magnanimous, and abstain from coercing their subordinates. Rather, they should educate their subordinates patiently in order to enhance their virtues.’



Gallagher and Rarick (2001) suggest that Confucian ideology has significant implications for modern leadership practices. Central to this philosophy is the notion of a moral obligation on the part of the leader to serve. Similar to other scholarly analyses, the requirement to enrich and educate subordinates is also highlighted. The concept of 'balance' (harmony) is important as is the concept of 'virtue' which provides the leader with the means to resolve competing interests between stockholders, employees and customers. These researchers (p. 250) quote Confucian doctrine (Leys 1997, 2.1) as follows: 'He who rules by virtue is like the polestar, which remains unmoving in its mansion while other stars revolve respectfully around it.' According to Gallagher and Rarick, the core leadership foundation of Confucianism is 'reciprocity'. They quote (p. 250) from the *Analects* as follows: 'When asked if there was a single word that could guide one's entire life, the Master said: "Should it not be reciprocity? What you do not wish for yourself, do not do to others"' (Leys 1997, 15.24).

Wah (2001) reinforces the importance of familism and moral obligation which he suggests will manifest in a paternalistic style of leadership. He also highlights (p. 79) the patient, long-time horizon of the Chinese business leader, 'Being a futurist, the Chinese leader is good at identifying and exploiting business opportunities.'

Chin and colleagues (2001) propose that Confucian ideology manifests in four leadership practices as follows:

First, the leader should instil in followers a sense of security and peace of mind. Second, the leader needs to identify each person's particular talents that may contribute to the organization's needs. Third, the leader should establish himself or herself by establishing or promoting the success of the followers. Fourth, the leader should enrich followers by extending them opportunities to build their careers. (p. 22)

Careful analysis of these and other sources suggests two manifest patterns: (1) although there is a clearly evidence of complexity and diversity, there is an emerging structure that is convergent and (2) implicit in this structure is a hierarchical set of principles. Table 2 presents a proposed conceptual framework of the modern-day, Chinese leader who manifests Confucian ideology in his or her business practices.

### **Illustrative exemplars of Confucian business leaders**

This section will present four illustrative exemplars of Confucian business leadership at work. Each leader has been selected on the basis of the quality of their personal reputations on the world stage as well as on the long-term success track record of their organizations. All four were initially identified through content analysis of Zhang and Alon's (2009) biographical dictionary as indicative of a Confucian leadership style through application of the proposed conceptual archetype (Table 2). Subsequent analysis was conducted to expand, triangulate and corroborate Zhang and Alon's data. This analysis incorporated articles from the academic literature and the business press. In addition to Mainland China (Zhang Ruimin – Haier Group), exemplary Asian leadership representation is provided from Hong Kong (Li Ka-shing – Hutchison Whampoa), Taiwan (Stan Shih – Acer) and Malaysia/Singapore (Robert Kuok – The Kuok Group).

#### ***Zhang Ruimin – Mainland China – CEO and Chairman of the Haier Group***

##### *The company*

Haier is one of the ultimate Chinese business success stories and illustrative of the efficacy of strong Asian leadership founded on cultural values. Judged to be one of the 10 most

Table 2. The archetypal Confucian business leader.

<i>Level one</i>	<i>Leadership style</i>
Benevolent leadership ( <i>jūn zi</i> )	The foundation elements of Confucianism are <i>ren</i> (benevolence), <i>yi</i> (righteousness) and <i>li</i> (etiquette) as evident in the <i>Analects</i> and other core texts. Attention to these ideals manifests as <i>jūn zi</i> which characterizes the 'superior person' or 'person of humanity'. The ultimate goal is to build a harmonious and benevolent world. The Confucian business leader who serves as a <i>jūn zi</i> or exemplary role model will continually promote Confucian ideals and model them to followers (see <i>Analects</i> 6.25).
<i>Level two</i>	<i>Leadership principles</i>
Virtue ( <i>de</i> )	In accordance with Confucian ideology, the leader must be guided by a sense of virtue, defined as set of enduring beliefs and values. To be virtuous, the leader should discount more mundane transactional considerations of situational cause/effect and cost/benefit. This principle contributes an 'honourable' or 'moral' imperative to leadership. The Confucian business leader who manifests <i>de</i> (virtue) will attract followers towards positive ideals as opposed to threatening them with punishments and negative consequences (see <i>Analects</i> 2.3, also 13.6).
Harmony ( <i>he</i> )	Early Confucian thought emphasized <i>he</i> (harmony) with respect to the human senses, e.g. harmony in sound (music), sight (art) and taste (food). Later, this principle was extended to the concept of balance in general. With respect to the Confucian business leader, the principle of harmony requires that different opinions need to be listened to and different people need to be able to work together in a harmonious manner (see <i>Shi Jing</i> – Book of Songs).
Education ( <i>fū zi</i> )	Education and study are hallmarks of Confucian ideology. Confucius was himself known as a great teacher ( <i>fū zi</i> ) with thousands of students. His method was to teach by example. Also, subsumed within this principle is the concept of open access to education regardless of social standing. The Confucian business leader will manifest himself or herself as a teacher, showing interest in the development of followers. This will constitute education in the empowering sense of word (i.e. the ability for independent thought) as opposed to knowing (i.e. rote observance of facts and figures) (see <i>Analects</i> , 2.15).
Reciprocity ( <i>shu</i> )	A student is reputed to have asked Confucius for a single word that would serve as a guide to life. The Master responded that the word would surely be <i>shu</i> (reciprocity). This so called 'golden rule' of treating others as one would like to be treated himself, or herself, can be found across many ideological and spiritual doctrines. With respect to Confucian leadership in business, this principle shows itself in terms of more egalitarian work practices and less emphasis on hierarchical organizational structures (see <i>Analects</i> 15.23–15.24).
Familial collectivism ( <i>xiào</i> )	The concept of <i>xiào</i> (familial collectivism) is a key principle in Confucian ideology. The original version of this concept was limited to immediate family, but it evolved to include key relationships outside the family (i.e. ruler to ruled/friend to friend). This principle also introduces the concept of veneration for ancestors, which in turn encourages the observance of tradition. Under this principle, the Chinese business leader may display both positive and negative manifestations. On the positive side, attention to the culture of the organization and its traditions will be salient. In addition, relationships with staff will show evidence of long-term loyalty. On the negative side, this principle encourages <i>guanxi</i> (relationship networks) which can lead to corruption (see <i>Analects</i> , 1.2).

(Continued)

Table 2 – continued

<i>Level three</i>	<i>Leadership constants (Wu chang – the five constants)</i>
<i>Ren</i> (benevolence/ humanity)	<i>Ren</i> can be understood as the integration of two concepts. The first concept is that of empathy ( <i>shu</i> ), the ability to put oneself in another person's shoes. The second concept is that of excellence ( <i>zhong</i> ), striving to do one's utmost. In combination, these two concepts guide the leader to do his or her very best, where the metric of 'best' is defined in a collectivistic manner, for the good of all (see <i>Analects 6.30</i> ).
<i>Yi</i> (righteousness/ honesty)	<i>Yi</i> underlies the moral capacity of Confucian leadership. It focuses on what is right or fitting. This constant compels the leader not only to distinguish right from wrong but also to do what is right. The definition of 'right', under Confucian ideology, is along the lines of a Kantian imperative; it does not have a utilitarian connotation (see <i>Analects 17.23</i> ).
<i>Li</i> (etiquette/ politeness)	<i>Li</i> focuses on relationships with attention to ceremonial and ritualistic requirements. This constant influences how the Confucian leader interacts with others in two ways. First, it teaches that interpersonal relations need to manifest features such as reverence, respect, listening and consideration. Second, it underscores that individual action takes place within the broader context of social order, the implication of which is to reinforce the importance of humility (see <i>Analects 12.1</i> ).
<i>Zhi</i> (wisdom/ knowledge)	<i>Zhi</i> is an amalgam of Confucian concepts that essentially means the practical application of knowledge. Under Confucian ideology, knowledge can be obtained from both experience ( <i>tihui</i> ) and book learning. However, knowledge in and of itself is not valued; rather, it is the ability to put knowledge into practice ( <i>xing</i> ) in order to achieve a result of significance. The business leader who follows this constant will promote practical learning for his or her followers. Thinking, innovation and commonsense will be emphasized in the organizational culture over following rules, policies and procedures (see <i>Analects 2.15–2.17</i> and <i>6.20</i> ).
<i>Xin</i> (faithfulness/ fidelity)	<i>Xin</i> addresses the issue of personal integrity with particular emphasis on faithfulness, fidelity and trustworthiness. This constant manifests in the degree to which the leader delivers on what has been promised and keeps to his or her word. Confucian ideology instructs that leaders need to win the faith of their people before imposing governance upon them (see <i>Analects 9.24</i> ).

innovative companies (Notte 2010), Haier is currently the world's premier consumer appliances company. With annual sales (2010) in the order of US\$21 billion, it controls the largest share (6.1%) of the white goods market. Staffed by over 70,000 employees, Haier is truly international, including aggressive market and production expansion into the West. In 2005, it made an unsuccessful bid for American giant Maytag Corporation. In 2008, it engaged in takeover talks with General Electric for its appliance division but withdrew over concerns of cross-cultural integration, and in 2009, it took a 20% stake in New Zealand's Fisher and Paykel appliance company. Haier has become a global trendsetter and the one to watch.

Haier has not always been a paradigm of business success; in fact, its origins were the exact opposite. In the early 1980s, the company (then Qingdao refrigerator factory) was debt-ridden and near bankruptcy. From a dilapidated building, it was producing about 80 refrigerators a month, a good portion of which (20%) did not work. In 1984, city officials asked a young city manager, Zhang Ruimin, to take the position of managing director, the fourth such appointment that year. His first impression (Zhang 2007, p. 141) was 'a dump, its workers were unpaid, and its products were shoddy'.

*The leader*

Zhang Ruimin, born in 1949, is the son of working class parents who were both employed at the local Qingdao garment factory. Growing up under the upheaval of the Cultural Revolution, his formal education was sporadic. While he did earn an MBA much later in life, 1995, from the University of Science and Technology of China, he is a voracious reader who is largely self-taught. He is currently one of Asia's most respected business leaders, including invitations to lecture at Harvard Business School in 2008 and address Wharton's Global Alumni Forum in 2009.

*The Confucian*

Zhang Ruimin's leadership style epitomizes traditional Confucian values, in addition to integrating best business practice from the West. Zhang and Alon (2009, p. 247) characterize his leadership philosophy as 'a blend of international management principles and Chinese wisdom, with innovation and excellence at its core'. Hawes and Chew (2011) present evidence to show that Haier's success is a result of Zhang Ruimin's role as leader of the organizational culture, including (pp. 70–71) '(a) defining the corporate philosophy and values, (b) creating corporate "myths" that shock employees into a realization of the importance of the firm's values, (c) setting up rituals to celebrate the firm's heroes and publicly criticize those who fail to embrace the firm's values, (d) fixing values in place, in other words, getting all employees to internalize the values with financial incentives, management systems and process re-engineering and (e) leading by example, ensuring that the CEO is subject to the same values as everyone else in the firm'.

I want each employee coming to work for Haier to have the sense that he or she can find a place in the company to realize his or her own values as well as creating value for the enterprise. I have no desire to over-supervise employees. (Zhang 2007, p. 4)

Zhang Ruimin's leadership behaviour accords well against the proposed conceptual model of modern-day Confucian leadership (Table 2). He is first and foremost a benevolent leader with an obvious paternalistic nature. Upon appointment as the Director at the Qingdao refrigerator factory, he immediately took charge of the appalling work conditions. He arranged for the 800 workers to be paid after waiting several months, exchanged trucks for buses to transport workers in more comfort and gave out small gifts to celebrate the Chinese Lunar New Year. He states (2007, p. 2), 'I borrowed again to buy each worker a New Year's gift of five catties of fish. It may seem laughable now, but that gesture had an immediate and positive effect.'

Zhang's leadership philosophy is described in the *China Daily* ('Haier's Zhang strives to create global brand name' 2000) as follows:

Though with an MBA degree from the University of Science and Technology of China, Zhang, who believes that a successful entrepreneur should also be a philosopher, is quite familiar with such Chinese classics as the *Analecets*, a collection of about 500 sayings of ancient Chinese thinker Confucius and his major disciples, and the *Art of War*, a famous military book written by Chinese military strategist Sun Wu [a.k.a. Sun Tzu] about 2,500 years ago.

Further evidence as to Zhang's Confucian leadership style is provided by Yi and Ye (2003) as follows: the first is to follow the three cardinal guides (ruler guides subject, father guides son and husband guides wife) and adhere to the five constant virtues (benevolence, righteousness, propriety, wisdom and fidelity). The second is to value education and self-cultivation for the betterment of society. The third is that official title should not pass from father to son; rather, a context of equal opportunity needs to be created, in which everyone

can compete on merit. According to Zhang, 'The goal of living, then, is to achieve harmony and enjoyment for oneself and others through acting appropriately in prescribed and predetermined roles in such relationships' (Yi and Ye 2003, p. 177).

### ***Li Ka-shing – Hong Kong – Chairman of Cheung Kong Holdings and Hutchison Whampoa***

#### *The companies*

Cheung Kong (Holdings) Limited is the flagship of the Cheung Kong Group which encompasses business operations in 52 countries, employing about 250,000 staff, with enterprises as diverse as property management to media to biotechnology. Market capitalization (2011) is in the order of US\$115 billion.

In Hong Kong, it is almost impossible for anyone to avoid making money for the Lis [Li family]. Whether living in a Cheung Kong apartment, switching on a Fortress appliance powered by Hong Kong Electric, buying groceries at a Park 'N Shop or toiletries at Watson's, listening to a Metro Radio or soon a PCCW-HKT line, people in the Special Administrative Region are a captive market. (Saludo 2000 cited in Nohria *et al.* 2006)

Hutchison Whampoa is a Fortune 500 company with long-standing Hong Kong roots dating back to 1863 when British merchant John Hutchison established the Hong Kong and Whampoa Dock. Today, it is an international corporation comprising port operations and telecommunications, in addition to utilities, properties, hotels and retail outlets.

#### *The leader*

Li Ka-shing was born in 1928 in the Chinese coastal city of Chaozhou. In 1940, he fled with his family from the Sino-Japanese war to Hong Kong. Unfortunately, the war followed the Li family, and while young Li was viewed as a bright, avid student, his schooling was disrupted. Li's father, a teacher, contracted tuberculosis and died in 1943. On his deathbed, he implored his eldest son, Li Ka-shing, to never forget his ancestral roots and apologized for not providing him with the opportunity for a good education. At the age of 15, Li Ka-shing became head of the family and took a job with a plastics trading company. By 1950, he had started his own plastics company, selling simple combs and soapboxes, which he subsequently developed into a global business empire comprising banking, construction, real estate, plastics, cellular phones, transportation infrastructure and shipping.

In 1979, Li Ka-shing bought the majority shareholding (23%) in one of the oldest, most venerable 'hongs' or trading companies, Hutchison Whampoa, becoming the first Chinese business leader to do so. Zhang and Alon (2009, p. 81) describe him as follows:

Chairman of Hutchison Whampoa, Li Ka-shing has a reputation of leading a modest lifestyle, despite holding the title of the wealthiest man of Chinese descent in the world. Apart from being considered the most influential and powerful businessman in Asia, he is also regarded as one of Asia's most generous philanthropists. His political and financial clout has earned him the nickname of 'Superman' in Hong Kong, where his global empire is based.

#### *The Confucian*

Numerous aspects of Li Ka-shing's leadership style manifest evidence of a Confucian orientation, starting with his quiet humility and spanning to his deep concern for personal reputation based on being polite and acceptable to others. He refers (Kraar 1992, p. 60)

metaphorically to the Yangtze River (*Chang Jiang*) and equates its greatness to its ability to combine many tributaries, stating:

Why did the Yangtze become a long river? It's because it can accept smaller rivers and become big. Outside, I was polite to everyone, but inside I knew I was too powerful. So I told myself – when you start your own business, you need to be more polite, more acceptable to people. If you're too powerful and reject the smaller waters, you cannot become a long river.

Despite considerable hardship and long working hours as a young man, he followed the Confucian principles of self-development and education; meeting with a private tutor, two nights per week starting at 10:30 pm. Li Ka-shing is quoted (Nohria *et al.* 2006, p. 3) as follows: 'While other people learned, I grabbed . . . grabbed knowledge. Without the money for new books, I bought old ones, textbooks used by teachers for high school . . . I was working for a future'. Kessler and Wong-Mingji (2009) in their book, *Cultural Mythology and Global Leadership*, suggest that Li Ka-shing exemplifies Confucian values through his attention to family and high esteem for education.

When you study hard and work hard, your knowledge grows. And it gives you confidence. (Li Ka-shing quoted in Ferguson and Yin 2007)

Li Ka-shing also recognizes the importance of being trustworthy and building personal relationships. Chan (1996, p. 82) states,

My reputation has been one of the main reasons for my success. It has enabled me to obtain joint-venture partners that I have always needed. If people trust you, it will be ten times easier to attract partners and get the work done.

Keeping with the Confucian tradition of familial collectivism, Li Ka-shing's empire is now managed by his two sons Victor (Chueng Kong – Holdings) and Richard (Telecom giant – PCCW). Victor states (Mitchell 1995, p. 377), 'There is no difference between my father's personal investments and my personal investments. It's one. It is called family investment and that's it. The only separation is between family and public companies'.

### ***Stan Shih – Taiwan – Founder of Acer Incorporated***

#### *The company*

Acer is the world's No. 2 personal computer company after Hewlett Packard. It had annual revenues (2010) in the US\$20 billion range and employs about 8000 people. While the company's head office remains in Taiwan, all of its manufacturing is now done in Mainland China. The company was founded in 1976 under the name Multitech by Stan Shih and his wife, Carolyn Yeh, along with four colleagues and US\$25,000 in capital. At its inception, it was a distributor of electronic parts as well as a consultancy on microprocessor technology. Today, it is a globally recognized ICT company known for its innovative computer notebooks and mobile devices. Its business success is attributed to Shih's global vision, including technological innovation and international collaboration. Shih is described by Paul Otellini (2006, p. 61), CEO of Intel, as 'a mild-mannered Taiwanese electrical engineer'. Zhang and Alon (2009, p. 156) describe him as 'an intelligent businessman, Shih has made continual efforts to learn and master new management and strategic concepts'.

#### *The leader*

Stan Shih was born in Chang-Hwa, Taiwan, in 1944. His father passed away when he was only 3 years old, and his mother, who made many sacrifices for the family while working hard to run her small grocery store, became his inspiration and role model. According to



his wife, Carolyn (Shih 1996), Stan suffered under the doubt of an employer early in his career and resolved never to do the same thing to his own staff. He operates under a developmental philosophy with the expectation that increasing employee potential will yield greater innovation and productivity. Similar to other Confucian leadership exemplars, he is of humble nature and lives a relatively simple life, not overly concerned with material acquisitions. However, unlike the previous two exemplars, he is a university graduate with a Bachelor's Degree (1968) and a Master's Degree (1971) in Electronics Engineering from Taiwan's National Chiao Tung University.

### *The Confucian*

The most insightful and detailed source into Stan Shih's thoughts and personal leadership philosophy is his own book (1996) entitled: *Me too is not my style*. Here one can find Stan Shih the philosopher and the Confucian thinker. He often makes reference to the ancient sayings ('By keeping the green hill there, no fear of no firewood to burn') and Chinese traditional values, including paraphrasing (p. 241) the *Analects* (2.17), as follows:

Besides, low learning cost and creating an environment for continuous learning, a business leader has to continually enhance his own management capability. At the same time, he also has to nurture the capability of knowing what he knows, and not pretend to know what he does not.

Core principles of Confucian ideology are evident in Stan Shih's leadership, including trust in the innate goodness of human nature. He describes the 'Acer Way' in terms of a corporate culture that resolves the conflict between superiors and subordinates and emphasizes 'human nature is basically good'. He goes on to state,

These operational philosophies all contradict the traditional control oriented management model, but they are the main reasons why Acer has been able to break out from the distressing conditions caused by the major transformation of the computer industry and achieve another peak in growth. (p. 7)

His style is clearly that of a benevolent leader who recognizes the importance of empathy and looking out for the interests of others. He writes,

It is true human nature that all people consider their own benefits ahead of others. No matter how unselfish a person may be, he still tends to think of himself first. Hence, if we do not aggressively or even force ourselves to think on other people's ground, their benefits will easily be neglected. (p. 8)

The company must treat its employees kindly and set up a channel for them to express opinions. (Shih 1996, p. 21)

Having retired from Acer Group in 2004, Stan is involved with an investment management and business consulting firm, iD SoftCapital, and extensive philanthropic activities (Lin and Hou 2010), most notably creating the conditions to facilitate the emergence of a new generation of entrepreneurs. Shih (1996, p. 243) writes,

Everyone can have a goal. I was often asked about the difference between Acer and other's goals. For Acer and myself, the common goal has been contributing to society, while most corporate leaders' goal is to make profit. That's the only difference.

### ***Kuok Robert Hock Nien – Malaysia/Singapore – Founder of the Kuok Group***

#### *The company*

The Kuok Group is a multinational comprising a diverse range of businesses. Its interests include media, real estate, commodities trading, transportation and shipping, hotels,

leisure and recreation, financial services and manufacturing. Notably, it owns Hong Kong's largest English daily newspaper, *The South China Morning Post*, and the Shangri-La chain of five-star hotels and resorts. Its founder, Robert Kuok, with personal wealth estimated by *Forbes* (2010) in the US\$14.5 billion range, is Malaysia's wealthiest business leader and ranked 33rd in the world. Along with his brothers, he started a family business in 1949 which was principally engaged in sugar and rice trading. During the 1960s, through astute trading, he ended up controlling about 10% of the world's sugar production, which earned him the nickname – 'Sugar King' (Zhang and Alon 2009, p. 67). In the early 1970s, starting with its first Shangri-La hotel in Singapore, the company branched into hotels. Between the 1970s and 1990s, the Kuok Group was very instrumental in the economic growth of Mainland China. It took the risk of early investment in China's then developing economy and has subsequently been handsomely rewarded.

### *The leader*

Robert Kuok's father emigrated from Fujian, China, to Malaysia at the start of the twentieth century. Robert was born in 1923 in Johor Bahru, the youngest of three boys. His father, who was entrepreneurial and had created moderate wealth for the family, died in 1948 when Robert was 25 years old. Unfortunately, his father did not leave a will, and his company Tong Seng & Co. was wound up. The Kuok family presided over by Robert's mother decided to form a new family company. What was to become one of the great Asian business empires started in 1949 out of a small shop house in Johor Bahru. Robert who was to lead the firm had the benefit of a quality education from the prestigious Raffles College in Singapore, graduating in 1941 with a Bachelor's Degree in Arts and Science, not to mention being a classmate of future Singaporean Prime Minister, Lee Kuan Yew.

### *The Confucian*

As a biographical source, Robert Kuok was a challenge. He is known in the media as 'shy', 'discreet' and even 'secretive'. Zhang and Alon (2009, p. 67) describe him as a man of humble beginnings who pays great attention to relationship building. They also note that Robert has cultivated strong management teams in his businesses. One of the most insightful and illustrative sources as to Robert Kuok's leadership philosophy is the text of his speech on the occasion of Kuok Group's 60th Anniversary in 2009. He is quoted (Tan 2009) in that speech as recognizing the influence of Confucian ideology: 'My brothers and I owe our upbringing completely to Mother. She was steeped in Ru-Jiao – the teachings of Confucius, Mencius, Laozi and other Chinese sages. Ru-Jiao teaches the correct behaviour for a human being on his life on earth.'

Robert Kuok uses the metaphor of water to describe his business growth, starting as a small fish in a bathtub, then growing in a lake and then in the open seas. He equates his success to 'the vision of the founding members, the dedicated contributions and loyalty of our colleagues and employees, and very importantly the strong moral principles espoused by my Mother' (Tan 2009). When he hired staff, he looked beyond brilliance and first-class academic credentials to character. He would look candidates in the eye in search of a fair and honest personality.

There was no substitute for hard work and thinking up good, honest business plans and, without respite, pushing them along. There will always be business on earth. Be humble; be straight; don't be crooked; don't take advantage of people. (Robert Kuok quoted in Tan 2009)

In keeping with Confucian traditions, Robert's sons now lead various facets of his business empire; however, it is noted that, despite being in his late 80s, he continues to wield considerable informal influence. In addition, he remains engaged in extensive philanthropic activities through his Kuok Foundation Berhad (2010), under the mission statement of 'the alleviation of poverty and suffering, the fostering of self-reliance and empowerment of the disadvantaged and underprivileged through education and training and the promotion of the spirit of caring and sharing' (Table 3).

### **Limitations**

Although the conduct of this research proved to be insightful and indicative of distinctive aspects of Asian leadership at an ideological level, there are a number of limitations. First, it would be wrong to imply that Asian leadership is a homogeneous, convergent concept. At a macro level, and in relation to the term 'Western leadership', this aggregation may be valid. However, at a micro level, it is fraught (Warner and Rowley 2006). Asia, the world's largest and most populated continent (4 billion people over 30 nations), subsumes much of the Middle East, the Indian subcontinent, China, Korea and Japan. Internal cultural variations equal, if not exceed, those between East and West. It is beyond the scope of this study to reconcile this degree of cultural diversity. The focus of this study has been limited to a prominent subset of the Asian business context, that of the Chinese culture, one of the oldest, most enduring cultures in the world. This limitation in scope restricts the generalizability of the study.

Second, the contextual counterpoint to this study, that of the body of knowledge known as Western leadership philosophy, theory and practice, is not developed in detail. This limitation is acknowledged and is consistent with a conscious decision to restrict the scope of the study. The rationale in this case is that numerous studies have adequately addressed this issue; the recent works of Chen and Miller (2011) and Sanchez-Runde, Nardon and Steers (2011) serve as good examples.

Third, the issues of conceptual clarity and validity need to be addressed. Zhang and Alon's (2009) biographical dictionary clearly shows that styles of Chinese business leadership are not culturally convergent. This is particularly the case for the new generation of Chinese business leaders who appear as ideological hybrids combining Eastern traditions with Western business school educations.

Fourth, although Confucianism is applied as an ideological filter, its evolution has been dynamic, and it is difficult to discount peripheral influences over time, in particular Daoism and Legalism. For business leaders in Mainland China, the more recent influence of Communism and Maoism has been considerable, and there is research (Li and Yeh 2007) to suggest that many Chinese business leaders rely on the teachings of Chairman Mao.

Finally, the biographical data available in English as to the philosophies and style of Chinese business leaders are still nascent. The data underlying this study, while triangulated when possible, must be recognized as secondary and largely anecdotal. Nevertheless, these data provide insights and suggest avenues for more substantive theoretical conceptualization and empirical testing.

### **Implications**

To start at the macro-level, taking the current state of the capitalist system (i.e. Wall Street protests) as a backdrop, one of the implications of this research is to recognize the

Table 3. Business exemplars of Confucian leadership.

	Zhang Ruimin Mainland China	Li Ka-shing Hong Kong	Stan Shih Taiwan	Robert Kuok Malaysia/Singapore
<i>Level one</i> Style: benevolent leadership	Buils employee loyalty by looking after the whole person: earlier in his career with safer, more comfortable transport to the factory and New Year's gifts and later in his career by investing in staff development.	Lives a lifestyle of quiet humility and now refers to philanthropy as his 'third son'. Believes that the essence of <i>jin</i> (leadership) rests on building and trusting relationships between people.	Operates under a developmental philosophy on the assumption that human nature is basically good and believes that innovation and productivity come from treating staff kindly and providing an open forum.	Believes that wealth is designed to serve only two purposes: one, the generation of more wealth, and two, to be applied to the betterment of all humanity, including research in science and healthcare.
<i>Level two</i> Principles: virtue, harmony, education, reciprocity and familial collectivism	In accordance with <i>de</i> (virtue), he states that his main purpose is not to punish workers for mistakes but to endow them with confidence and hope.	Publicly promotes <i>he</i> (harmony) stating that success in business means accepting different opinions from different people.	Emphasis on <i>xiao</i> (familial collectivism), which is reflected in his strong team environment (e.g. sales staff do not receive individual commissions).	Established his business empire on the principle of <i>shu</i> (reciprocity), including never take advantage of people, and hard work will be rewarded.
<i>Level three</i> Constants: <i>ren</i> , <i>yi</i> , <i>li</i> , <i>zhi</i> and <i>xin</i>	Publicly adheres to the five constants with emphasis on <i>zhi</i> – the practical application of knowledge to innovate. Also, strong emphasis on <i>zhong</i> , a derivative of <i>ren</i> – to strive for excellence.	High focus on <i>li</i> (etiquette in relationships) as demonstrated in his use of the <i>Chang Jiang</i> (Yangtze) river metaphor: if one rejects the smaller waters, one cannot become a long river.	Views business as serving others and has been exemplary with respect to the concept of <i>ren</i> (benevolence/humanity) as reflected in his stated belief that the best way to benefit oneself is to benefit others first.	An illustrative example of the constant of <i>yi</i> (honesty/righteousness) evident in his reverence for strong moral principles as taught by his mother. Always strived to hire fair and honest personalities.

importance of (*he*) harmony and balance. There is evidence here to suggest that there are viable, alternative approaches to creating business success of global proportions. Business leader Robert Kuok may have explained this implication best when he admitted to his firm belief in capitalism, even for Mainland China, but cautioned that it must be balanced with traditional Eastern ideology in order to stress benevolence and holistic responsibility for the betterment of all (Tan 2009). The Daoist symbol of ‘ying and yang’ is illustrative here because it recognizes the requirement to address paradox and integrate seemingly contradictory forces. The future leadership challenge in an increasingly global world will neither be homogenization nor be domination; it will be integration, a concept which in and of itself is much more of an Asian proposition than Western. It is recommended that future research focusses on the synergistic integration of relationism (Eastern thought) and rationalism (Western thought), not only from the perspective of leadership theory but also as a metric for organizational effectiveness.

Second, it is important to emphasize that ‘East does not equal West’ and that cultural distinctions are relevant in leadership and other social science research. To paraphrase the oft-quoted environmental catchphrase, leadership research in Asia needs to ‘think globally and act locally’. Management practice must not advocate the wholesale adoption of Western theory within the Asian context, to do so would be culturally imperialistic and contextually ignorant (Hofstede 1993).

With specific reference to leadership effectiveness, cultural differences do significantly affect leadership behaviour associated with leadership effectiveness (Vilkinas *et al.* 2009). However, local theory bereft of the global context is also perilous (Tsui 2004, Fang 2010). The challenge for leadership scholars will be to distinguish between that which can be treated as universal and pan-cultural in keeping with the current emphasis on globalization, that which develops synergistically through the integration and interplay of culture distinctions and that which is specific and indigenous, and as such, is relevant to only one particular cultural setting. It is recommended that leadership research in Asia reduces its predilection to replicate existing Western studies and increases its application of context-specific studies that acknowledge cultural and ideological nuances in leadership.

Third, the future of leadership in Asia is not about taking sides. This study started with endorsement of Hofstede’s appeal to recognize and appreciate the richness of local cultural contexts, and it dismissed the notion of a universalist, global culture. Such polarity is unrealistic in current ‘postnormal’ times characterized by complexity, contradictions and chaos (Sardar 2010). Fang (2010, p. 167) states that the challenge is ‘not about managing cultural differences but about managing cultural learning, cultural change, cultural paradox and cultural harmony in a globalized multicultural business world with workforces of multicultural minds and markets of multicultural tastes’. In this light, it is recommended that the traditional concept of ‘cross-cultural’, which reinforces the notion of differences, be moderated by the emergent concept of ‘ambicultural’ (Chen and Miller 2011), which promotes the notion of integrating across best practice.

Fourth, Asian leadership ideologies, models and exemplars need to become more salient in the curricula of Western business schools. While there are early indications of increasing salience, the overall situation manifests a concerning degree of ethnocentrism (Ghemawat 2008, Navarro 2008). Modern-day Chinese business schools are proud to teach Western practice on their programmes. However, the reverse is not true. This study highlights need for new teaching materials that demonstrate the synergistic integration of East–West best practice. Zhang and Alon’s (2009) biographical dictionary is recommended as a source for potential teaching case study leads. Of particular interest,

there is evidence of the emergence of a new breed of young East–West hybrid business executives, such as Tencent chairman, Ma Huateng and CEO Cao Guowei of Sina.com, who show significant pedagogical promise.

## Conclusion

As an overall conclusion, this research establishes that Asia is increasingly relevant to the West and its future, not only as a supplier of finance, goods and services but also as an abundant source of intellectual and cultural wisdom which has the potential to expand and enlighten current theory and practice. This wisdom, which stems from long-standing relational and collective philosophies, runs counter to the transactional and rationalistic foundations that characterize Western business practice. As such, Asia presents a much needed ‘counterbalance’ to how the West perceives business as well as an opportunity for scholars to revisit established theories, including those of transformational and transactional leadership. It is anticipated that more sophisticated and robust conceptual frameworks will emerge as scholars attempt to integrate this newfound intellectual and cultural diversity and reconcile evident paradoxes.

In specific terms, there are a number of conclusions that emerge from this research. First, there is a nascent body of Asian leadership research which will be of interest to Western scholars. Second, Asian business leaders have been instrumental in creating a significant period of economic transformation and extraordinary growth. Thereby, they are exemplary and worthy as case study lessons. Third, leadership practice in Asia is clearly distinctive, and ideological influence lies at the heart of that distinction. Fourth, Confucianism manifests itself as dominant relevant to the competing ideologies of Communism, Daoism, Legalism and Mohism. Finally, the core Confucian principles of benevolence, harmony, humanity and reciprocity offer much promise as avenues for future research and, ultimately, as potential antidotes to the excesses and turmoil that are all too much in evidence today across too many Western economies.

## Notes on contributor

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