



GUEST EDITORIAL

Guest editorial

Practical wisdom for management from the Chinese classical traditions

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Abstract

Purpose – This paper aims to provide an overview of this special issue.

Design/methodology/approach – The guest editorial introduces the papers in this special issue, focusing on practical wisdom for management from the Chinese classical traditions.

Findings – Chinese culture increasingly will permeate international culture and move from peripheral to mainstream status. To ignore this in management education would be a grave oversight.

Originality/value – The issue offers insights into the value of practical wisdom from Confucianism, the origins of Chinese classical traditions and Daoism, and the various streams of thought within the classical Chinese traditions and their contemporary relevance.

Keywords China, Management, Management theory

Paper type General review

In a number of western countries and beyond, there is a continuing search for “meaning”. A growing segment of civil society, some academics and public intellectuals, enlightened private and public sector thought-leaders, realize that the society we have created and the planet we have managed are experiencing a crisis. It is as if we are running into a wall. The recent financial upheaval, the threat of climate change and ecological degradation and the increasing proliferation of social problems such as the growing rich-poor gap, all contribute to questioning past successes and achievements. At the same time, the world has never been so capable of creating material value, to enhance wealth at the global level, while technology has never been more able to demonstrate better its achievement and its potential. We create more value than at any other time in history, but we also destroy value because of short termism; and we fail in distributing that value in equitable ways. Even as technology



has never demonstrated its capacity better (e.g. in IT, bio-technology, genetic engineering, etc. . . .), we remain incapable of decreasing the frequency of natural disasters or to manage risks effectively. Our global economic system produces environmental externalities which only one planet can no longer absorb. Such a worrying state of the world induces us to question our model of development, our life styles and our obsession with growth.

Management, as the process through which man is harnessing resources to create value, does not seem to rest upon the right model to provide adequate “meaning” to reconcile man and nature, and to reduce resource gaps at the planetary level. Furthermore, in its concern or rather its obsession for creating short-term shareholder value, management seems to have ignored over time the maxim that the economy should be at the service of man and not the other way around. Business schools that have produced many of these models to guide contemporary business leaders seem not to have contributed to producing neither the knowledge, nor the human talent, for creating a sustainable world. This is not the place to discuss the many criticisms that have already confronted these institutions. While they have been taken to task for producing moral morons, has not the time arrived to question the actual wisdom of their education and their knowledge-production processes?

In questioning their roles and their outputs, we see also their search for meaning and the associated quest for wisdom, inducing some academics and other thought-leaders to explore other paradigms, others sources of inspiration, other models and values that may possibly make it easier to induce a paradigm shift. Our contribution to this emerging international discussion is to bring in spiritual, religious and philosophical traditions. In past decades, little attention has been paid to these traditional teachings; for many observers inside the business world, their cultural heritage was perceived more as an impediment than as a potential: un-informed at best, and in many cases even detrimental to inhibiting of progress. Connected to these prejudices, we here assert, there was an implicit lack of knowledge about these traditions. Through centuries of human history in pre-modern times seemed to be of very limited use after the grate transformation towards industrialisation: a movement that joined together an improbable coalition of communists and capitalists, politicians as well as well as liberal economists.

A first volume in this series of special issues scanned different lines of thought within Christianity. The richness of confessional and spiritual traditions was explored and its relevance for management development was demonstrated.

In this issue we now turn our attention to the East, and more specifically to China. We would like to explore whether the East offers values, ideas, practices that could inspire a new generation of leaders, and particularly business leaders.

When looking at the performance of China today, its capacity to lift 400 million people out of poverty; its skills in producing three decades of high economic growth (9-10 percent); and its extraordinary performance in infrastructure development; we cannot but be drawn to understand the values and the models, the practices and the role(s) of government that lie behind such achievements. We surely need to reevaluate our management philosophy, to question the values behind our western performance? In this quest, we cannot but make the effort to explore what, in the Chinese traditional wisdom, could be of potential relevance in improving our current model. This could result in an effective hybridization of our traditions. Learning from the other means first to understand the other: to make sense of the cultural and spiritual programs that have wired generations of their people in maintaining and developing their civilization.

Human survival requires among others: ingenuity, intelligence, problem-solving capacity, good social cooperation, and lots of luck. The emergence and survival of our times of several old civilizations is one good testimony to the remarkable resourcefulness and resilience of our ancestors. In them we find a rich legacy that continues to enrich, inspire and enhance the present and future generations. The practical wisdom(s) of our ancestors on how to identify, disentangle, interpret and solve important issues that had confronted them, still sustain deep and lasting influence over the modern mind.

Chinese civilization is one of the few uninterrupted “old” civilizations that still endures successfully to this day. It must have possessed something that is survival-enhancing, that can explain its longevity and survivability through several millennia punctuated as it has been with ruinous natural calamities, bloody wars, revolutions, foreign conquests and dominations, as well as other major challenges and adversities. The humanistic doctrine of Confucius, and the naturalistic ideas of Laozi, are the two towering cultural forces that appear to have been critical to China’s amazing feat of survival. But they alone were not enough to ensure a continuing development of the society, as their focus on the humanistic revealed a gap in the spiritual dimension of the Chinese people. This gap was only filled through the adaptation and integration of Buddhism with Confucianism and the Daoism identified with the teachings of Laozi. This integration resulted in the development of Neo-Confucianism in the Song Dynasty (960-1279 AD) which still defines the ethos of Chinese culture as we know it today.

Recognizing the enduring effect of culture, this Special Issue takes a practical turn to seek to understand how the pragmatic wisdom of Chinese culture may help to shed light on modern management. Many of the scholars who have made contributions to this issue appeal to the two grand traditions – Confucianism and Daoism – to argue their cases. A brief account of these two grand traditions is therefore in order. Confucianism developed from Confucius’s life-long concern for a humanistic government, and a political and social order that was built firmly on the rites, *li*, developed and implemented in the Zhou dynasty (1122-771 BC). *Li*, in Chinese means institutional rites and norms that define and regulate political and social behavior. Confucius’ singular contribution to this tradition was to provide a philosophical account of the true nature of *li* by invoking two quintessential Confucian notions, *ren*, human benevolence and *yi*, moral fittingness, as its foundation of legitimacy. These elements were then woven into a coherent moral system that is the core of Confucianism. Throughout many of the dynastic cycles of successions of China’s imperial period, Confucianism, as a dominant official ideology, had been providing much stability and legitimacy to the ruling regimes and society. In contrast, Daoism, another grand Chinese tradition, assumed a different role. While sharing the same burning concern about good government, Laozi, a contemporary of Confucius, took a starkly different path to articulate his vision. Inscripting the Dao as the Way of the cosmos and everything in it, Laozi regarded that good governance is understanding the Dao as inherent in politics and society and he prescribed faithfully following that Dao. The *Daodejing*, that chronicled Laozi’s grand vision, is full of ideas about how a state should be run as articulated through a sagely leader’s attributes, acts, and conducts in managing state affairs. If Confucianism represents much of the ethos of kings and the powerful ruling elites in the establishment, Daoism shapes much of the folk beliefs of the common people, the powerless, and the ruled. Regardless of their locus of influence, they are nonetheless, both deeply influential in the shaping of the Chinese mind. As such, they stand as the rich legacy of Chinese practical wisdoms.

Buddhism also forms part of the Chinese classical tradition. When it arrived in China some 2000 years ago it was greeted with suspicion by the Confucian elite; but it found an ally in the Daoist tradition. Mahayana, the Chinese variant of Buddhism, was very influential and peaked during the T'ang dynasty (618-907 CE). But it started to decline after 845 CE and retreated into the monastic tradition. These monasteries were closed during the Cultural Revolution. Buddhism nevertheless had permeated Chinese culture and influenced both Confucianism and Daoism.

In this special issue, we have no specific contribution on Chinese Buddhism. We will include such a contribution in the special issue on Buddhism which will address all streams within this tradition: Mahayana and Tibetan Buddhism (China), Theravada Buddhism (Thailand and other South East Asian countries), Zen Buddhism (Japan) and Buddhist influences in India, where it was also absorbed into Hinduism. This too will be the subject of yet another special issue on the Indian Classical Traditions.

The Chinese classical traditions provide a rich legacy that may shed light on modern management. But they pose considerable challenges for modern scholars and researchers. Critical questions to be asked are: how could these grand ideas, developed in the far away ancient times, still be relevant to the twenty-first century? In what way are these practical wisdoms applicable to modern management? Could these wisdoms guide us to make intelligent decisions in response to climate change and other pressing global issues? To respond to these questions, scholars first and foremost must define in precise terms what is meant by practical wisdom in the management context, and to identify also in well-defined terms what the meanings and contents of the practical wisdoms in specific modes of management, and also to explain in rigorous terms, how these wisdoms are applied and their implications. This generic set of issues can be applicable to a broad range of management concerns, including leadership, strategy, organization development, stakeholder relationships, supply-chain management, business and society issues, among others.

To be able to fully apply ancient wisdoms for today's management requires a prudent and honest scholarship that is equipped with diligence, understanding, rigor and critical spirit. Practical wisdom has to address timely and important practical issues in the real world. Like all true wisdoms, practical wisdom should have the unflinching function to inspire, enlighten, and guide people through complexity, adversity and uncertainty. Management education threatened by tendencies of passing on only techniques and forgetting about the cultural context of business operations needs this more than ever.

The relevance of the classical traditions is currently drawing much discussion within Chinese society and Chinese business. Beyond the internal relevance, the evolution of the Chinese variant of the market economy and its moral and philosophical framing has global significance, and other parts of the world may need to take notice. The crisis has accelerated shifts in global geopolitics and global economics, with deep implications for global culture, management culture included. Chinese culture increasingly will permeate international culture and move from peripheral to mainstream status. To ignore this in management education would be a grave oversight.

Presentation of the papers

The first group of papers focuses on the value of practical wisdom from Confucianism:

- Po Keung Ip (National Central University Taiwan), "Practical wisdom of Confucian ethical leadership – a critical inquiry".

- Hongguo Wei and Shaobing Li (Beijing Normal University), “Confucian nurturing doctrine of *xin* (heart-mind): its enlightenment to organization research.”
- Lili Zhao and Juliet Roper (University of Waikato), “A Confucian approach to well-being and social capital development.”
- Mike Thompson (China Europe International Business School), “Chinese hedonic values and the Chinese classical virtues: managing the tension.”
- Chung-ying Cheng (University of Hawaii), “Confucian global leadership in Chinese tradition: classical and contemporary.”
- Paul McDonald (Victoria University of Wellington), “Maoism versus Confucianism: ideological influences on Chinese business leaders.”

The second group of papers focuses on origins of Chinese classical traditions and Daoism:

- Yan-nan Gou and Jing Dong (Shanghai University of Finance and Economics), “Structure and evolvement of leadership: a study based on *Book of Changes*.”
- Xuezhu Bai (China Executive Leadership Academy Pudong), “Taoism and its model of traits of successful leaders.”
- Ansgar Gerstner (Coaching and intercultural consulting, Shanghai), “Leadership and organizational patterns in the *Daodejing*.”

The third group of papers reflects the various streams of thought within the classical Chinese traditions and their contemporary relevance:

- Benoit Vermander (Fudan University), “Chinese wisdom, management practices and the humanities.”
- Qinqin Zheng, Miao Wang (Fudan University) and Zhiqiang Li (China Executive Leadership Academy, Pudong), “Rethinking ethical leadership, social capital and customer relationship.”
- Hendrik Opdebeeck (University of Antwerp) and André Habisch (Catholic University Eichstätt-Ingolstadt), “Compassion: Chinese and western perspectives on practical wisdom in management.”

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