

Chinese CEOs: Are Their Managing Philosophy and Practices Influenced by the Western Managerial Principles?

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Abstract

Globalism and the rapid growth of greater China, namely mainland China, Hong Kong, and Taiwan, have made it a popular destination for international trade and business which attracts many global managerial talents to work in the region. Based on the Confucian criteria – ‘*Wu Yu*’, namely *morality/virtue*, *wisdom/intellectual*, *physical ability/sportsmanship*, *collectivism/cooperation*, and *aesthetics/elegance*, this study discloses the managerial philosophy and tactics of 50 Chinese corporate executive officers (CEOs), who had overseas professional and/or academic experience, in hopes of offering academic and business practitioners around the world a better and more practical understanding as to what philosophical structure Chinese and East Asian businesses are operated under, and how the Western managerial principles instituted on the Hofstede cultural assessment have played a role in the practices of Chinese corporate management.

Keywords: Confucian ‘*Wu Yu*’, Chinese corporate management, Hofstede-Western managerial influence

Introduction

Thanks to the increasing trend of globalization, more and more corporations internationalize themselves through either ethnocentric staffing where home (headquarter) managers are sent to manage the operations overseas, or through polycentric staffing where the company works with its host (foreign) affiliates that hire local talent to serve their local markets. In the process of international staffing, given that ‘cultural distance’ can often be a managerial challenge to corporate leaders, effective cross-cultural human resource management (HRM) becomes their foremost and critical task for corporate success.

According to Wei and Zhang (2011), both Eastern and Western business management is ‘people-oriented’. From the Western philosophy of ‘individualism’ to ‘groupism’ or ‘collectivism’ of the East, they suggested that the collision and fusion of both produce the greatest ‘chemical reaction’ (i.e. managerial outcome) in corporate management, where oriental management culture serves as the foundation while reinforced by

‘scientific achievements of Western management culture’. Departing from the socio-behavioral approach and based on studies of Lee (1987), Alves *et al.* (2005) allege that Asian leadership and business management is developed on its historical, cultural, and business contexts, wherein the ‘self-actualization’ of Maslow’s hierarchy of needs leans to the service of society (i.e. collectivism), whereas the Western socio-beings focus more on the self-actualization of the individual (i.e. individualism). On the other hand, from the philosophical approach, while Western leadership and management favors analytical, objective, and rational thinking, its Asian equivalent favors synthetic but subjective practices either on Confucian doctrine in self-cultivation and harmonious relationship, or on the thoughts of Taoism or Buddhism underpinning the natural causes and the ‘intuition’ of an individual.

Investigating global enterprise management, He (2011) proclaims that Chinese business success primarily pivots on the ‘human element’, as opposed to its Western outcome of ‘system element’. Such ‘human element’ is instituted on the thoughts of Confucius, which achieves strategic alignment between corporation’s business strategy and individual’s behavior, in lieu of relying on the scientific foundation of the ‘system element’ from the West. Likewise, by differentiating Western and Eastern corporate management styles, Mohiuddin (2012) concludes that Eastern management highlights conservatism and vertical-/top-down-hierarchy, controversial to the Western open and consensus-/compromise-oriented practices. In particular, in his comparison of Japanese, American, and Chinese business administrations, modern Chinese management is a hybrid of those shared by Japanese and Anglo-American, however with its ‘*Chinese way of thinking*’ idiosyncracies between conservatism and liberalism. Mohiuddin’s connotation is unanimously agreed by Zoe (2012) and Gamble (2006); wherein Zoe finds that European/Western management values the adoption of decentralization and flexibility, in contrast to the Eastern philosophy of centralized decision making and control. Similarly, thanks to the disparity between Western and Eastern managerial culture, Gamble’s recommendation for multinational business practices in China (or, pan-Asia) is to *do as Chinese (Asians) do* (see Mendelev-Theimann *et al.*, 2006).

In the greater area of China, namely mainland China, Hong Kong, and Taiwan, the recent growth of foreign trade and investment has not only attracted foreign-born managerial talent to work in the region, but has also endorsed many native-Chinese educated and trained abroad to return and serve in their motherlands. According to the 2013 Chinese Returnees Development Report of China Social Sciences Press (<http://www.csspw.com.cn/>), China is currently experiencing an unprecedented number of returnees from overseas, over 270,000 in 2012 alone (or, cumulatively from 89,000 in 1996 to 1.9 million returnees in 2012). Such growth, especially since a decade ago, has reached over 40% and is predicted to reach 50% in the foreseeable future. Primary factors for the returnees willing to give up their ‘American’ or ‘European’ dream are said to be due to the rapid and continuing growth in greater China which promises employment opportunity, the result of the volatile global economy, and the somewhat tightened immigration policy imposed by countries including the U.S. Wadhwa *et al.* (2011) suggested that the ‘reverse brain drain’ effect is becoming evident in East Asia in particular as increasingly more high-skilled immigrant entrepreneurs from India and China are returning to their homelands thanks to the enduring regional economic growth and development.

Given the rising trend of ‘reverse brain drain’ in East Asia, modern corporate executive officers (CEOs) who received international professional and/or academic training prior to their executive careers are believed to more effectively lead their internationalized staffs, and in some measure to adopt their global vision and intermingle the Western managerial principles in their global business management. In this study, Chinese CEOs’ managerial practices are analyzed based on the possible dissimilarity between their innate philosophical training of Confucianism, and their practical experience from the Western managerial influence assessed on the Hofstede cultural paradigm. In relation to the Confucian criteria known as ‘*Wu Yu*’, such comparative analysis is never documented in the literature. The completion of this study would establish the relevant qualitative work in hopes of providing academic and business practitioners around the globe a better and more practical understanding as to what philosophical structure Chinese and East Asian businesses are operated under, and how the Western managerial principles have played a role in the practices of Chinese corporate management.

Theoretical Review: Cultural and Philosophical Paradigm

Confucian Criteria of ‘*Wu Yu*’

Confucian ethics emphasize the value of diligence, loyalty, prudence, and dedication; the enrichment in wisdom, personal sacrifice, and the harmony in society (Rarick, 2007). In practice, these ethical measures can be extended and referred to as ‘*Wu Yu*’ (namely, the ‘five ways of life’, or the five living/learning objectives) – ‘*de*’ (morality or virtue), ‘*zhi*’ (intellectual or wisdom), ‘*ti*’ (physical ability or sportsmanship), ‘*qun*’ (collectivism or cooperation), and ‘*mei*’ (aesthetics or elegance) (or, in an alternative account: ‘*de*’, ‘*zhi*’, ‘*ti*’, ‘*mei*’, ‘*lao*’ (labor skill or hardworking)). In greater China, these five constituents are commonly the foundation of school education; in many institutions, they are often used to promote both the individual’s self-refinement and the righteous/harmonious society (e.g. the application examples can be found in the *mission statement* of Chinese Culture University (at <http://www.pccu.edu.tw/intro/intro03.asp> in Chinese language), Taiwan; the *primary educational objectives* of Hong Kong Education Commission (at http://www.e-c.edu.hk/tc/online/on4_1st1.html in Chinese language), Hong Kong; the *goal of comprehensive development in child welfare* of Shaanxi Province Yan’an City Civil Affairs Bureau (at <http://yanan.mca.gov.cn/article/jcxx/201206/20120600320178.shtml> in Chinese language), China. Overall, the Confucian criteria of ‘*Wu Yu*’ can be delineated as follows:

Morality (or, virtue)

Confucius promotes *five virtues* – ‘*ren*’ (benevolence), ‘*yi*’ (righteousness), ‘*li*’ (ritual/propriety), ‘*zhi*’ (wisdom), and ‘*xin*’ (trustworthiness) (Rarick, 2007). They are the greatest Confucian philosophical principles which guide an individual to proper behavior as they resound in the Confucius teaching of *integrity* and *humaneness*. According to Confucius, morality (or, virtue) is established on the keystone of *righteousness* and *humaneness* through which one’s behavior is assumed to be virtuous and philanthropic, and to be maintained in harmonious relationships with others (Brooks, 1998; Ip, 2009). Furthermore, Confucius emphasized such practice in combining with one’s conscience to achieve integrity and wholeness. It is asserted

that one should be at all times ethical to do morally right things and to admonish any immoral situations.

Intellectual (or, wisdom)

Confucian wisdom (or, intellectual) is built on one's consistent learning, self-development, and self-reflection. Confucius commented on the importance of revering others and relentlessly learning as one 'hearing the *dao* (implying 'knowledge') in the morning; could die in the evening' without feeling repentant. He avowed the value of one being able to learn from the strengths and merits of others to improve oneself as 'seeing the gentleman then following his moral behavior; seeing the vulgar then being self-reflected [so as not to be discourteous]'. As Confucius also forewarned his disciples, 'learning without thought is ineffective and worthless; thought without learning is perilous' (Brooks, 1998).

Wisdom can be formally nurtured through education and/or by gaining experiences through age (Rarick, 2007). The purpose of education in Confucianism is to start with refining one's personality and quality, and is ultimately completed by building a harmonious society and achieving the ideality of 'one-world' (i.e. all people come as one).

Physical ability (or, sportsmanship)

Physical ability (or, sportsmanship) symbolizes the Confucian spirits of *courage*, *toughness*, *flexibility*, and *endurance*. Physical ability implies a person who possesses labor strength (i.e. stamina) to internally sustain self-fitness and externally carry out assigned duties. Sportsmanship, on the other hand, underpins one's attitude of being steadfast. It greatly values group effort and team spirit. Both the physical strength and sportsmanship uphold the Confucian *loyalty* with which individuals are reverent and faithful to their governors and associates. As a result, goals can be cooperatively achieved as Confucius suggested 'the firm, the enduring, the simple, and the unpretentious are near to virtue' (Brooks, 1998).

Groupism (or, cooperation)

Groupism emphasizes the tenet of 'in-group' (i.e. group orientation) and meanwhile values cooperation and teamwork. The communal interests and integrated goals are elemental to the ethical structure of Confucianism (Ip, 2009). As Confucius implied, the attitude of self-favor and self-interest (or, referred to as 'individualism') is considered ignorant and indecorous. Only would selflessness and individual sacrifice result in and maximize communal benefits. In principle, a collectivistic society should be cultivated through cooperative efforts as well as by self-sacrifice, self-restraint, and the de-emphasis of self-importance (Lin and Huang, 2012; Wong, 2001).

Aesthetics (or, elegance)

Confucian teaching in *ritual/propriety* ratifies the essence of aesthetics (or, elegance). Aesthetics focuses on one's dignity and grace. As stated by Confucius, one can develop and enrich his/her 'sense of beauty' (i.e. aesthetics) through self-refinement and appreciation in art and science as well as through continual practice in humanity.

Elegance, on the other hand, is a gesture which reflects one's internal confidence, maturity, and quality. It is normally enhanced by proper manner and attitude. Proper practice of aesthetics (or, elegance) would not only enhance interpersonal/organizational relationships, but would also fortify Confucian *propriety/ritual* which emphasizes one's proper role in society; it values cooperative behavior through revering others and reconciling self-desire with the societal needs (see Rarick, 2007). In Confucianism, the government in power should not oppress its people. It should be reminded with aesthetics to promote humaneness and righteousness in that a 'good government' is fostered on 'the ruler being a ruler, the minister being a minister, the father being a father, and the son being a son' (Lau, 1979).

Hofstede Cultural Analysis

Since 1980s, the Hofstede framework has earned its prominence as a Western analytical instrument in cultural evaluation. Its classical measure includes five dimensions summarized below (Lee, 2013a).

Time orientation: long-term vs. short-term

A society with long-term orientation, presented in high cultural scores, normally implies high levels of willingness to current sacrifice, strong tendency to save and invest (for future), and incessant motivation for materialistic achievement. A low score contrasts the societal intention in that people are impatient for future, value present pleasure and stress-free lifestyle, and care less material gains.

Individualism

A society with high score signifies individualistic culture wherein self-driven interests, individual space and liberty, innovation and creativity, hard work for personal fulfillment are highly valued. On the contrary, low scored culture is known as the 'collectivism'; it appreciates the 'in-group' merits and attainment of communal goals while repressing individual's self-importance.

Power distance

Power distance reveals the power inequality transpired in a society. In general, a high-scored culture accepts high power disparities among its people who are divided by distinct hierarchies. In an organization, the hierarchical power is mostly nurtured by prestige, force, and inheritance with which subordinates are expected to follow the direction given by their superiors. In a low-scored society, lower power distance prevails as interpersonal equality is endorsed. Consequently, organizational hierarchy is deemphasized and unfortified.

Uncertainty avoidance

High degree of uncertainty avoidance hints that in a high-scored culture people are risk-opposing and strongly uncertainty preventive. Formal rules and rigid codes of conduct are supported for the sense of security while heretical behavior and ambiguity are intolerant. A low-scored society condemns conservatism but favors flexibility of

laws and regulations. As opposed to its counterpart which values hard work and dismays innovation and creativity, it tends to embrace different thoughts and accept diversity.

Masculinity

A masculine-oriented culture in a high score shows appreciation to competition and meanwhile rewards success and achievement. It reveals the propensity of patriarchal dominance. Conversely, a feminine society in a low score spells the love and caring among people. It discourages assertiveness and confrontation while urging the act with modesty and harmony.

Preliminary Cultural Comparison: Hofstede vs. Confucius

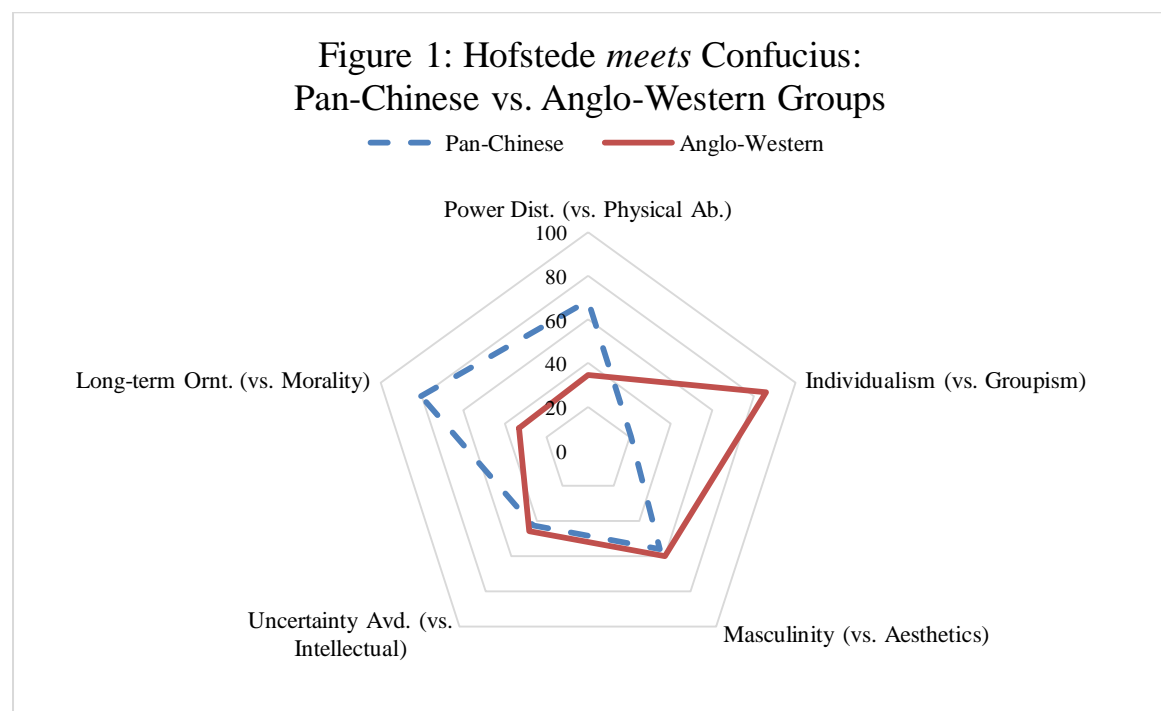
Figure 1 synthesizes the cultural characteristics between the Chinese cohort of mainland China, Hong Kong, and Taiwan and its equivalent represented by Anglo-Western including Australia, Canada, New Zealand, United Kingdom, and United States, which are the culture clusters suggested in House *et al.* (2004). More importantly, Hofstede's cultural dimensions are evaluated with the Confucian *Wu Yu* constituents, based on Hofstede's cultural scores of each economy in two designated (pan-Chinese vs. Anglo-Western) country groups.

To sum up, Hofstede's 'long-term orientation' emphasizing frugality and perseverance appears in greater China which is deemed to align with the Confucian *virtue* (or, *morality*) exemplified in *integrity*, *righteousness*, and *humaneness*. Alternatively, lower average score reflects short-term focus in Anglo-Western societies where present pleasure and relaxed lifestyle are prioritized. In the dimension of Hofstede's 'individualism', it is rather evident that pan-Chinese value the 'in-group' mentality which fulfills the '*groupism*' (or, *cooperation*) approach of Confucian *Wu Yu*. Divergent from the Anglo-Western culture of self-interest pursuit, pan-Chinese tend to be driven to achieve collective goals through individual's self-sacrifices.

Power distance in greater China is relatively apparent than that in the Anglo-Western region where higher degree of interpersonal equality and less institutional hierarchy are assumed. Across mainland China, Hong Kong, and Taiwan, the give-and-take relationship between superiors and their subordinates is hardly ambiguous; higher-rank authorities possess the distinct power almost as the autocrats, while low-rank minions perform what is expected. Hierarchy in Chinese society demands loyalty and reverence (from low- to high-rank personnel), and meanwhile allot decisive power to leaders who are courageous, enduring, and steadfast, as reflected in Confucian '*physical ability*' or '*sportsmanship*'. As to Hofstede's 'uncertainty avoidance', both the pan-Chinese and Anglo-Western cultures are insignificantly different although the latter reveals slightly higher score. It implies that both groups are somewhat uncertainty-tolerant and accepting less rigid rules. Respectively, however, societies of Australia and New Zealand (with higher scores of 51 and 49 of 100) tend to be conservative and disfavor flexibility, whereas those of U.K., U.S., and Canada (scored 35, 46, and 48) support entrepreneurship and innovation. Similarly, as suggested in Lee (2013a), Taiwanese society (scored 69) claiming the highest uncertainty avoidance disapproves changes in norms and unorthodox conducts, as opposed to

those in mainland China and Hong Kong (scored 30 and 29) in favor of flexible laws and pragmatic practices. Overall, the pan-Chinese society abides by the Confucian discipline and believes that *intellectual* (or, *wisdom*) is fostered on strategically avoiding uncertainty, accepting essential changes, and effectively promoting creativity.

Confucian *aesthetics* (or, *elegance*) resounds Hofstede's 'masculinity' as the pan-Chinese culture is largely patriarchal-oriented and emphasizes *ritual/propriety* with which individuals ought to know their social roles and act as anticipated. Specifically, societies of mainland China and Hong Kong endorse hard-work, competition, and achievement as contrast to that of Taiwan where feminine social environment with caring and modesty is adopted. Hofstede's description of Anglo-Western culture is likewise masculine, as especially it shows in economies of U.K., U.S., and Australia.



www.geert-hofstede.com

Analytical Method

Based on the Confucian criteria of 'Wu Yu', to properly study the managing philosophy of Chinese CEOs, qualitative data are used and retrieved from a series of published interviews of corporate leaders from mainland China, Hong Kong, and Taiwan. These data are from actual examples and events that are illustrative rather than relying on the assessment of hypotheses. The CEO interview dialogues are recorded and published which can be found in a book edited by Zhang (2003; in Chinese language) of Peking University (mainland China); books by Chan and Xie (2009); Xian et al. (2008); Xian et al. (2007) (all in Chinese language), of which many interviews are also available at the joint broadcasting and audio program by EMBA program of Chinese University of Hong Kong (CUHK) and Radio Television Hong Kong (RTHK) at <http://www.cuhk.edu.hk/english/web-within-web/emba-news/talk-to-ceo.html> (program broadcasted in Cantonese language) (Hong Kong); the book

edited by business reporters of Tian-Xia Editorial (2003; in Chinese language) (Taiwan).

Fifty Chinese CEOs' interview materials were analyzed from the published data (i.e. the above-listed books). These CEOs are either corporate founders or top executives (e.g. president, vice-president, general manager, or managing director) representing various industries including *manufacturing, information technology and telecommunication service, e-commerce, advertising and multimedia, hotel, restaurant, and tourism, trade and logistics, banking, finance, and insurance, and governmental service* (see comparative studies in Lee, 2013b). Most of their business operations are international- or regional- (East Asia) focused, and these CEOs were interviewed due to their well-recognized managerial tactics and leadership in East Asia, of which many of their operations are often used as case studies in academics and industries. As a reference, brief and related company information and websites are listed in the Appendix section.

Among these Chinese CEOs, 70% have received foreign (mostly Western) education and/or work experience prior to their current managerial position. More specifically, due in part to the British influence over Hong Kong's colonial era, almost 90% of Hong Kong CEOs have earned foreign degree(s) and/or worked overseas. In mainland China, 70% of top business leaders admit to their previous experience as a student or employee in foreign countries, whereas only half of Taiwanese executives acquire experience abroad; the rest of their counterparts disclosed that their business achievements came through local (national) education and employment. The majority of these CEOs are senior in their executive management, with a minority of young talents who began their managing tasks thanks to the advent of information technology and e-commerce in recent decades.

Empirical Funding and Discussion

Business management of Chinese CEOs is fundamentally influenced by Confucian teaching (see He, 2011; Wei and Zhang, 2011; and Mohiuddin, 2012). In Confucian *Wu Yu*, each philosophical principle serves as the cornerstone underpinning the interpersonal and inter-corporate relationship. However, globalism and business internationalization diffuse Hofstede-Western managerial culture to the East, leading Chinese leaders to somewhat assimilate their organizational management with Western influence as depicted in Table (I).

Morality/Virtue

As one of the central Confucian merits, *Morality/virtue* is held as the core benchmark by many Chinese CEOs in their corporate management. Morality and virtue resemble righteousness, reverence, loyalty, and integrity, where righteousness signifies high ethical value, as it is commonly agreed that one 'does not take the ill-gotten [unethical] gains'. Reverence signifies modesty and respect. In the hierarchical society of greater China, revering others almost always invites reciprocal respect, while arrogance and narcissism only result in ignominy. Loyalty denotes faithfulness and commitment at workplace. As demonstrated in the traditional '*permanent (or, lifetime) employment*' in Japan (Cole, 1972), East Asian employers greatly honor their employees with such loyalty pledge to promote collective corporate growth. Lastly,

integrity unifies righteousness, reverence, and loyalty; its unification helps bring corporate value to the highest level of morality and virtue.

In practice, Chinese CEOs reveal that Western managerial principles have enlightened their managerial tactics. Like the increasingly renowned *Google* style of management, which grants its employees significant work freedom, team building and team coaching opportunities, and the so-called ‘situational leadership’ from which an employee can achieve his/her personal career and/or corporate goals through flexible (e.g. micro- vs. macro-) management (see Harvard Business Review (HBR) IdeaCast, 2013), many Chinese executives learn to adopt ‘flat-hierarchy’ or ‘flat-management’ of such Western practice. For example, Jun Lei, founder, chairman and CEO of Beijing Millet Technology Co., Ltd. (also known as *Xiaomi*, a smartphone mobile Internet company with projected sales of US\$10 billion in 2013, at www.Xiaomi.com/en) closes the administrative and hierarchical distance by strategically giving his employees affable working protocols: informal meetings, relaxed attires, and substantial fringe benefits (Su, 2013). On the other hand, following the Western vision of philanthropy, Chinese leaders such as Tsai of Fubon Group/Fubon Financial Holding Co. (Taiwan); Chang of Evergreen Group (Taiwan), and Chiang of The Chen Hsong Group (Hong Kong) emphasize the importance of ‘giving-back’ – *taking resources from a society and giving them back whenever possible* – to fulfill their corporate social responsibilities.

Intellectual/Wisdom

In Confucian teaching, self-learning, self-development, and self-reflection assure the accumulation of knowledge. To Chinese leaders, such summative knowledge means corporate power. A balanced mix of general knowledge and field know-how is said to be the ideal state for long-term corporate sustainability, whereas prudence, another essential Confucian factor, is regarded as wisdom when one is to ‘boldly hypothesize and carefully verify’. In business reality, such bold-carefulness usually enthruses these executives to form their corporate vision pragmatically and with foresight.

Coherent with the corporate philosophy in the West, global vision is the implication of Confucian prudence. Chinese CEOs believe that modern enterprises should think and act globally to maintain market competitiveness. In addition, value creation to employees within the corporation is as important as that externally to its customers. Corporate value and culture should be established and upheld. As expressed by a regional executive of Motorola Inc. in Hong Kong, Motorola’s corporate culture is built on the ‘*Four E’s Plus One*’ – ‘Envision, Edge, Enable, Energy, and Ethics’, which resonate with the Confucian proposition of *morality, wisdom, and physical ability*.

To ‘*walk the walk and talk the talk*’ is a valued dogma to managers across mainland China, Hong Kong, and Taiwan. Such mentality inspires them to be firm believers of ‘*actions speak louder than words*’. It also insinuates pragmatic administration, such as the ‘High Performance Work Systems (HPWS)’ (Becker *et al.*, 2001) of the West, which primarily center on effective but strenuous recruitment and staffing, merit-based performance and compensation, professional development and training, and a flexible but highly committed work culture.

Most Chinese corporate gurus (e.g. Ma of Alibaba Group (mainland China); Fung of Li and Fung Limited (Hong Kong), and Chang of Taiwan Semiconductor Manufacturing Company Limited (Taiwan), among others) also realize that constant changes are the norm and therefore effectively adopting changes could promise corporate growth. As recommended by many of them, the effective and strategic management of changes can be learned from ancient Chinese texts such as '*Book of Changes*' (also known as '*Yi-Jing*', or '*I-Ching*', or '*Zhou-Yi*') and '*The Art of War*'. Furthermore, effective change could not act alone without corporate leaders' 'let go' of their employees – to give employees the liberty to express ideas, to freely create and innovate, and to cultivate a lawful, reasonable, and collegial work environment.

Physical Ability/Sportsmanship

Chinese corporate leaders translate sportsmanship of Confucianism into persistence and determination at work, which demands both enduring physical ability and strong willpower. In Confucian teaching, good sportsmanship also requires one to have the ability to self-reflect. Within an organization, the constant self-reflection and self-improvement of an individual is deemed to increase his/her work productivity and develop interpersonal relationships.

Agreeing with Hofstede-Western managerial principles, many Chinese CEOs emphasize the importance of leadership with strong willpower. They recommended the reading of Collins (2001) in that leaders with willpower and humility are believed to build long-term corporate greatness and extend the business potential from '*good to great*'. As expressed by Kan, the executive of Champion Technology Holdings Limited (Hong Kong), entrepreneurship needs '*4P*' ('Perspective', 'Purpose', 'Proactivity', and 'Persistence'); '*3M*' ('Money', 'Motivation, and 'Media'); '*2L*' ('Loyalty', and 'Love'), and '*1K*' ('Knowledge'), which resonates the *Wu Yu* criteria as 'loyalty' in 'morality'; 'knowledge' in 'wisdom'; 'purpose', 'proactivity', 'persistence', and 'motivation' in 'sportsmanship', and 'perspective' and 'love' reflect one's attitudes and thoughtfulness as 'aesthetics'.

Chinese managers value effective communication and promote employees' endeavor in innovation and creativity. Just as in Western 'flat-hierarchy' management, effective communication comes from gap-closing and open-minded interactions between superiors and their subordinates. It helps foster resourcefulness and creation in the corporate environment. Proactivity and courage are also essential to corporate leaders. Proactivity means employees should often seek self-enrichment in skill and professional levels, and flexibility and adaptability to new assignments and systems. Courage implies turning the impossible into possible; to turn challenges into opportunities, and to take and cope with business risks. As in an example where Lei of Xiaomi asserted, it took much courage and proactivity for his company to grow and stay competitive. Some business critiques claimed that Xiaomi's business success is due to its use of 'hunger marketing', a marketing strategy to restrict product supply to entice customers' demand as well as potentially raising the product's price. Lei stood out and elucidated his corporate strategy and principles: *staying focused, extremeness, reputation, and speed*, the elements that allow Xiaomi to focus on its high-quality production and customer-centered service. As Xiaomi experienced three company-life phases since its debut in 2010 – *contempt* (originally, the company was looked down on by its competitors due to its small size and meager capital capacity);

incomprehension (then, its competitors could not understand Xiaomi's products and its core competency), and *incapability of replication* (lastly, as these competitors learn and admire its competency and wish to replicate its business strategy, they are unable to successfully steer through), Lei knew that, to succeed in the industry, Xiaomi would need to relentlessly invent and innovate as its corporate goals are to create the 'scream' (i.e. extraordinary) products making its customers love and cheer for them and to constantly create the 'wow' effects (Su, 2013).

Groupism/Cooperation

In the collective culture of greater China, Confucian groupism is the core value for institutional operation. Groupism suggests team-orientation and anti-individualism. The traditional view of Chinese leaders on team-work and collective goal implies the outcome of '*one plus one is greater than two*', whereas the 'heroic principle' of an individual's personal accomplishment is hardly appreciated. As emphasized by Shi, CEO of ASUSTek Computer Inc. (Taiwan), groupism can be enhanced by every employee's '*120% principle*' of hard work, implying '*100% of effort is just not enough; the additional 20% could be inspirational and achievable [for a greater collective success]*' (Tian-Xia Editorial, 2003, p. 71).

In the world of Hofstede-Western management, proper individual pursuit usually poses no direct threats to the team goal. A favorable balance between them is usually acquiescent and somewhat encouraged, as long as such pursuits and goals are compatible, transparent, and to apply checks. Thanks to the Western influence, Chinese CEOs (such as Ma of Alibaba Group (mainland China) and Fung of Li and Fung Limited (Hong Kong)) by and large are increasingly liberal allowing their employees to have such balance especially as the personal quests are recreational or corporate-irrelevant, even if collectively the team objectives may still be their priorities.

Aesthetics/Elegance

The Confucian notion of aesthetics (or, elegance) is reflected in oriental ritual or propriety. In the pan-Chinese corporate environment, the hierarchical structure becomes crucial to nurture the practice of rituals. Humility, on the other hand, symbolizes one's self-effacement and amiability. Diligence is elemental in every workplace as it shows one's devotion and loyalty to the organization. Finally, Confucian teaching advocates the exercise of being thoughtful and unselfish in order to increase institutional accordance.

As advised by organizational administrators of Hong Kong (e.g. Chiang of The Chen Hsong Group; Chan, former executive of Hong Kong Consumer Council; Tang, former Chief Secretary for Administration of Hong Kong), to appropriately practice Confucian aesthetics, one should possess 'EQ' ('emotion quotient'), 'IQ' ('intelligence quotient'), and 'AQ' ('adversity quotient'), namely, the positive attitude of facing challenges or the ability to overcome hardship. High EQ would possibly reduce resentment and bolster workplace harmony; high IQ and AQ could help to conquer impediments and achieve corporate goals, whereas incorporation of all is deemed to enhance both inter-personal and inter-organizational relations. Alternatively, love and passion at work reveal one's enthusiasm and devotion, which

is believed to drive the growth of productivity. In the relatively conservative oriental culture where individuals are expected to conceal their expressions of love and passion, Chinese leaders in fact appreciate the Western influence and increasingly encourage their employees to candidly disclose their pleasure and work affection.

Optimism, trust, and tacit understanding are also top aesthetic rudiments. Chinese CEOs believe that positive attitude and optimism could foster one's confidence and hope. Meanwhile, trust is the catalyst to promote work independence and accountability, and to harmonize inter-personal relations. As affirmed by Shu, CEO of Uni-President Enterprises Corporation (Taiwan), mutual trust could often support tacit understanding between individuals which could potentially increase each other's well-being and achieve collective goals. Lastly, as commonly adopted in Western businesses, more and more Chinese companies endorse liberty at work (such as Xiaomi and Alibaba (mainland China); Li and Fung Limited (Hong Kong)), which may include the care of quiet pets (such as fish or rabbits), or the wearing of stress-free attire. It is broadly welcomed by their employees and is believed to ultimately be somewhat performance-endorsing.

Table (I): Confucian Philosophical Emphasis and Hofstede-Western Managerial Influence in Chinese Corporate Environment

| | Highlights of Chinese CEO's Managerial Philosophy and Practice | |
|---|--|---|
| Confucian Philosophical Criteria – Wu Yu | <i>Traditional Confucian Philosophical Emphasis in Chinese Corporate Environment</i> | <i>Hofstede-Western Managerial Influence in Modern Chinese Corporate Management</i> |
| <i>Morality/Virtue</i> | <ul style="list-style-type: none"> • Righteousness • Reverence • Loyalty • Integrity | <ul style="list-style-type: none"> • Flat-hierarchy/ management • 'Give-back' (Corporate Social Responsibility) |
| <i>Intellectual/Wisdom</i> | <ul style="list-style-type: none"> • 'Knowledge is power.' • Prudence • Pragmatism | <ul style="list-style-type: none"> • Global vision • Value creation • Corporate culture/value • 'Walk the walk and talk the talk' • 'Change as a norm' |
| <i>Physical Ability/Sportsmanship</i> | <ul style="list-style-type: none"> • Persistence and determination • Self-reflection | <ul style="list-style-type: none"> • Communication • Innovation/creativity • Proactivity and courage • Flexibility and adaptability |
| <i>Groupism/Cooperation</i> | <ul style="list-style-type: none"> • Team-work • Collective goal | <ul style="list-style-type: none"> • Balance between individual pursuit and team-work • Transparency |
| <i>Aesthetics/ Elegance</i> | <ul style="list-style-type: none"> • Ritual • Humility • Diligence • Thoughtfulness | <ul style="list-style-type: none"> • 'EQ, IQ, and AQ' • Love and Passion • Optimism • Trust and tacit understanding • Liberty |

Conclusion and Proposition

Globalism and the growth of the Pacific Rim have made the broader market of mainland China, Hong Kong, and Taiwan a popular destination that attracts managing talent from around the world, especially from the increasing number of returnees resulting from the Chinese and Indian ‘reverse brain drain’ effect (Wadhwa *et al.*, 2011). Leaders of greater China who received international professional and/or academic training prior to their executive careers are inclined to apply their global vision and Western learning in their business management. In this study, Chinese CEOs’ managerial practices are analyzed based on the possible dissimilarity between their intrinsic philosophical training of Confucianism, and their practical experience from the Western managerial influence. Pertaining to the Confucian criteria of ‘*Wu Yu*’, namely, *morality/virtue*, *wisdom/intellectual*, *physical ability/sportsmanship*, *groupism/cooperation*, and *aesthetics/elegance*, the purpose of such analysis is in hopes of establishing relevant qualitative work and to provide academic and business practitioners around the globe a better and more practical understanding as to what philosophical structure the Chinese and East Asian businesses are operated under, and how the Western managerial principles have played a role in the practices of Chinese corporate management.

As comparatively assessed in the philosophical paradigms of Confucian (*Wu Yu*) and Hofstede, it is believed that Confucian ethical standards are still the roots to Chinese corporate management, although Western managerial influence may induce Chinese CEOs to intermingle their administrative practices. To that end, several propositions are drawn below:

Understand Chinese (Confucian) notion of business morality/virtue

Chinese managers highly value morality/virtue in the corporate environment, especially as everyone should practice righteousness, reverence, loyalty, and integrity at all times. However, learning from the Hofstede-Western administrative culture, these executives exercise ‘flat-hierarchy’ management, which grants their employees broader work freedom and more favorable employment benefits, while emphasizing the importance of fulfilling corporate social responsibility by giving back to the society.

Recognize the importance of Confucian wisdom/intellectual in Chinese business

Confucian wisdom demands incessant self-learning, self-development, and self-reflection. Having a global vision with balanced growth between general knowledge and field know-how is deemed to generate organizational advancement. Chinese CEOs accentuate the exercise of ‘*walk the walk and talk the talk*’ and the concept of prudence and pragmatism; inspired by Western managerial spirits, they encourage their staffs to face the changes, to not be afraid of the unbearable, and to overcome the challenges.

Perceive how Confucian physical ability/sportsmanship is exercised in workplace

Physical ability or sportsmanship of *Wu Yu* is proven through one’s determination and willpower. It is also relied upon his/her self-reflection and self-improvement. To bring

the company from ‘*good to great*’ (Collins, 2001), Chinese leaders need to enforce effective communication, support innovation and creativity, stay proactive and flexible, and inspire their employees with motive and courage.

Acknowledge the purpose of Confucian groupism/cooperation in Chinese corporate environment

Groupism is a Confucian norm, which is typically aimed toward completing communal objectives. Although ‘heroic principle’ in oriental society is not well taken, Western business influence suggests that a balance between individual pursuit and team goals are in fact enduring.

Comprehend the business practice and implication of Confucian aesthetics/elegance

Finally, Chinese executives agree that Confucian aesthetics is appropriate when it is combined with EQ, IQ, and AQ, love and passion, optimism, trust, and liberty. Such practice is agreeable with that of Hofstede culture of the West, wherein ‘flat management’ is carried out through workplace friendliness and granting proper extent of work independence.

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Appendix

A Sample List of East Asian Companies:

Mainland China: Alibaba Group (at www.alibaba.com), Eachnet (at <http://www.eachnet.com/>), and Microsoft China (of the Greater China region; at www.microsoft.com/zh-cn/default.aspx)

Hong Kong: Emerson – China and Hong Kong (at www.emerson.com/en-CN/contacts/Pages/default.aspx), Ernst & Young – China and Hong Kong (at www.ey.com/CN/en/home), Ogilvy & Mather – China and Hong Kong (at www.ogilvy.com.hk/), Li & Fung Limited (at www.lifung.com/eng/company/), Hopewell Holdings Limited (at www.hopewellholdings.com/), Champion Technology Holdings Limited (at www.championtechnology.com), The Chen Hsong Group (at www.chenhsong.com/EN/about.aspx), CITIC Pacific Limited (at

www.citicpacific.com/en/index.php), Chief Secretary for Administration of Hong Kong (at www.cso.gov.hk), Hong Kong Exchanges and Clearing Limited (at www.hkex.com.hk/eng/index.htm), Commerce & Economic Development Bureau (Hong Kong; at www.cedb.gov.hk/), Vocation Training Council (VTC) (Hong Kong; at www.vtc.edu.hk/html/tc/), Hong Kong Consumer Council (at www.consumer.org.hk/website/ws_en/), and Hong Kong Post (at www.hongkongpost.com/) Taiwan: Taiwan Semiconductor Manufacturing Company Limited (TSMC; at www.tsmc.com/english/default.htm), Acer Inc. (at www.acer.com.tw/ac/zh/TW/content/home), ASUSTek Computer Inc. (at www.asus.com/tw/), United Microelectronics Corporation (UMC; at www.umc.com/English/), Fubon Group/Fubon Financial Holding Co. (at www.fubon.com/eng/group/overview.htm), The Far Eastern Group (at www.feg.com.tw/en/index.aspx), Evergreen Group (at www.evergreen.com.tw/eic_en.htm), China Motor Corporation (at www.china-motor.com.tw/), Uni-President Enterprises Corporation (at www.uni-president.com.tw/index.asp), MiTAC International Corporation (at www.mitac.com/).