Do Western Principles Influence East Asian CEOs’ Managerial Philosophy and Practices? (Part 1)

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Introduction

Both Eastern and Western business management are ‘people-oriented’, yet (1) Westerners favor analytical, objective, and rational thinking, and (2) Asians favor synthetic but subjective thinking based on self-cultivation and harmonious relationships (Confucian) or thoughts about natural causes and personal intuitions (Taoism or Buddhism). Asian business managers are grounded in historical, cultural, and business contexts; in contrast, Western managers focus more on personal self-actualization (i.e. individualism) (Alves et al. 2005). When Western individualistic and Eastern groupist/collectivist cultures collide within Eastern businesspeople, Eastern culture serves as a foundation reinforced by Western scientific achievements.

Chinese business success pivots on the ‘human element’—grounded in Confucian thought—to achieve strategic alignment between corporate business strategy and personal behavior. In contrast to Western openness, consensus-building/compromise, decentralization, and flexibility, Eastern management styles stress conservatism, vertical-/top-down-hierarchy, and control (Mohiuddin 2012). Modern Chinese management practices are a hybrid of Japanese and Anglo-American practices moderated by the ‘Chinese way of thinking’ about idiosyncracies between conservatism and liberalism. This disparity between Western and Eastern managerial culture suggests multinational business success in China (or, pan-Asia) depends on doing as the Chinese (Asians) do.

Increased foreign trade and investment in East Asia has attracted foreign-born managers to work in the region and encouraged many foreign-educated and trained native-East Asians to return and serve their motherland. China is experiencing an unprecedented
number of returnees. Primary factors for returnees’ willingness to abandon their ‘American or European dream’ are rapid Chinese economic growth (and concomitant employment opportunities), a volatile global economy, and tightening Western immigration policies. A ‘reverse brain drain’ is occurring in East Asia, as increasingly more high-skilled immigrant entrepreneurs from India and China are returning home (Wadhwa et al. 2011).

Modern East Asian CEOs who received their professional and/or academic training abroad are believed more effective in leading internationalized staffs because, in part, they have intermingled their Eastern vision with Western managerial principles. I studied East Asian CEOs’ managerial practices based on the dissimilarity between their Confucian philosophical training Western principles.

Confucian Philosophical Paradigm—‘Wu Yu’

Confucianism stresses diligence, loyalty, prudence, dedication, and enrichment through wisdom, personal sacrifice, and societal harmony. These five ‘ways of life’ comprise ‘Wu Yu’: ‘de’ (morality/virtue), ‘zhi’ (intellectual/wisdom), ‘ti’ (physical ability/sportsmanship), ‘qun’ (collectivism/cooperation), and ‘mei’ (aesthetics/elegance). (Alternatively, ‘de’, ‘zhi’, ‘ti’, ‘mei’, and ‘lao’ comprise labor skill or effort.) Wu Yu is the foundation of education; it often is used to promote personal self-refinement and societal righteousness/harmony. Overall, Wu Yu can be delineated as follows.

Morality/Virtue

Confucius promotes five virtues: ‘ren’ (benevolence), ‘yi’ (righteousness), ‘li’ (ritual/propriety), ‘zhi’ (wisdom), and ‘xin’ (trustworthiness) (Rarick 2007). These greatest Confucian philosophical principles guide a person to proper behavior as they resound in the Confucius teaching of integrity and humaneness. According to Confucius, morality/virtue, which is maintained through harmonious relationships, combines with one’s conscience to achieve integrity and wholeness (Brooks 1998). People always should do morally right things and avoid immoral situations.

Wisdom/Intellectual

Confucian wisdom/intellectual relies on consistent learning, self-development, and self-reflection. Confucius commended revering other people and relentless learning because a person ‘hearing the dao (implying ‘knowledge’) in the morning could die in the evening’ without feeling repentant. He avowed learning from other people’s strengths and merits, ‘seeing the gentleman then following his
moral behavior [and] seeing the vulgar then being self-reflected [so as not to be discourteous]. Confucius forewarned ‘learning without thought is ineffective and worthless; thought without learning is perilous’ (Brooks 1998).

Education and/or experiences can nurture wisdom (Rarick 2007). In Confucianism, education begins with refining one’s personality and quality and is completed by building a harmonious society and achieving the ideality of ‘one world’ (i.e. all people become one).

**Physical Ability/Sportsmanship**

Physical ability/sportsmanship symbolizes the Confucian spirits of courage, toughness, flexibility, and endurance. Physical ability implies the strength and stamina to sustain self-fitness and perform assigned duties. In contrast, sportsmanship underpins a steadfast attitude. Physical ability and sportsmanship, the cornerstones of group effort and team spirit, uphold Confucian loyalty to superiors and peers. Goals can be achieved cooperatively when ‘the firm, the enduring, the simple, and the unpretentious are near to virtue’ (Brooks 1998).

**Groupism/Cooperation**

Groupism/cooperation stresses teamwork and a group orientation. Communal interests and integrated goals are central to Confucian ethical structure. Within this framework, self-favor and self-interest (i.e. individualism) is ignorant and indecorous; selflessness and personal sacrifice maximizes communal benefits. In principle, a collectivistic society should be cultivated through cooperative efforts as well as self-sacrifice, self-restraint, and the de-emphasis of self-importance (Wong 2001).

**Aesthetics/Elegance**

Confucian teachings in ritual/propriety ratifies aesthetics/elegance. Aesthetics focuses on dignity and grace. People can foster their sense of beauty (i.e. aesthetics) through self-refinement, appreciation of the arts and sciences, and practice in humanity. In contrast, elegance reflects one’s internal confidence, maturity, and quality. It normally is enhanced by proper manner and attitude. Proper aesthetics/elegance practice enhances interpersonal/organizational relationships and fortifies Confucian ritual/propriety, which stress one’s proper role in society; it promotes cooperative behavior by revering others and reconciling self-desire with societal needs (Rarick 2007).
References


About the Author

Yu-Feng (Winnie) Lee, Associate Professor of Economics and senior fellow of the Bill Daniels Foundation, specializes in international economics (trade and finance), economic growth and development, regional economic and monetary integration, and international (East Asian/Asia-Pacific Rim) business. Lee has developed faculty-led study abroad (summer) programs in Europe (France) and East Asia (China), where she takes NMSU students studying these economies to learn about their economic and business cultures.

Note: Part 2—which describes Dr. Lee’s empirical study—will appear in next month’s issue.