

CONFUCIANISM

Application to Doing Business in the
21st Century

by Edgar D. Vargas

SPENTREP S10

Prof. Jorge Saguinsin

China and Confucianism

- ❖ China has emerged as an economic power
- ❖ Confucianism played a significant role in its history culture
- ❖ Knowledge and understanding of Confucianism would be a an advantage in doing business with China

Corporate Scandals

- ❖ GSK bribery scandal
- ❖ Melanine scandal
- ❖ Fake beef meat
- ❖ Enron Case
- ❖ BW Shares scandal
- ❖ Confucian ethical principles have set up a series of practical guidelines and rules for businessmen to adhere to

Integrity is Good Business

CONFUCIANISM

- ❖ A way of life
 - Confucius (553-479BC)
 - Followed by the Chinese for over 2000 years
 - Largely vilified, suppressed and purged during the Cultural Revolution
 - Substance of learning, source of value, & social code of the Chinese
 - Korea, Japan & Vietnam



CONFUCIANISM

- ❖ Western term
 - A worldview
 - A social ethic
 - Political ideology
 - Scholarly tradition
 - Way life
- ❖ Philosophy is preserved
 - The Confucian Analects
 - The Great Learning
 - The Doctrine of the Mean



CONFUCIANISM

- ❖ Confucianism – did not begin from Confucius
- ❖ Not founder
 - Buddha : Buddhism
 - Jesus Christ: Christianity
- ❖ Confucius – Transmitter
 - Reanimate the old to attain the new
 - Revitalize the meaning of the past by advocating a ritualized life

Ethical teachings include the following values:

- ❖ *Li*: includes ritual, propriety, etiquette, etc.
- ❖ *Hsiao*: love within the family: love of parents for their children and of children for their parents
- ❖ *Yi*: righteousness
- ❖ *Xin*: honesty and trustworthiness
- ❖ *Ren*: benevolence, humaneness towards others; the highest Confucian virtue
- ❖ *Chung*: loyalty to the state, etc.

" The fundamental concern of the Confucian tradition is learning to be human."

Confucianism – core elements

Confucian *De* (virtue) -Practice of *De* is the essence of living

Confucian

- ❖ Contingent on humanity within interrelated social relationships
- ❖ relationship-determining being can live morally and properly in society

Aristotle's *phronesis*

- ❖ Hinges on practical wisdom
- ❖ Self-determining being can live well in society

Confucianism – core elements

Confucian *De* (virtue) –represented by *ren*
(benevolence or humanity)

Ren

- an extensive **love** of human beings and through the cultivation of the *Dao /Tao* or the “*Way*”
- Enables a moral person to practice benevolence for both the physical and moral well-being of others
- Love is calibrated by the relative proximity and distance of one’s relationships

Confucianism – core elements

Humanity is fulfilled with the practice of *Ren* as moral behavior according the principles of *Li*

Li or rite/ritual propriety – a pattern of behaviour that is the foundation of human virtue

❖ *Regulates appropriate conduct within one's various relationships*

Confucianism – core elements

Li

- ❖ includes multiple types of etiquette; informs individuals of their relationship roles
 - “let father be father, son be son”
- ❖ Not focused upon external appearance but manifestation of one’s inner morality

Confucianism – core elements

- ❖ Confucianism accepts hierarchical levels of love as the natural order in relationships as guarantee of social harmony

Confucianism and Business

Confucianism

- ❖ a rich resource for a theory of business ethics in contemporary business
- ❖ Asserts that virtue enters society and propagated through leaders
- ❖ Provides a solution to the need for ethics and character based practices within the corporate world

Confucianism and the Leader

Confucianism

- ❖ Applying Confucian tradition
- ❖ The CEO, GM or political leader
 - More than a functionary or operative of productivity
 - An exemplar of values – one models the way of virtue

Confucianism and the Leader

Leader who demonstrates *de* by his actions

Confucius says:

“He who exercise government by means of his virtue may be compared to the north polar star, which keeps its place and all stars turn towards it”

Confucianism and the Leader

A virtuous leader must understand and behave according to *Li*

Confucius says,

“If you govern them with decrees and regulate them with punishments, they will evade them, but will have no sense of shame.

If you lead with virtue and regulate them with rule of propriety, people will have a sense of shame and abide by the rules.”

Basic Application of Confucianism in Business

- ❖ Confucian ethics were fully incorporated into traditional Chinese business activities.
- ❖ it was immoral for those of senior positions to indulge on profits for their own.
- ❖ the risk-taking commercial activities of the merchants should meet people's various needs.

Basic Application of Confucianism in Business

- ❖ Business activities should be subjected to ethical principles with righteousness rather than profits as their core principles.
- ❖ Collective benefits should outweigh individual benefits; spiritual values against material values

Basic Application of Confucianism in Business

Ren –core value of Confucianism

- ❖ Benevolence, humanity, kindness and goodness
- ❖ Plays significant role when it comes to pursuing profits and balancing ethics
- ❖ The ethics of Confucianism aim to weed out some evil practices in carrying business activities such as cheating, manipulating supply and demand so as to increase rates, corruptions of civil servants, etc.

Basic Application of Confucianism in Business

Li – set of ethical principles governing people to behave politely and ethically – posed deep impact on business activities

- ❖ Mutual respect, politeness, quality service and good interpersonal relationship in a hierarchical society are considered priorities in doing business, outweighing the pursuit of profits

Basic Application of Confucianism in Business

Xin – faithfulness, trustworthiness and honesty

- ❖ When thoroughly practices, harmony and mutual benefits is achieved in the business activities

Yi – righteousness, the responsibilities of doing good for human being.

- ❖ Guides the flow business as people are guide to know what is the right thing to do in spite of losing great profits

CONCLUSION

- ❖ Confucian ethics and philosophy have universal applicability to modern business relationships anywhere in the world.

....more business applications

Crisis management

“Success depends upon previous preparation and without such preparation there is sure to be failure.”

Business relationships

“Without feelings of respect, what is there to distinguish men from beasts.”

....more business applications

Strategy and Preparation

“If you think in terms of a year, plant a seed; if terms of ten years, plant trees; if it terms of 100 years, teach the people.”

“If you do not change direction, you may end up where you are heading”

....more business applications

Profits

“Better a diamond with a flaw than a pebble without”

Goals-setting

“When it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps”

Thank You!



Reference

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