

■ *Research Paper*

Toward a Humanized Systemic Organization: A Confucian Perspective

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The purpose of this paper is to explore the Confucian ideal in constructing a humanized organizational culture. Through the review of the two influential organization theories, systemic and mechanistic, this paper suggests that the Confucian ideal can promote a humanized organizational culture. The core notions of Confucianism are explicated and a deliberate inquiry towards the Confucian ideal is suggested. It needs to be grounded on a precise understanding of the core Confucian notions. Copyright © 2000 John Wiley & Sons, Ltd.

Keywords systemic; mechanistic; metaphor; organization culture; purposeful system; mind; Confucianism

INTRODUCTION

Rapid and complex societal evolution demands efficient organization in order to cope with changing human need. Organization needs to employ advanced concepts and technology in an elaborated designed structure to process information and material efficiently and effectively. Simon (1976) maintains that 'the organization design is not unlike architectural design. It involves creating large, complex systems having multiple goals.' Two approaches have dominated organizational design: the mechanistic approach and the systems approach. The mechanistic approach is characterized by: centralized decisions, rigid rules, impersonal relationships, hierarchical structure and so forth. People's minds are managed as machines to perform regular tasks. The iron rules are prior to human values and minds. This approach prospered under

conditions that were similar to the Industrial Revolution with invariant environment.

However, society is continuously transforming towards more complex environments which diminish the effectiveness of a mechanistic approach. This led to the emergence of a systems approach to organizational design, which links the organizational function and structure with ability to adapt to the changing environment. It draws on ideas from biology, which incorporates attributes of living systems, such as self-regulation, adaptation, open system and so forth.

But the organization is an aggregation of people rather than other living organisms, with attributes that cannot easily be mapped onto the organizational structure. These include human values, beliefs, ethics and perceptions, which are not inherent in the other organism. These attributes are part of the organization culture and integrate with structure, function and technology in ways that reflect organizational effectiveness.

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Along with the development of self-regulating structure, system thinkers recognize people as purposeful and attempted to take people's minds into account during the design (see Ackoff, 1974). The present paper explores this problem and considers the Confucian ideal as a possible approach to dealing with it. The paper is divided into three parts. First, we examine the philosophical foundations of the classical and contemporary organization theories. Secondly, we review the critical arguments about bureaucratic notions and conclude that many problems result from the neglect of the human dimension. In the third part we contemplate that a radical transformation of organization culture can be achieved by including the Confucian ideal as a supplement to the systems approach. Ways are explored in which the Confucian ideal can contribute to organizational effectiveness. Through Confucianism, the groundwork for a humanized organizational culture can be constructed and the interaction between people can be enhanced to improve organization effectiveness.

THE MEANING OF ORGANIZATION

Before we proceed, a definition of organization is needed since diversified definitions have emerged through the writers' perceptions and interests. Several works concerning the definition of organization are given below:

- Our theoretical model for the understanding of organizations is that of an energetic input-output system in which the energetic return from the output reactivates the system (Katz and Kahn, 1966).
- Characteristic of organization, whether of a living organism or a society, are notions like those of wholeness, growth, differentiation, hierarchical order, dominance, control, and competition (Bertalanffy, 1968).
- Organization refers to the complex pattern of communication and relationships in a group of human beings (Simon, 1976).
- A consciously coordinated social unit, composed of two or more people, that functions on

a relative continuous basis to achieve a common goal or set of goals (Robbins, 1993).

- A bounded social unit that is relatively stable and enduring and that contains patterns of social ordering and a distinctive organizational culture (Olsen, 1991).

The above definitions of organization emanated from both biology and social science. In this paper, organization refers to social organization, populated by people, instead of organized objects. This paper uses the following definition: *an organization is a minimum of two persons and each person has his specific pattern of roles and interactions with the others designed to achieve goals shaped by underlying purpose.* The minimum of two persons implies multiple human participation. The specific pattern of roles indicates that a single person can not carry out the work and a structure is needed to identify each person's role. Interaction means that the elements interact to 'produce' the organization's goals. Goals are determined by purposeful systems, i.e. people. Mechanistic goals are the very opposite of systemic goals. The former treat goals as independent variables, whereas the latter perceive goals as dependent variables. The reasons that the two streams perceive goals in different ways stem from the different underlying philosophies. This difference can be understood in terms of root metaphor theory (Pepper, 1942). A brief review of root metaphor theory is given in the following section.

ROOT METAPHOR THEORY

Pepper (1942) proposes four world hypotheses, which construct the bases of our knowledge about the world. He describes his concept of a world hypothesis as follows:

The suggestion is that world hypothesis get started like any man's everyday hypothesis framed to solve some puzzling practical problems. The man looks back at his past experience for some analogous situation, which might be applicable to the present problem. Similarly, a philosopher, puzzled about the nature of the universe, looks around

for some pregnant experience that appears to be a good sample of the nature thing. This is his root metaphor. He analyzes his sample, selects its structural elements, and generalizes them as the guiding concept for a world hypothesis of unlimited scope. This set of concepts becomes the set of his categories of his world hypothesis. (Pepper, 1973)

His four world hypotheses are:

- (1) formism;
- (2) mechanism;
- (3) contextualism; and
- (4) organicism.

The core of world hypotheses is root metaphor. Metaphor gives the initiative and fundamental idea for the scientist to explain the puzzling phenomena. For formism the root metaphor is our everyday perception of *similarity* in the world around us. The formist sees things similar because they have been developed based on some ideal form. For contextualism the root metaphor is the *historic event*. Contextualism sees a world of continuous flux, and focuses on 'changing present event'. The world hypotheses, mechanism and organicism, have provided the basis of two influential organization philosophies that have dominated organization and management since the Industrial Revolution.

The root metaphor of mechanism is the *machine*. From the mechanism point of view world phenomena are mechanistic and are constructed from interconnected parts into a hierarchical form. Laws and rules control the activities. Humans are part of the machine, who perform regular and fixed tasks.

In contrast to the mechanistic view, the root metaphor of organicism is an *organism*, which explains world phenomena in terms of organic process within an organic structure. Every part is related, directly or indirectly, to the other parts of a system.

These two root metaphors independently contribute to traditional and contemporary organization theory. In the next section we explore the implication of the two root metaphors to a changing context and new emerging organization theories.

IMPLICATIONS OF THE MECHANISTIC AND ORGANICISM ROOT METAPHORS TO ORGANIZATION THEORIES

The Mechanism Root Metaphor

The mechanistic perspective is underpinned by machine metaphor. It is perhaps best reflected in Weber's bureaucracy theory. The organization is seen as a machine, a 'designed' device to achieve the preset goals. The goals are independent variables, which are given by the machine's creators. Katz and Kahn (1966) characterize the mechanistic organization in the following terms:

- process specialization of tasks;
- standardization of role performance;
- unity of command and centralization of decision-making;
- uniformity of practices;
- no duplication of function.

Weber's bureaucracy theory (Gerth and Mills, 1948) explicitly articulates the structural characteristics of a mechanistic organization: 'The principle of office hierarchy and the levels of graded authority mean a firmly ordered system of super and subordination in which there is a supervision of the lower offices by the higher one.' In the mechanistic world, our human mind surrenders to uniformity and rules, in which our values and humanity are not a major concern.

Rigid rules, standard procedure, centralized decision-making, hierarchical structure and the lack of humanity characterize classical organization theory. The failure of these organizational theories to cope with the evolving environment has led to much criticism, which will be dealt with in the next section. The failing mechanistic view gave rise to the systemic approach to organizations and the accompanying focus on its human dimension.

The Systems Approach

The systems approach emerges from the organicism world hypothesis and is underpinned by the organism metaphor (Boulding, 1956; Ashby,

1956; Bertalanffy, 1968; Miller, 1978; Beer, 1984). The organization, through the systemic approach, is viewed as an organic whole with input, throughput and output. The systems approach is characterized by:

- (1) pluralism, which implies that there are large amounts of elements and their relationships are rich;
- (2) cybernetics, which reveals that the elements mutually influence and direct system variables toward a desirable equilibrium;
- (3) the notion of the organic whole, which intimates the organism as a whole of the system.

These three characteristics manifest that systemic organization is not a goal-achieving device but a goal-seeking system, which regulates itself to adapt to environmental change.

Katz and Kahn (1966) elucidate this notion in terms of five basic subsystems which exist in social organizations:

- (1) the *production* subsystems concerned with the work that gets done;
- (2) *supportive* subsystems of procurement, disposal, and institutional relation;
- (3) *maintenance* subsystems for tying people into their functional role;
- (4) *adaptive* subsystems, concerned with organizational change;
- (5) *managerial* systems for the direction, adjudication, and control of the many subsystems and activities of the structure.

There is a close correlation between these and Beer's Viable Systems Model, which identifies the following systems that need to be in place in order to maintain and promote the viability of an organization:

- (1) System 1, which consists of the operational systems. These realize the value that makes the organization relevant in its environment;
- (2) System 2, which consists of those activities that ensure coordination and coherence between its operations;
- (3) System 3, which resources and regulates the overall performance of its operations;

- (4) System 4, which develops the intelligence needed to ensure the continuing relevance of what the operations produce;
- (5) System 5, which formulates the policies for developing the capability of the organization and matching it with the changing threats and opportunities in its environment.

These models explicate the functional characteristics of systemic organization. The organic metaphor does not reflect the important idea of a purposeful system (see Ackoff, 1974). In our system age, humans are no longer viewed as machines. People's value, beliefs and perceptions are seen to be part of the system. These are associated with organizational culture, which bears concealed characteristics, and are embedded in people's minds. It is intangible and not observable. The purposeful system's mind gives rise to a profound influence on organizational behaviour.

As our interpretation above indicates, organization is an aggregation of people and their shared value, belief and mind shape and cultural characteristics. Systems thinking has moved current organizational theory toward the human dimension, which emphasizes human interpretations and values (Ulrich, 1994; Flood and Jackson, 1991). This movement has not yet produced a model of a truly humanized organization. This problem is epitomized by the bureaucracy theories that underlie our social institutions and corporations.

BUREAUCRACY THEORY'S DILEMMA

Most people have been aggrieved by some experience of bureaucracy. Their complaints usually arise from inflexibility, perceived poor efficiency, poor service attitude and so forth. In this section, we review some of the literature that criticizes bureaucracy in terms of the apparent inadequacy of mechanistic notions on which it is based.

Barzelay (1992) argues that the old mechanistic basis of the bureaucratic paradigm is challenged by the idea of being customer-driven and service orientated. He maintains that the bureaucratic

paradigm is focused on its own internal needs, responsibilities and roles whereas the post-bureaucratic paradigm is concerned with the concepts such as responsiveness, user-friendliness, change and competitive provision of valuable service to customers. The mechanistic organization is as a closed system, which does not interact with its environment. External need is ignored and the organization culture is directed to focus on its rules and roles. Therefore the post-bureaucratic paradigm, which addresses the issues of quality, value and continuous improvement, is more appropriate to our modern context.

Simon (1976) indicates at least three ways in which objective rationality fails:

- (1) insufficient knowledge to establish the consequence of each choice;
- (2) imperfect anticipation of value in the future;
- (3) limited alternatives brought to mind.

Pinchot (1994) gives the following reasons why bureaucracy fails in our contemporary era:

- (1) its inability to handle complexity;
- (2) its failure to provide appropriate cross-functional communication;
- (3) its inability to respond timorously to change;
- (4) its lack of adequate relationship required to carry out information-intensive jobs.

Pinchot highlights the fact that our present socio-economic environment is very different from that of the Industrial Revolution, which legitimized bureaucracy. Current work is increasingly characterized by knowledge work, the need for innovation, integrated corporate tasks, customer orientation and parallel coordination. This is very different from the work of the Industrial Revolution, which was unskilled, repetitive, fragmented, and authoritarian. This highlights the inadequacy of bureaucracy in a rapidly changing complex environment.

Olsen (1991) sees bureaucratic problems arising from:

- (1) rule ritualization, which means that bureaucracy follows the rulebook in a rigid and inflexible manner;

- (2) job incompetence, which indicates that not all the positions are ideally appointed to the persons who are competent to perform their jobs;
- (3) impersonal treatment, which connotes that bureaucracy ignores the external customer's need, and consequently leads to the distress and disappointment of external customers;
- (4) internal conflicts, that are the result of the opposing interests and objectives among the subunits;
- (5) split authority, which implies insufficient knowledge on the part of line authority of the tasks performed within the units for which they are responsible. On the other hand, people in staff positions, who possess the skill of the tasks, do not have legitimated authority to change policies or make decisions;
- (6) communication distortion, which is caused by the hierarchical structure in which the information is interpreted and elaborated to flow down or flow up. When the information reaches the destination, there is little resemblance to the original;
- (7) goal displacement, which indicates bureaucracy tends to concern internal goals more than external goals. Consequently, the external customer's needs are ignored;
- (8) resistance to change ascribed to the rigid rules, which damp the change.

Olsen's criticisms reflect that bureaucracy does not change, acts as a closed system and that people's behaviour is guided by rules.

Cumulatively these criticisms indicate the inappropriateness of traditional bureaucracy theory in our systems age. A major part of this criticism is its inability to deal with the human dimension and to effectively use human attributes to deal with challenges to its viability. We now explore Confucianism as an approach to dealing with this problem.

CONFUCIANISM IN ORGANIZATION

From a Confucian perspective, rigid rules and regulations do not enhance ethical behaviour. The Confucian ideal is:

If people be led by laws, and uniformity sought to be given them by punishment, they will try to avoid the punishment, but have no sense of shame. If they be led by virtue, and uniformity sought to be given them by the rules of propriety, they will have the sense of shame, and moreover will become good. (*Confucius Analects*: II/3, ca. 400BC)

Weber contends that there is the principle of fixed and official executive areas, which are generally ordered by rules, by laws or administrative regulation (see Gerth and Mills, 1948). The rules and laws define clearly the punishment and reward which drive people to act as machines and commit themselves to play their roles in the organization. People's behaviour is compelled and conquered to comply with the rules and regulations which, in essence, do not advance people's ethics. Therefore, one of the cultural characteristics of mechanistic concepts is *obedience*. In certain senses, the organization obeys the mechanistic rules to proceed. For example, the charity organization should accommodate homeless children because the laws define it. But, how members perceive the homeless children is not the major concern. We could not deny that rules and regulations are important and still needed. But an ethical inspiration, as a cultural basis, is indispensable in moving the organization forward.

Critics of the mechanistic model primarily ascribe to its incapability to cope with environmental changes, lack of innovation and intelligence, not humanized culture and so forth. The mechanistic structure shapes a firm track to guide human actions, which inevitably leads to an organization culture conceiving humanity as inferior to rationality. It seems that most efforts emphasize people's observed need and purpose. But very few explore the observer's purpose.

Along with the effort to construct a first-order cybernetic organization, systems thinkers also promote a second-order cybernetics which emphasize the human mind and need. The difference between the two are illustrated in Table 1 (Francois, 1997).

Flood and Jackson (1991) and Ulrich (1994) introduce critical systems thinking, which promotes the concepts of complementarity, eman-

Table 1.

Author	First-order cybernetics	Second-order cybernetics
Von Foerster	Cybernetics of observed systems	Cybernetics of observing systems
Pask	The purpose of the model	The purpose of the modeller
Valera	Controlled systems	Autonomous systems
Umpleby	Interaction among the variables in a system	Interaction between the observer and the system
Umpleby	Theories of social systems	Theories of the interactions between ideas and societies

cipation and critical reflection, to deal with this problem.

Ackoff (1974) and Warfield (1976; Warfield and Cardenas, 1994) contend that interactive activities can effectively sweep in human values and perceptions into management and planning practices. The interactive approach promotes a cooperative organizational culture, which concerns itself with human purpose.

Katz and Kahn (1966) assert that the internalization of organizational goals is the most effective motive pattern to prompt organizations functioning to a high level of effectiveness. Intrinsic motivation moves individuals toward the goals of the group because these represent their own personal values and self-concept. A systems approach focuses on both functional and purposeful aspects of the organization. The two aspects are not separable. The latter humanizes the organizational culture, which in turn sustains the functional structure.

But can an interactive approach ensure the transformation of the organization culture to humanity? From an Eastern perspective, 'internal observation' is prior to 'external observation'. In other words, self-examination is the first step, then interaction with the external world. This concept is illuminated in the first sentence of *Great Learning* (ca. 400BC), in which is written: 'The Way of the Great Learning is to enlighten immanent virtue; to renovate the people; and to

rest in the highest excellence.' It reveals that Confucius' meditation of learning is to enlighten our innate virtue. Through the illumination of one's innate virtue, one is then capable of being intimate with people and renovating them toward good. From the above record, we may grasp that the core concept of Confucianism relates closely to the mind. There are two Chinese characters that signify the core concept of the Confucian ideal. One is *Jong* (loyalty) and the other is *Shuh* (magnanimity). This is recorded in *Analects* IV/15: 'Tsang said, "The doctrine of the master is *Jong* and *Shuh*."' This paper explores the construction of these characters and that of the character *lii* (decorum), and the richness of their English translation.

These are critical characters that profoundly influence Eastern organizational culture. A dialogue, between Confucius and a duke illustrates *Jong*: 'The duke Ting asked how a lord employs his ministers, and how ministers should serve their lord. Confucius replied, "A lord should employ his ministers according to *lii* (decorum); ministers should serve their lord with *Jong* (loyalty)'" (*Confucius Analects*: III/19, ca. 400BC).

Lii in English is decorum. The character is shown in Figure 1. The left part of the character means cloth and signifies formal dress. The top right symbolizes a container filled with offerings to revere God. The bottom right of the character is a bean, which grows in northern China. When the bean is ripped, its shape is like a curve. *Lii* (decorum) delineates the ancient lord, who reveres God in formal dress, holding a container in hand, and his posture is as the curved bean which expresses sincerity and reverence. In the Confucius ideal, the superior should treat the subordinate with reverence, instead of top-down instructions, and provide opportunities for him. Vice versa, the ministers serve their lord with *Jong*. *Jong* in English is loyalty. The Chinese character of *Jong* is shown in Figure 2. The upper portion of the character means middle, which implies unbiased. The bottom of the character means mind. Therefore, *Jong* (loyalty) connotes *unbiased mind*, which implies *unselfish purpose*. If one interprets *Jong* as 'obedience', then it is a distortion. The Confucian ideal proposes *unself-*



Figure 1. The Chinese character of decorum

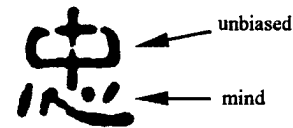


Figure 2. The Chinese character of loyalty

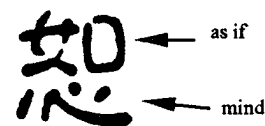


Figure 3. The Chinese character of magnanimity

ishness as the premise to guide one's conduct. A history book corroborates this: 'A man with *Jong* is unselfish' (Tzuoo-Juann (*A commentary on the Spring and Autumn Annals*, authored by Tso Chiu-Ming), ca. 500BC?).

The character *Shuh* signifies the core concept of Confucian organization culture. The Chinese character of *Shuh* is shown in Figure 3. The top portion of *Shuh* means 'as if' and the lower part is 'mind'. *Shuh* implies reciprocity, i.e. to reciprocate another's feeling of mind as if it were one's own. In certain senses it means that one should not treat others in a way which one does not like others treating oneself; and one should treat others in a way which one hopes others will treat oneself. 'Tsze-kung (a disciple of Confucius) asked, "Is there one word which may serve as a rule of practice for all one's life?" The master said, "Is not *Shuh* such a word? What you do not want done to yourself, do not do to others"' (*Confucius Analects*: XV/14). *Shuh* implies that self-examination before action promotes benevolence. Both *Jong* and *Shuh* are rooted in the mind.

The Confucian ideals are intimately associated with the mind. In a Confucian organization the fundamental drive to viability is *Jong* and *Shuh* reflecting a humanized culture rather than a balance between power and benefit. This does not imply that structure and function are not important. It identifies the preconditions for

organizational viability. For example, a family's ability to deal with a difficulty is dependent on the members' mutual trust and tolerance. If a family loses these, then it loses its ability to adapt, even though it has established roles and practises frequent communication. Similarly, if an organization loses its humanity culture, it will not survive long, although it is given an eminent structure.

Much of the effort of systems science to deal with the human dimension has focused on the question: 'What is in your mind?' 'Reality' is elicited and consensus is achieved through an interactive process. In contrast, the Confucian ideal focuses on the question: 'What is in my mind?' and is concerned with self-examination prior to external observation. It illuminates that 'What is in my mind?' or 'What is my purpose?' as the first step in inquiry. It is a continuous learning process transforming organizational culture, embracing humanity and involving a critical self-reflection of one's purpose, testing its consistency with *Jong* and *Shuh*.

CONCLUSION

The decline of a mechanistic conception of organizations and the rise of a systemic approach to it has identified two important strands of inquiry: organizational function and structure, and purposeful system's mind. These two aspects complement each other and form a crucial determinant in dealing with organizational problems. This paper introduces Confucian notions as an approach to this inquiry. The Confucian ideal is consistent with a system approach and contends that self-enlightenment should form the basis of any attempt to develop a humanized organizational culture. The inclusion of Confucian notions is likely to provide a human metaphor for organization behaviour rather than a mere self-regulating organism.

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