

# A CONFUCIAN APPROACH TO DEVELOPING ETHICAL SELF-REGULATION IN MANAGEMENT

PETER R. WOODS

Griffith Business School  
Griffith University, Kessels Rd., Nathan  
Brisbane, 4111, Australia

DAVID A. LAMOND

Faculty of Business and Economics  
Victoria University, Australia

## INTRODUCTION

As China has emerged as an economic superpower over recent years, researchers have sought to define and distinguish a distinct Chinese leadership and business management style (Chen & Lee, 2008). One approach to managerial leadership in the Chinese context that has been garnering considerable political, and some popular, support over the last several decades is that based on Confucian moral philosophy (Copper, Michael, & Wu, 1985; Little, 1989; Makeham, 2003c; Yang, Peng, & Lee, 2008). At the same time, increasing attention is being paid to the ideas of “managerial ethics”, particularly in relation to the manager’s self-regulation of ethical behavior (Lamond, 2007; 2008). It is, therefore, timely to give consideration to the extent to which Confucian moral philosophy might be applied to managerial ethics. Thus, this paper will address the question ‘what are the characteristics and practical applications of a Confucian approach to self-regulation within the context of management ethics?’

## Background

Confucian moral philosophy, or ethics, has a long and sometimes divergent history of development and interpretation. “Confucianism” is often used to refer to both the philosophical teachings of Confucius (Kongzi or Kongfuzi - 551-479 BC) and the religion associated with Confucius (Sun, 2005). In this paper, however, we use the term concerning the philosophical teachings only. As an ancient philosophy that has endured through the centuries, Confucianism is characterized by different schools of thought and by various periods of social and political acceptance and resistance in a number of countries, including China, Japan, Korea and Vietnam. As a focus, this paper will primarily address the ideas commonly attributed to Confucius in the Analects. Although the Analects were probably compiled by later students and followers of Confucius in an attempt to preserve the teachings of the Master, the writings as we have them today still play a foundational role in understanding Confucianism in both its current and historical forms (Jones, Parker, & ten Bos, 2005).

## Self-Regulation and Management Ethics

“Management ethics” refers to the moral principles relevant to the practice of management (Jones et al., 2005). The practice of management is the function of leading, organizing, controlling and planning efficiently and effectively to achieve the goals of an organization (Davidson, Simon, Woods, & Griffin, 2009: 9). Thus management ethics focuses on the moral issues associated with how a person manages an organization. In Western business focused literature, “self-regulation” has mostly been discussed at the macro (industry) rather than micro (individual) level, as an alternative to government imposed regulation of firm behavior (see, for example, Cunningham and Rees, 1994; and, more recently, Harker, 2008). Self-regulation at the micro level has been explored in the psychology literature as a systematic effort to regulate one’s thoughts, feeling and actions towards the attainment of one’s goals (Bandura, 1991a, 1991b, 1997; Zimmerman, 2000). Bandura describes this “uniquely human capability [of] self-regulation of behavior by self-evaluative reactions” (1991a: 257) as “a multifaceted phenomenon operating through a number of subsidiary cognitive processes including self-monitoring, standard setting, evaluative self-judgment, self-appraisal, and affective self-reaction” (Bandura, 1991a: 282). Bandura (1991a) recognizes that self-regulation in an organizational context is necessarily more complex, given the multiple and even conflicting external influences on individual action. So in consideration of this psychological approach to self-regulation, what might a Confucian notion of self-regulation contribute to an understanding of ethical behavior in the management context? In the following sections we examine how some common Confucian virtues may relate to self-regulation of a manager’s ethical behavior.

## The Virtues of Confucianism and Self-Regulation

Self-regulation in Confucianism is the process of regulating one’s behavior towards the self-cultivation and refinement of one’s character (Tu, 1998). Tu (1998) and Little (2006: 64) argue that self-cultivation is a central focus of historical Confucianism. The six key Confucian virtues that form the background to the discussion of self-regulation in this paper are benevolence (ren), righteousness (yi), ritual propriety (li), wisdom (zhi), trustworthiness (xin) and filial piety (xiao). We briefly examine these virtues as they relate to self-regulation.

The Confucian concept of benevolence (ren) is regarded as a foundational principle in interpersonal relations and in the Analects, the emphasis is particularly on moral goodness (Dan, 2009). Ren should involve an altruistic concern for others and should also reflect the tender aspect of human feelings (Li, 2008). With self-regulation of behavior, Confucian managers should act with empathy for others while maintaining moral goodness.

The idea of righteousness or uprightness (yi) relates to living and behaving according to moral principles, rather than being focused on material gain and self-interest (Fan, 2001). This is indeed a difficult concept for many profit focused business managers; however the effective management of people must be focused on more than just profit. The Confucian manager then is required to regulate decision-making by being guided by moral issues rather than a short-term focus on material

gains. In fact, managers would regulate their behavior by prioritizing adherence to the virtues of benevolence (*ren*), uprightness (*yi*), and propriety (*li* – discussed in the following paragraph) above business profitability (Kupperman, 2004).

The idea of ritual propriety (*li*) is harder to understand in the modern context, as the idea was originally based on following the ancient rituals and sacrifices that were a part of court life in the time of Confucius. Even the *Analects*, however, broaden the idea to include the importance of following the social norms of polite conduct when interacting with others. Following the rituals and norms was believed to build self-regulation (Cheng, 2004), in a similar way to how marching drill and respectful protocols such as salutes are thought to play a part in reinforcing the self-discipline (regulation) of those serving in the military.

In Confucianism, wisdom or *zhi* includes not only learning, but also recognition of the way and an ability to perceive situations accurately and make correct judgments (Romar, 2002). This is obviously a crucial part of self-regulation, where an individual must be wise enough to perceive situations accurately and make the right decisions based on a wise evaluation of the options. Cheng (2004: 132) explains this as “the *zhi* is the self-conscious active power of decision making and choice making based on recognition of a goal and thus more than a common will but a will to value”.

Trustworthiness (*xin*) indicates loyalty to moral principles, to ritual and social rules of propriety. It also refers to loyalty to one’s superiors in hierarchical relationships, however the emphasis is on standing by one’s word, or, more deeply, being a dependable support for others. This virtue serves a purpose in encouraging a person to self-regulate in following through on commitments made in relationships, but inevitably this causes ethical conflicts when the commitments made to different people are in conflict (for example, a manager’s commitment to employees and superiors in wage negotiations). Confucian ethics thus prescribes a hierarchy to help in these situations. Confucian teaching holds that human organization is based on five cardinal relationships (*wu lun*). These relationships are, in order of precedence from highest to lowest: ruler and subject; father and son; husband and wife; elder and younger brother; friend and friend. The relationship between ruler and subject is usually interpreted as the relationship between manager and staff in the organization, however in Confucian teaching in the *Analects*, the relationship of son to father takes precedence (*Analects* 13:18). The responsibility for trustworthiness follows this hierarchy, thus regulating a person to make decisions based on which relationship is primary in the hierarchy (Ip, 2009b).

Along with *ren*, the idea of filial piety (*xiao*) is regarded as foundational among virtues of human relationships (Yao, 2000) and is regarded as foundational for building social harmony. Confucius argues that we can know the moral character of a person by knowing how well they treat (*xiao*) their family, and in particular, their parents and ancestors. Thus, a Confucian approach to self-regulation in business ethics would require manager selection based on a holistic view of the candidate’s moral character. This kind of holistic view of management potential has found its way into traditional Chinese management practices. Gao and colleagues (Gao, Arnulf, & Kristoffersen, 2008: 24) in presenting research on the development of business leaders in Shanghai point out that the “Chinese tradition of evaluating leadership potential as a holistic judgment of moral character based on feeling is hard to link to Western ideas

of psychometric measurements and description of leadership behaviors”. Indeed the concept of self-regulation as a moral virtue is not something that is normally included by human resource managers in a list of attributes required for appointment to managerial positions (Cook, 2004).

## Confucian Principles in Ethical Management Self-Regulation

*Goal of becoming a Junzi.* A person who wishes to follow Confucian moral philosophy will have the goal of becoming a junzi. The term junzi literally means the ‘son of the ruler’ and has been translated into English as a ‘person of virtue,’ a gentleman, a ‘superior man’ or a ‘princely man.’ According to Anh (2008: 103) a junzi is a “noble person who attempts to actualize Confucian cardinal virtues in concrete human relationships at any cost.” The *junzi* is a person who is an involved agent with others, rather than someone who is a detached intellectual or ivory tower philosopher (Wang, 2000). The ideal of being a junzi is still spoken of as the standard of personal integrity in China today (C. C. Chen & Lee, 2008a).

*Principle of social harmony.* The ideal of social harmony has received considerable attention throughout China during recent times, particularly under the influence of President Hu Jintao (Yang et al., 2008). According to Ip (2009b), harmony is the primary goal of Confucian personal and social life. Harmony is achieved by acting according to the Confucian social hierarchy (*wu lun*) and by practicing *ren* (benevolence), *yi* (righteousness) and *li* (ritual propriety) (M. J. Chen, 2001). An important point to note is that, from a Confucian perspective, harmony is not sameness. The Analects (13:23) point out that “The Master said, The *junzi* acts in harmony with others but does not seek to be like them; the small man seeks to be like others and does not act in harmony”. The Confucian idea of harmony does imply domination, particularly with the Confucian emphasis on humans harmonizing with nature. As Westwood (1997: 454) points out Confucian oriented cultural systems such as those found in Korean and overseas Chinese (*huaqiao*) businesses emphasize that patriarchal authority carries with it the responsibility to maintain harmony by showing concern and considerateness for subordinates within the guidelines of moral leadership. Thus the manager regulates behavior based on being cognizant of and following the role obligations and responsibilities of a manager.

*Principle of acting ethically according to roles.* Chen (2001: 215) points out that Chinese society and business culture is not just relationship based. He argues that it is also role based, with people acting in roles prescribed by Confucian tradition (Gao et al., 2008). In fact, a number of passages in the Analects argue strongly for people to act ethically according to their social roles through the process of rectifying names (*zheng ming*) (Wang, 2000). Although there is debate on what this process involves, it has been interpreted as involving prescribing, rather than just describing, sociopolitical distinctions and standards (Makeham, 2003b). Thus a manager must act according to long standing ethical standards that are attached to the leadership and managerial role, rather than establishing their own set of ethical standards. This has implications for self-regulation in management ethics, as a manager can draw on a long history of human struggle in following relatively consistent ethical standards prescribed for leadership roles. Managers need not feel alone or unique in their ethical

struggles, as the struggle to regulate one's ethical conduct in managing others has left a rich legacy of consequences and decision pathways that one can learn from. Thus there is considerable emphasis in Chinese families and in Chinese education in learning from the example of leaders and managers both real and mythical in the extensive record of Chinese literature (Su, Zhang, & Hulpke, 1998).

### Confucian Practices to Achieve Self-Regulation (Development of Self-Regulation)

*Rites and ritual.* The practice of *li* is meant to teach self-control in demeanor, and should provide correction of demeanor. *Li* was partially effective in the time of Confucius as it built relationships between people and with the conception of the divine. At a basic level, *li* is the concrete way that a person enters into communion with others in a way that also conforms to the requirements of a transcendent being (Tu, 1998: 24). The problem with rituals that are utilized in modern organizations is that they are often newly minted and lack the authority of transcendental related *li*. However, the practice of organizational culture rituals, such as reciting the corporate mission every morning, may have some benefits common to habituation and ritualization. Both habituation and ritualization are regarded as processes to internalize social values to virtue (Yu, 2008: 328), and ritualization may help to shape one's character. Ritual is a means of strengthening the sense of social and spiritual integration and a method of ensuring continuity with the past.

*Role of music.* Confucius believed that playing and listening to non-licentious music could help develop a person's moral character. This is an unusual point to consider, as music is often perceived as a leisure activity, distinct from work activity (except for the music industry itself). On further consideration, however, many workers in Confucian influenced East Asian countries start the day with a rousing rendition of the company song or a values laden worker's song. Music plays a role in building unity in some national and organizational cultures. Singing Karaoke with work colleagues and business partners plays a role in relationship development in many East Asian countries. Some schools still start the day with the national anthem. Whether these practices actually improve ethical self-regulation is debatable, but worthy of further research.

*Self-examination.* The Confucian idea of self-cultivation or *xiuji* refers to a self-reflective understanding of the self (Cheng, 2004). Confucian ethics calls an individual to compare oneself to others with a view to one's own self-refinement. In developing management ethics, reflective learning on one's own heart/mind direction becomes an important educational practice. A reflective essay on one's own ethical philosophy based on reflections on one's own ethical conduct would be a relevant practice in alignment with Confucian ethics. One also improves in ethical practice through reflection on one's own attitudes in comparison with both good and bad examples of the ethical conduct of others. Confucian ethical development would seem to involve case studies in conjunction with ethical self-reflection.

*Mentoring.* The *Analects* is a record of conversations between Confucius and his disciples within the context of a mentoring relationship. The messages of the conversations are sometimes obscure, and sometimes direct. What is clear throughout the

Analects is that Confucius places a great deal of emphasis on mentoring as a way of refining ethical conduct. Within a mentoring relationship, Confucius would appear to encourage active discussion of ethics in practice, with participants offering opinions and receiving correction or encouragement.

### Potential Problems in Applying Confucian Principles to Develop Ethical Self-Regulation

A few potential problems in applying Confucian principles to develop ethical self-regulation are evident in previous research. These include the Confucian attitude towards women (S. Y. Chan, 2008; Li, 2008), a history of repressive regimes that have used Confucianism to justify their actions (de Vary, 1991), and the debate surrounding whether Confucius would support or oppose whistle blowing. These issues are complex, with adversaries in the debates both quoting the Analects and historical precedents to support their positions. Empirical research specifically examining the influence of Confucian values on whistle-blowing intentions of public officials in Korea produced a mixed result with different Confucian values both increasing and decreasing the likelihood of whistle-blowing (Park, Rah, & Lee, 2005).

### Limitation of this Discussion and Propositions for Further Research

This discussion is limited by the authors working primarily with English language sources and by a focus on theoretical and conceptual points with little supporting empirical or historical evidence. The points made in this paper, therefore, should be regarded as guidelines worthy of consideration, rather than a framework that has been specifically tested in the modern management context. We propose further research is to examine if the practical application of Confucian practices are effective in regulating the ethical behavior of managers in modern organizations.

## CONCLUSION

This paper examined the characteristics and practical applications of a Confucian approach to self-regulation within the context of management ethics. The characteristics of a Confucian approach to self-regulation in the context of management ethics include an emphasis on the virtues of benevolence, righteousness, wisdom, trustworthiness, ritual propriety and filial piety. The practical applications of a Confucian approach to developing self-regulation include the use of ritual, music, self-reflection and mentoring. Some aspects of Confucian moral philosophy have limitations in addressing self-regulation in modern management ethics including ambivalence towards whistle blowing. Confucian moral philosophy, however, offers clear guidelines for developing ethical self-regulation in managers, and is worthy of further research to examine the outcomes of its practical application.

## REFERENCES AVAILABLE FROM THE AUTHORS