A Review of Practical Confucian Wisdom and Learning Organizations

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INTRODUCTION

The aim of this paper is to review relevant literatures on Confucian wisdom for Chinese enterprises (state-owned and private-owned) as learning organizations. Confucius (551-479 B.C.) is one of the greatest philosophers in Chinese history, who is also known to have the greatest influence on Chinese culture. Wisdom is defined as pragmatics of orchestrating human goods and excellence of productivity (Baltes & Smith, 2008). Although learning organisations has a very short history of less than 15 years in China, it becomes increasingly popular since Senge’s (1994) fifth Discipline was translated and introduced to China (Kolb & Jiang, 2005). There also seems to be a link about its popularity with the revival of Confucian traditions and promoting ‘harmonious society’ (hexie shehui) as a national goal (Gan, 2007), hence the imperative for this review. A thorough review of this topic will have significant implications for organizational development in the Chinese context. Specifically, this review paper proposes these questions:

1. How to define practical Confucian wisdom?

2. Do existing literatures suggest such a link between Confucian wisdom and learning organizations? If the answer is affirmative, to what extent then, is practical Confucian wisdom related to developing Chinese enterprises as learning organizations at various levels (e.g., individual, group and firm levels)?

CONFUCIUS, THE PHILOSOPHER

Confucius (551-479 B.C.) is China’s earliest great philosopher (Yao, 2000). ‘Confucian school of thoughts’ is only an approximate translation from the Chinese version of rujian (scholars) which can be more literarily translated as ‘literary school of thoughts’. This indicates that Confucian wisdom is based on wen or the literary tradition in which definitions and persuasion play an important role for constructing discourse.
Confucius is known as the founder of *rujia* (scholars) or Confucian school of thoughts. Firstly, Confucius (1992) develops the concepts of *ren* (benevolence), *yi* (righteousness), *li* (rites), *zhi* (intellect), *xin* (faith) and *rong* (courage). Among these concepts, *ren* (benevolence) is the most important virtue followed by *yi* (righteousness), *zhi* (intellect), *xin* (faith) and *rong* (courage). Most these virtues (except *zhi* or intellect) represent the ethical dimension and serve as the foundation of practicing rites, which can be interpreted as the normative dimension. *Li* (rites), in turn, is the ritualistic form to express the human virtues. More importantly, harmony and social order are seen as the ultimate goal of the society. To achieve harmony, one has to achieve virtues, in particular lover of people and benevolence and practice appropriate rituals and norms. In relation to these virtues, Confucian also develops the concept of *shengren* (Sage) and *junzi* (refined man) who embody the highest level of authentic humanity and virtues. In Analects, Confucius discusses Sage and refined man interchangeably. In contrast to *shengren* or *junzi*, *xiaoren* (inferior man) rejects moral values and only focuses on own interests and profits.

**CONFUCIAN WISDOM: DEFINITIONS AND APPROACHES**

It is essential to review how researchers define Confucian wisdom in relation to learning in Chinese enterprises since clear definitions serve as an important dimension for improving organizational theory building (Osigweh, 1989). This study identifies three types of definitions drawing from both English and Chinese sources of scholarly works. These definitions will highlight the important values of Confucian philosophy for organizational learning.

1. **Defining Confucian Wisdom as Ethics and Social Responsibilities**

This group of researchers, in particular from the English sources (e.g., Ahstrom & Bruton, 2002; Cheung & Chan, 2005; Cheung & King, 2004; Hofstede & Bond, Lam, 2003; Liao & Sohmen,
2001; Robertson, 2000; Romar, 2004; Young & Corzine, 2004) define Confucian wisdom as composed of a series of values and ethics such as those advocated in the vignette at the beginning of this paper. They also tend to use Confucian values and ethics interchangeably. In other words, they view Confucian wisdom as related mainly to spirituality. A typical example can be found in Cheung and King (2004) and Young & Corzine (2004), who define Confucian entrepreneurs as preferring to humane values to profits or financial gains. Cheung and King (2004) even claim that very few Confucian entrepreneurs are still in existence.

2. Defining Confucian Wisdom as Excellence in both Ethics and Productivity

Another group of researchers, mainly from the Chinese sources (e.g., Gan, 2007; Xu, 2003; Yang, 2002; Wang, 2002; Zeng, 2006) define Confucian wisdom as excellence in human values as in ‘Sage’ or ‘refined man’ and economic productivity, which shares similarity with Bates and Smith to a certain extent (2008). This group of researchers are significantly different from the first group. Still take Confucian entrepreneur as an example. They define Confucian entrepreneurs as paying attention to both yi (righteousness) and li (profits). However, yi is more important than li when there is a conflict between the two elements. Xu (2003) exemplified this definition with his historical study of Zhan Jian, one of earliest Chinese entrepreneurs at the turn of last century. This group also provides a further list of other attributes for Confucian entrepreneurs including Confucian values, business productivity, social responsibility and common goods to society; and innovation.

3. Defining Confucian Wisdom from the Discourse Perspective

The third group belongs to an interdisciplinary field of discourse and persuasion (e.g., 1998; Louise, 2004; Shih, 1959). This group defines Confucian wisdom the Dao (the way or the harmony) of tian (heavens), xin (mind/heart) and yan (language). The Dao can be achieved via excellence of virtues and action. Note that although they also share similar definition with Bates and Smith (2008), they stress the importance of language and pragmatics or action. To them, Confucian wisdom is part of the Chinese wen (literary) tradition as the original Chinese word
rujian for Confucian school of thoughts as noted earlier. They strongly believe in that action and language should go hand in hand in order to achieve excellence in performance of productivity. Deriving from the concept of wen (literary) tradition, they naturally stress the importance of learning for achieving excellence.

THEORETICAL FRAMEWORKS AND LEARNING ORGANISATIONS

Based on the above definitions, we can see that Confucian wisdom can be studied from a number of perspectives and frameworks in relation to learning organizations. Specific definitions of learning organizations can be found in Senge (1990), Pedler, et al. (1991), and Watkins and Marsick, 1992, 1993). Also extensive approaches and models have been developed in the past few decades (e.g., Argyris & Schön, 1978; Daft & Weik, 1984; Levitt & March, 1988; Huber, 1991; Gavin, 1993, 2000; Goh, 1998; Goh, et al., 2007; Popper & Lipschitz, 1998, 2000; Lipshitz, et al., 2002; Zhu, 2009). In particular, Senge’s definition is cited here since the application of learning organizations in Chinese enterprises began after his works was introduced to China (Kolb & Jiang, 2003):

Learning organizations [are] organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. (Senge 1990: 3)

Senge, as well as Pedler at al.(1991) and Watkins and Marsick (1992) points to the types of learning that goes beyond the individual level and includes collective and collaborative learning for achieving strategic organizational goals. The levels (individual, group and organizational) of learning organizations have also been well documented by Chinese scholars (e.g., Kolb & Jiang, 2003). Zhu (2009) uses scenarios and narratives to tell the stories of learning organizations. For example, Zhu found that some organizations claim themselves to be Confucian enterprises such as Hainan Airline for practicing Confucian philosophies and teachings. The three groups of
Confucian wisdom studies all view learning organizations as essential for Chinese enterprises but have used different theoretical frameworks.

1. **Group 1:**

Many of the above-mentioned theoretical frameworks have been applied. In addition, both descriptive research (e.g., Tjosvold, et al., 2003; Tjosvold, et al., 2004; Tsang, 2002; Zhang, et al., 2004) and prescriptive (e.g., Lee, 1999; Miles, 2006; Yang, et al., 2006) approaches have been used although one may not inform the other. ‘Descriptive’ refers to empirical and other evidence-based research and ‘prescriptive’ alludes to the theories based on experience but with no empirical evidence (Tsang, 1997).

They tend to base their argument on partial understanding of Confucian wisdom, not on the whole picture. This can be compared to Saxe’s (1873) fable about the blind men and the elephant (each blind men touches one part of the elephant’s body assuming they have the whole picture). A poet's observation of knowledge creation and science can be informative.

Philosophers' perspectives are equally compelling; this parable has its tradition in Buddhist, Hindu, Jain and Islamic centuries old traditions. Yet, it still timelessly reflects how researchers look at different sets of Confucian values. For example, some researchers (e.g., Kolb & Jiang, 2005; ) stressing the values of hard working, harmony, agree with the consistency between Confucian values and learning organization. In contrast, other researchers (e.g., Chwee, 1999; Miles, 2006; Yang, et al., 2006), who stress the importance of hierarchy and status and conflict avoidance, view Confucian values as inconsistent to organizational learning.

2. **Group 2.**

This group of researchers agree generally agree that Confucian wisdom is consistent with theories of learning organization. (e.g., Chen, 1994; Huang, 2007). Their approaches, however, are basically prescriptive with little empirical evidence. However, some of the prescriptive studies offer insight about the relevance of Confucian wisdom, which are gems of Confucian thoughts on learning. Their framework is based on comparative study of Confucian wisdom and learning.
organizations. Their contribution to research is the comparative approach to study organizational learning such as about team innovation. A typical example can be found in Chen (1994) who compares each of the Seng’s principles of learning with random citations from Confucius’ (1992) Analects. In addition, they also used historical approach to study Confucian influences on learning and business practices (e.g., Xu, 2003; Yang, 2002)

3. Group 3:

This group of researchers immediately see the relevance of Confucian wisdom to learning in general. Their theoretical contribution is their stress on communication and persuasion. To them learning goes beyond the classroom to include rhetoric and communication, and consistency between discourse and behavior (e.g., Lu, 1998). See Figure 1 about their interpretation of Confucian wisdom and learning.

**Figure 1 A Model for Confucian Wisdom and Learning: The Discourse Perspective**

In addition, they also focus on the concept of *junzi* (exemplar person), which had been hitherto interpreted as Sage or similar to God. More importantly, they attributed collective attributes to *junzi* as the champion or leader of the group (Howell, & Shea, 2006), hence translating individual
skills to the collective level. Their approach is descriptive based on discourse analysis, which is important for understanding the nature of communication for learning organization (Senge, 1990). Yao (2003) provides an example of using a discourse approach to study Chinese ethnic enterprises overseas. Although his scope of study is beyond Chinese enterprises, the approach is an example of descriptive approach. Table 1 provides a summary of the three group of research.

Table 1. Approaches and Dimensions to Confucian Wisdom and Learning

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LEVELS OF ORGANISATIONAL LEARNING

The focus of discussion is placed on collective or group and organizational level of learning. Individual levels will also be discussed in relation to the other two levels of learning. All the above-mentioned three groups of researchers look at levels of organizational learning. Specifically organizational learning is seen as composed of individual, group/collective and organizational (e.g., Lee, Xu, 2003; Zhang, et al., 2004). It can also be extended to the social learning level as well, which is also stressed by Chinese scholars (e.g., Dan, 2007; Louise, 2003; Xu, 2003). Researchers tend to focus on the learning organizational culture at the Organizational level (e.g., Wang, et al., 2007) to test the validity of the learning organizations. Similar kind of
study has also been conducted in Taiwan (Len, et al., 2006) and both types proved the validity to a similar cultural contexts influenced by Confucian wisdom.

However, more extensive studies are found in the English source of literature about the specific levels of learning and firm performance. Examples can be found in research involving all three levels (Zhang, et al., 2004; Lee, 1999), and studies on group level learning (e.g., Tjosvold, et al., 2003; Tjosvold, et al., 2003a; Tjosvold, et al., 2004) and collective learning through knowledge sharing (e.g., Michailova & Hutchings, 2006). For example, Tjosvold and his colleagues studied group learning in the area of constructive controversy which in turn supports the innovation and discovery at the firm level. Their findings are insightful in that it points to the change of behavior (hence learning) by using appropriate communication and dialogue.

The Chinese sources (also known as Group 2 in this paper), however, tends to focus too much on individual learning. Although the team learning is mentioned but it is discussed very prescriptively, which indicates the imperative for further research. The discourse perspective points to a promising direction about how individual learning can be extended to group and collective learning (Yao, 2003).

**Intercultural Learning for Learning Organizations**

Intercultural learning is worth a further note as China is increasingly open to the world market, which is important for both team and organizational learning (Bartel-Radic, 2006; Child & Ise, 2001; Child & Yan, 2003). Some of the aforementioned works deal with this area of research (e.g., Lee, 1999; Michailova & Hutchings, 2006). These researches indicate that culture-specific learning behavior plays an important role for intercultural team and organizational communication such as types of knowledge transferred for joint venture (Wong, et al., 2003). However, these studies only took place at the certain point in time and lacks the consistency or longitudinal evidence about how the organizations learn in the cross-cultural contexts such as joint ventures.

**SETTING A FUTURE RESEARCH AGENDA**
This section looks at the future research and identifies issues in the area of Confucian wisdom and learning organization. Particular attention is given to the types of research approach, methodology and levels of analysis. It is recommended that a systematic approach of defining Confucian wisdom should be used (Bates & Smith, 2008). The discourse perspective of Confucian wisdom suggests a promising area. In addition, Tjosvold and his colleagues’ (e.g., Tjosvold, et al., 2004) descriptive research is also a promising starting point for linking team learning and firm-level performance.

The following sections discuss issues identified and suggest research directions. It is essential to develop a systematic theoretical framework for understanding Confucian wisdom as in (but not limited to) the discourse perspective. These research questions are of relevance to both academic and managerial communities:

1. How to define Confucian wisdom?
2. How to understand Confucian wisdom and learning systematically so that we can optimize organizational learning for enterprises?

Additional Theoretical Frameworks to be developed

As pointed out by Hoy (2008), the issue of research in organizational learning is not about research gaps, but about developing interdisciplinary theoretical frameworks. Hoy’s view echoes’ Lin’s view about learning (1943). Future research can go beyond the discourse perspective to include other theories from sociology (social level learning) and ethnographies (learning behavior and patterns) for in-depth research.

Research Methodology
As detailed extensively, the three groups of research tend to use different approaches. However, these may not inform each other and there does not seem to be a continuum of descriptive and prescriptive research (Tsang, 1997). More solid theories should be further developed based on solid descriptive findings.

There is also a lack of longitudinal study. In this regard, the Chinese sources provide a promising historical perspective (e.g., Xu, 2003; Louie, 2002) and more studies can be conducted to see how specific attributes of Confucian wisdom contribute to organizational learning.

Units/Level of Analysis

Although existing research has covered all the three levels of learning, the links between individual, collective/group and firm levels of learning are still weak, which need to be strengthened. Han & Williams (2008) offers an example about the link between individual and team-level relations. An additional way is to further establish links with organizational processes and outcomes, and with on the development of work capabilities and strategic goals (Kalb et al., 2003). This can also be a feasible approach to studying how to achieve high-level learning (Fiol & Lyles, 1985).

In addition, there is a strong focus on individual level learning. Therefore, links to transcend it to collective or team and organizational learning need to be established. Interdisciplinary research such as Confucian wisdom discourse can help to establish this as they see self-learning as an initial step towards collective learning.

Organization-Tailored Learning

Future research should more closely look at how to develop effective learning organization based on the characteristics of the enterprise (Francesco & Chen, 2004).

Also the areas of learning can vary in different types of enterprises (joint ventures vs. state-owned, etc.). To sum up, these questions can be of great relevance for future research:
1. What types of knowledge are involved for organizational learning?

2. Is there a continuum of learning between this type of organizational learning and Confucian wisdom?

3. In what way is the learning of the individual- and group-levels related to achieving organizational strategic goals and effectiveness?

SELECTED REFERENCES


