

Chinese Wisdom and Modern Management

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Cambridge
Scholars
Publishing



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This book first published 2018

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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ISBN (10): 1-5275-0763-7

ISBN (13): 978-1-5275-0763-0

Shortly after completing her chapter, Professor Sui Hu passed away after a battle with her illness. As is evident in her chapter, Professor Hu was an outstanding scholar who had made great contributions to our understanding of the relationship between traditional Chinese literature, Buddhist studies and modern management. Professor Hu has published six books about ancient Chinese literature, and has gained her name in this area. We are sad to have lost her, but are proud to include her contribution in this edited book. *Chinese Wisdom and Modern Management* is dedicated to her.

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ACKNOWLEDGEMENTS

Many people and organisations assisted us in the editing of this book and we are enormously grateful for that assistance, no matter how small or large the contribution. We would specially extend our gratitude to the Hunan Foundation of Practicing Traditional Chinese Culture (湖南践行国学公益基金会) and the Centre for Intercultural Mediation of Durham University, for the research funding supports to the successful organisation of the First Durham-Huxiang Forum on Chinese Studies (2015, Durham), and the publication of this edited book. We would also like to thank all the contributors for their enthusiasm to contribute to this project and their willingness to keep the tight deadlines and accept editorial recommendations; to all the translators who have practiced as intercultural mediators in this project, balancing the faithfulness and expressiveness during their translation process in order to best deliver the sense expressed by the authors. Finally, we would like to thank Master Xuecheng, the President of the Buddhist Association of China, for his contribution to this book with a marvellous preface article.

EPIGRAPH

为天地立心，
为生民立命，
为往圣继绝学，
为万世开太平。
北宋·张载（1020—1077）

To ordain conscience for Heaven and Earth,
To secure life and fortune for the populace,
To continue lost teachings for past sages,
To establish peace for all future generations.

North Song Dynasty · Zai Zhang (1020-1077)

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PREFACE

NEW CIVILIZATION · NEW WORLD · NEW PEACE¹

VEN. MASTER XUECHENG
THE BUDDHIST ASSOCIATION OF CHINA

1. Introduction

Since the publication of the Millennium Development Goals (MDGs) in the United Nations Millennium Declaration in 2000, more than 600 million people across the world have been lifted out of poverty as a result of the concerted efforts of all parties. Governments have worked to enhance their citizens' awareness of development related issues, and to support the implementation of agendas that target the shared development of humanity, on an unprecedented scale with brilliant achievements.

On March 27, 2014, in his speech at the Meeting Commemorating the 50th Anniversary of the Establishment of China-France Diplomatic Relations, Chinese President Xi Jinping said:

“To realize the Chinese dream, we have set the ‘Two Centenary Goals’. One is to double the 2010 GDP and per capita income of urban and rural residents by 2020 in order to build a society of moderate prosperity. The other is to turn China into a modern socialist country that is strong, prosperous, democratic, culturally advanced and harmonious, and realize the great rejuvenation of the Chinese nation by mid-21st century. We are keenly aware that to realize this Chinese dream, we must keep deepening reforms in all aspects by freeing people’s minds, unleashing social productivity and invigorating the society”.

¹ The preface article was originally presented as a keynote speech (in Chinese) at the International Peace Conference, UNESCO, Paris (September 26, 2017), under the title “Building a New Civilization for the Future of Humanity”.

Currently global economic and social imbalance still exists among different regions of the world due to the after-effect of the 2008 financial crisis. Such issues as hunger, gender inequality, insufficient medical services and limited basic education, demand our urgent solution.

Following the MDG, the United Nations published Transforming our World: the 2030 Agenda for Sustainable Development on September 25, 2015, urging countries in the world to co-work on social, economic and environmental problems and make sure that no one would be left behind. As the MDG is now at a pivotal juncture, the WFB, an advisory agency of the Economic and Social Council of the UN, calls for the care and support of both Buddhists and non-Buddhists of various communities across the world in order to realize the shared goal of sustainable and peaceful development.

At this very moment, as a Buddhist, I feel my responsibility as being more solemn than ever before. I keep thinking about this question: how should I carry forward the Buddha's spirit of loving kindness, wisdom and the Middle Way in the time of peaceful development and win-win cooperation to bring benefit and inspiration to the human society that will progress in a more just, fair, equal, inclusive and sustainable manner.

Looking back on the history of Buddhism, we find that eminent monks in all ages inside and outside China have made unremitting efforts to spread the Buddha's spirit of loving kindness and compassion, promoting diversified cultural exchanges in compliance with the world context of multi-polarization, and curbing wars by defusing enmity among people of different regions and ethnicities. Buddhism has always served as a messenger for regional peace, between countries along the Belt and Road, from the west coast of North America, the North Pacific, to China, Korea and Japan in East Asia, to Russia and Mongolia, and to Myanmar, Thailand, Sri Lanka and Laos in South and Southeast Asia.

Etymologically, the Chinese word “和平” (peace) means being free of war and other forms of hostility; it is a synonym for harmony, stability and a better life. Peace is a shared aspiration of humanity. The English word “peace” is derived from the Latin word “Pes.” Its equivalent Indian word is “quiet,” and its equivalent Chinese translation in Buddhist scriptures means being pacified, a tranquil and crystal-clear state of mind, which is the highest state in Buddhism: Nirvana. As a verse from the *Vimalakirti Sutra* says, “The Dharma is peace and pacification, because it is free from desire”, and another verse from the *Sutra of Perfect Enlightenment* states, “Their Perfect Enlightenment illuminates everywhere, and is perfectly still, without duality.” From these two verses we are deeply aware that maintaining regional peace and promoting stable development across the

globe is the ultimate compassion and expectation of the Buddha for all living beings.

Handling the relationship between economy, environment and society is the key to solving the issue of sustainable development. It will be hard to keep a balanced and coordinated development if we proceed from merely one of the three aspects. The Buddhist philosophy of “I am part of you and you are part of me” may be inspirational for the endeavour of sustainable development. In the eyes of the Buddha, human activities are akin to being enveloped in a crystal amalaka fruit. They are diverse but interdependent, with their interests being inextricably interwoven. All human activities and even the whole universe are dependent, co-arising and devoid of an intrinsic nature.

2. The Lost World of Great Union

Peace is a dream forever cherished by humankind. More than 2,000 years ago, the Chinese people envisioned a peaceful world of Grand Union, as described in the *Book of Rites*:

“When the Grand course was pursued, a public and common spirit ruled all under the sky; they chose men of talents, virtue, and ability; their words were sincere, and what they cultivated was harmony. Thus men did not love their parents only, nor treat as children only their own sons. A competent provision was secured for the aged till their death, employment for the able-bodied, and the means of growing up to the young. They showed kindness and compassion to widows, orphans, childless men, and those who were disabled by disease, so that they were all sufficiently maintained. Males had their proper work, and females had their homes. They accumulated articles of value, not wanting them to be thrown away upon the ground, but not wishing to keep them for their own gratification. They labored with their strength, not wishing it to remain unused, but not exerting it only with a view to obtaining their own advantage. In this way selfish scheming was repressed and found no development. Robbers, filchers, and rebellious traitors did not show themselves, and hence the outer doors remained open, and were not shut. This was the period of what we call the Grand Union.” (trans. by James Legge)

Today, the Agenda for Sustainable Development enacted by the United Nations envisages a world of peace for modern times: “We are resolved to free the human race from the tyranny of poverty and want to heal and secure our planet. We are determined to foster peaceful, just and inclusive societies which are free from fear and violence”, and “We pledge that no

one will be left behind.” This great vision enables us to see the dim outline of the ancient world of Grand Union.

However, in the real world, the human race is facing unprecedented crises: environmental pollution, an imbalanced ecosystem, epidemics and diseases, energy depletion, financial crisis, wealth polarization, lack of faith, moral degeneracy, religious conflicts, racial genocide, terrorism, war, nuclear threats and so on. For the first time in human history we are confronting a great many global problems and difficulties that could be fatal to our common destiny.

Facing the enormous gap between ideal and reality, we must ask ourselves: how is it that humankind lost the world of Grand Union that was once so close to us?

Grand Union does not mean that all things are identical without diversity, nor does it mean a fixed world order with defined hierarchies. Rather, it is harmony in diversity, in that all differences are integrated into a “Great Way”, just like rivers running to the sea and stars surrounding the moon. Though interpretations of the “Way” vary among the ancients and contemporaries, as well as among Easterners and the Westerners, based on their own perspectives and ways of thinking, they all point toward the truth. Every step in human history toward the world of Grand Union signifies a step closer to the world of truth. This points to the fact that the loss of the world of Grand Union indicates humanity’s falling away from the world of truth.

In the classical age of humankind, the world of truth was embedded in people’s life and soul, and ordinary life was the pathway leading to the world of truth. The essential meaning and ultimate goal of human life was to prove the existence of truth through life and to reflect the value of life through truth. The Confucian classic *Doctrine of the Mean* dictates:

“What Heaven has conferred is called the nature; an accordance with this nature is called the path of duty; the regulation of this path is called instruction. The path may not be left for an instant. If it could be left, it would not be the path.” (trans. by James Legge)

Similarly, Plato stated in *the Timaeus*:

“The way of tendance of every part by every man is one—namely, to supply each with its own congenial food and motion; and for the divine part within us the congenial motions are the intellections and revolutions of the Universe. These each one of us should follow, rectifying the revolutions within our head, which were distorted at our birth, by learning the harmonies and revolutions of the Universe, and thereby making the part that thinks like unto the object of its thought, in accordance with its

original nature, and having achieved this likeness attain finally to that goal of life which is set before men by the gods as the most good both for the present and for the time to come.”²

Further, Buddhism is a discipline of inner studies. Through inner enlightenment one understands the truth of dependent co-arising and emptiness of self-nature of the universe and human life, thus helping all beings, including ourselves, to be free from suffering and the fetters of life, and ultimately attaining Nirvana, the perfection and freedom of life and real peace.

In the classical age, religion and philosophy were an integral part of moral and devotional consideration; so was science (or natural philosophy). For example, Neo-Platonists of the sixth century believed that physics not only contributes theories to medicine and mechanics or other technologies, but also “helps to perfect one’s rationality, which is the higher part of the soul; it is auxiliary to morality; the ladder to know God and the Ideal; last, it evokes our devotion and appreciation for God.”³

Religion, philosophy, and science – the modern triad of clearly divided spiritual territories – used to be like-minded peers that complemented each other in the classical world. What kept them unified back then was the common goal of enhancing inner virtue and being awakened to the world of truth. This ultimate common goal formulated the model of a world of Grand Union, and it continues to inspire people of different ethnicities, cultures and faiths to awaken to the truth in their own ways of introspection and insight, thus attaining to the two-fold world of Grand Union – peace and perfection of their own lives and of the world.

3. The Transcendent World versus the Mundane World

In the classical age that cherished the ideal model of the world of Grand Union, the body and the mind of humans were congruent, and Eastern and Western civilizations were interconnected. The entire human civilization was built upon the goal of inner awakening and perfection of life rather than knowledge accumulation, technological advancement, economic growth or material well-being. In modern times, however, the world of truth, morality, spirituality and values have been gradually separated from the present world, with science disregarding concerns for

² Harrison, Peter. *The Territories of Science and Religion*, Translated by Butian Zhang. Beijing: The Commercial Press. 2017:44-45.

³ Harrison, Peter. *The Territories of Science and Religion*, Translated by Butian Zhang. Beijing: The Commercial Press. 2017:51-52.

morality and values, and the improvement of material conditions replacing the pursuit of spiritual perfection. This caused the split of human body and mind and made the East and the West fall into the so-called “clash of civilizations.” (This is not a clash between Eastern and Western cultures themselves, but between modernity and tradition. Therefore, it is not the clash of cultures in nature; it is a world crisis caused by modernity.) That is how the modern world presents itself.

The current profile of the modern world originates from the cultural prototype of subject-object duality in the West. Tension exists between the objective reality of divinity and human subjectivity. As there is a strict hierarchy between divinity and humanity as well as between transcendence and mundanity, conversion to the spiritual world of truth often comes with the suppression of human nature or even self-abandonment. This extremity reached its peak during the dark period of the Middle Ages. With spiritual hegemony being shaken by the Renaissance, the Reforms and the Enlightenment, accompanied by the upsurge of capitalist forces, human subjectivity stood at an unparalleled historical height. Humanity, human rights and rationality were worshipped. The value of humankind was no longer represented through the realization of gods or the world of truth, but rather through mankind’s creative activities and the realization of self-motivations. People turned from the suppression of desires in the Middle Ages to self-indulgence, from self-abandonment to self-aggrandizement. It was during this period of change that such “isms” were born as materialism, egocentrism, anthropocentrism, ethnocentrism and cultural imperialism, suddenly adding negative factors to world peace.

Pushed forward by waves of technological revolution, the creativity of humankind has increased exponentially. People have become much more concerned with their own learning, capabilities and wealth than with their moral standard and degree of inner awakening. The new technologies, such as artificial intelligence, big data and biotechnology, that characterize the advent of the fourth industrial revolution will exert a subversive impact on the way of producing, living and the values of mankind. Inequality in the world will probably increase. Technological upgrade without consideration in a transcendental dimension has taken mankind toward the path of blind development without an ultimate purpose. People feel an intense spiritual void and a sense of meaninglessness when indulging in the “super confidence” that is derived from creating and dominating the world with technology.

In this widely acknowledged secular age, the sustainable development of mankind and sustainable global peace might be dependent on a host of

critical steps: promoting the re-integration of the transcendent world into the mundane world, or in other words, incubating a new transcendent world in mundanity, so that the two can divest themselves of the old dualistic mode and move towards a brand new age of unification; and re-directing human subjectivity towards inner transcendence and awakening, away from endless exploitation, dominance and control of the external world.

4. A World of Sustainable Peace in the Perfect Middle Way

In the effort to reconstruct a holistic world for humankind and realize the human being's inner transcendence, the Buddhist ideas of the Middle Way and the Buddha nature can offer some insight.

The Middle Way is a characteristic description of dependent co-arising and an emptiness of self-nature. From a Buddhist perspective, all things, from the entire universe to every individual movement on earth, lack an intrinsic nature, as they are all combinations of interdependent conditions. This essential nature of emptiness and dependent co-arising reveals that the truth (or ultimate reality) is characterized by the Middle Way, as what Nāgārjuna describes as the Eight Negations: "Neither existent nor extinct, neither permanent nor annihilated, neither identical nor differentiated, and neither coming nor going."⁴ The ultimate reality of the Middle Way is not merely the various phenomena of birth and death, eternalism and nihilism, one and many; it also rests upon the phenomena which arise out of various conditions and their combinations. This signifies that the Middle Way is the simultaneous grasping of the emptiness of self-nature and dependent co-arising of all phenomena. The world of truth and the world of phenomena, in other words, the transcendent world and the mundane world, are two dimensions of the same thing, existing at the same time, indivisible and inseparable from each other.

The Buddha-nature is the inner potential in us to attain enlightenment. It is the lamp of our mind, the treasure of our life. The ultimate reality of the Middle Way in the external world exists in the form of dependent co-arising and emptiness of self-nature; whereas in the internal world, it takes the form of a perfect harmony, a Buddha-nature of the Middle Way that

⁴ Nagarjuna Bodhisattv, *Mūla-madhyamaka-kārikā*, pratyaya pariksa. *Tripitaka*, Volume 30, page 1.

transcends all difference and duality. If we begin to consider this world from the perspective of the Buddha-nature of the Middle Way rather than from that of human desires, we will find enough wisdom to master the spiritual and material worlds. We will not serve our possessions and become slaves of materialism, nor will we deny our natural needs and fall prey to religious dogma.

The wisdom of the Middle Way can help humankind achieve a perfect union between the transcendent world and the mundane world. It engages both the Buddha nature and human nature, unites the transcendence and immediate presence of life itself, and opens up a new mode of civilization. It lays a solid cultural foundation which is fundamental to building sustainable world peace.

4.1 Perfect Harmony between the Transcendent World and the Immanent World

From a Buddhist perspective, the division and opposition between the world of transcendence and the world of mundanity is symptomatic of the duality between ultimate truth and conventional truth. As long as such a dichotomy exists, whichever end the world tends toward (transcendent or mundane), it will lead to suffering and an absence of freedom.

The world of the Middle Way is the perfect, non-dualistic world of both ultimate and conventional truths. As *The Fundamental Wisdom of the Middle Way* (Malamadhyamakakarika) says, “The Buddha’s teaching of the Dharma is based on two truths: a truth of worldly convention and an ultimate truth. Those who do not understand the distinction drawn between these two truths do not understand the Buddha’s profound truth. Without a foundation in the conventional truth, the significance of the ultimate cannot be taught.”⁵ The conventional truth is truth in the immanent or mundane world. The ultimate truth is the world of Truth, which is sacred and transcendent, but also constructed upon the conventional world. Nāgārjuna again claims, “Whatever is dependently co-arisen, that is explained to be emptiness. That, being a dependent designation, is itself the middle way.”⁶ This passage shows that the interdependently arisen world itself is already a revelation of the “ultimate reality of the Middle

⁵ Nagarjuna Bodhisattv, Mūla-madhyamaka-kārikā • Viewing the Fourfold Noble Truth, no 24. *Tripitaka*, Volume30, page32.

⁶ Nagarjuna Bodhisattv, Mūla-madhyamaka-kārikā • Viewing the Fourfold Noble Truth, no 24. *Tripitaka*, Volume30, page32.

Way,” as seen through the three perspectives of Emptiness, Provisional Existence, and the Middle Way (the three truths).

At the same time, Han Chinese Buddhism adds to the teachings of the Middle Way by supplying a more significant sense of perfection and a stronger internal striving for transcendence. The Tiantan School advocates “a mind that examines thrice” and “perfect harmony among the three truths.” In this way, the mundanity and transcendence of the world can fuse, without contradiction, into the consciousness of every cognizant subject. Similarly, the Hua-yen school constructs a “*dharmadhātu-pratītyasamutpāda*” doctrine, which interprets from a wider perspective and sees the world of truth and the present world as an unobstructed, boundlessly united whole. The Chan (Zen) school states that “the mind itself is Buddha,” which is to signify that the world of truth already has roots in everyone’s mind; the ability to see the truth entirely depends on one’s ability to enlighten the mind.

Such a non-dualistic view of truth and the world will guide humankind’s striving for transcendence towards active participation in society instead of abandoning the world, and towards an inner transcendence rather than salvation through external events. It can even be said to be a “two-fold redemption” for both the sacred world and the conventional world.

4.2 The Mergence of Buddha Nature and Human Nature, the Unity of Ultimacy and Present

The Western culture in modern and contemporary times has brought about the awakening of power in humans and the establishment of human subjectivity. However, since it has abandoned the transcendent dimension of human life, it eventually led to the loss of control over power and the puffing up of egotism. The so-called crisis of modernity and a not-peaceful world are all rooted in this. Nonetheless, Buddhism is able to integrate ultimacy and present, self-belief and utter “selflessness,” sacred Buddha nature and the most common human nature, making the understanding and practice of truth part of one’s spiritual life and everyday life – this is the state of “The mind itself is Buddha,” – the path of becoming the Buddha in reality.

The *Discourse on the Perfection of Consciousness-only* explains “belief” thus: “What is belief? It is the deep understanding of, and ardent desire for, realities, qualities and capabilities.” That is also to say that the Buddhist faith implies three levels of meaning: first, believing Buddha’s teaching to be true; second, believing the good qualities of the Buddha and

the Three Jewels to be true and real, and third, believing that one has the ability to understand and bear witness to truth, and to attain the same merit and virtue as the Buddha. Hence, a Buddhist does not believe in himself but in the belief that he can become the Buddha and attain the ultimate and perfect enlightenment of life. Such a belief is founded on a deep understanding and recognition of the Buddha nature which lies hidden in the seemingly ordinary human nature.

Venerable Master Zhizhe of China's Tiantai School says, "When one understands that all Dharma originates from within the mind, then one understands that the mind is the great vehicle, the mind is the Buddha-nature."⁷ Venerable Master Huineng, the Sixth Patriarch of Chan Buddhism says, "The self-nature of Bodhi is originally clear and pure. Simply use that mind, and you will straightaway accomplish Buddhahood."⁸ He also says, "Unenlightened, the Buddha is a living being. At the time of a single enlightened thought, the living being is a Buddha. Therefore you should know that the ten thousand dharmas exist totally within your own mind. Why don't you, from within your own mind, suddenly see the true suchness of your original nature?"⁹ In the same way, Han Chinese Buddhism has instilled in people's one thought of a true mind the notions of ultimate truths such as "Buddha-nature," "the self-nature of enlightenment," the "true suchness of original nature." In this manner, the possibility of attaining Buddhahood in the future has become a necessity in the present moment, and the subjectivity of truth was internalized in the objectivity of real life. The Chan School has, unprecedentedly, integrated the transcendent world and the mundane world, the sacred icon and the ordinary people themselves. This has allowed the pursuit of ultimate meanings to penetrate mundane life. The hope of attaining human redemption through one's own efforts has never been so close at hand and so real.

5. New Civilization, New World, New Peace

As the modern world is swept forward rapidly by capital, material and technology, the seemingly prosperous and advanced human civilization is

⁷ Zhiyi (Sui Dynasty), *The Great Calming and Contemplation* (Mohe Zhi Guan), Volume 3. *Tripitaka*, Volume46, page31.

⁸ Zongbao ed. (Yuan Dynasty), *Platform Sutra of the Sixth Patriarch* • No 1. *Tripitaka*, Volume48, page347.

⁹ Zongbao ed. (Yuan Dynasty), *Platform Sutra of the Sixth Patriarch* • No 2. *Tripitaka*, Volume48, page351.

laden with flaws and risks. The future of world peace, in the face of ever increasing global inequality, is a matter of grave concern. People of insight from both the East and the West have coincidentally started to trace back to the classical age for ancient wisdom.

The Buddhist thought of wisdom has blazed a whole new path for us to reconsider modern civilization and reconstruct new civilizations. The new civilization in the future should be a holistic one characterized by the congruence of body and mind, harmony between human and nature, the unity of the material and spiritual, as well as the integration of the East and the West. It should be a civilization of ultimacy, in that all progress and development is aimed at achieving the perfection of life and ultimate liberation. It should be a “civilization of the mind” that values spiritual well-being and enlightenment. It should be a civilization that is open, inclusive, impartial and organic, and that transcends time and space and embodies the unity of all sentient beings, the equality between self and others and the non-duality of life and its environment.

Only a new civilization can shape a new world; and only a new world can give birth to new sustainable peace in which every life is equal, wholesome and fully-lived.

INTRODUCTION

“WISDOM” IN TRADITIONAL CHINESE CULTURE AND ITS APPLICATION IN MODERN MANAGEMENT

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At the Davos World Economic Forum 2017, China’ s President Xi Jinping launched a robust defence of globalisation and presented himself as a leading international statesman. The fast developing new market represented by China is continuing to attract the interest of a huge amount of overseas investments, while China’ s endeavours through BRICS Development Bank and the “Belt and Road” initiative will generate a new wave of globalisation.

According to Lorenzen and Mudambi (2013), globalisation is not merely about commerce, but also involves the movement of ideas and innovation, and the Chinese leader’ s globalised mega-vision is strongly rooted in the broad and profound traditional Chinese culture and philosophy. In his one hour keynote speech, President Xi quoted several Chinese sayings, with the most insightful suggestion that “people with petty shrewdness attend to trivial matters, while people with vision attend to governance of institutions” , which reveals his tremendous confidence in shouldering the global responsibility as the leader of a responsible superpower (cf. Xi 2017). When considering other world leading countries: in the U.S. President Donald Trump vows to focus on American interests and Europe is increasingly pre-occupied with its own troubles; from Brexit and militant attacks, to the string of elections this year in which anti-globalization populists could score gains (Barkin and Piper 2017). In the aftermath of the 2008 financial crisis and the surge of recent anti-globalization sentiments, the world is looking for fresh ideas and new perspectives. Business reality has transformed from “West leads East”

into “West meets East”, and the thriving Chinese business culture represents not only a source of economic partnership but a potential fount of managerial wisdom that can help renew Western economies (Chen and Miller 2010: 17).

From the other perspective, after systemic learning and studying over the past 30 years, Chinese industry and academia have become very familiar with Western managerial theories and concepts, however, over time, many enterprises have found that theories and concepts developed by Western scholars can be defective when it comes to critical decision making.

These managerial theories represent specialist management knowledge, but are far from embodying managerial wisdom. When making decisions, a leader of an enterprise not only needs professional knowledge, but also, and more importantly, the wisdom which can accommodate the overall relations and interests of all parties. As identified by Xie (2016), knowledge provides the systematic basis of decision-making, while wisdom provides decisions with more flexibility and insight. Knowledge is restricted by time and space, and evolves as a function of time; while wisdom is enduring and flexible, which allows the generation of new interpretations and solutions to meet the requirements and challenges of a new age.

In order to study Chinese management and business in context, it is important to take into account Chinese culture which nurtures the organisational behaviours of Chinese people. Hofstede (2007) argues that, with the glowing importance of Chinese business in the international trade and global economy, Chinese cultural dimensions in management and planning should be given particular attention. Chinese wisdom embedded in the traditional Chinese culture however, has not been well conceptualised and developed into systematic theories. For example, Maslow (1943) used the terms ‘physiological’, ‘safety’, ‘belonging’ and ‘love’, ‘esteem’, ‘self-actualization’, and ‘self-transcendence’, to describe the stages that human motivations generally progress through, and thus formulated the well known Maslow’s Hierarchy of Needs, describing that human needs can be classified in a progressive hierarchy ordered from lower to higher levels. Similar ideas have also been incisively expressed in Chinese classics. For example in *Guanzi • Herdsman*, an article dated back to the Spring and Autumn period (771-476 BC):

“仓廩实，则知礼节；衣食足，则知荣辱”。——《管子 • 牧民》

“...when there are adequate stores, people will know what are decorums; when the people have enough of food and clothing, they will know what is honor.”

--Guanzi • Herdsman

These very brief 14 Chinese characters clearly express that collective human needs can also be ordered in different hierarchical levels. If this concept had been articulated within a modern discourse system, the theory of “Hierarchy of Human Needs” could well have been put forward by Chinese people more than 2000 years ago.

Chinese traditional culture is a treasure-trove of wisdom which can greatly enrich modern management from both theoretical and practical perspectives. This collection of essays aims to explore the application of “Chinese Wisdom” to the practices in contemporary business management, which have been deeply rooted in the Western social science and management experience. The author/s of each chapter adopt a range of different methodological and disciplinary frameworks to gather and analyse empirical and historical data, focusing on both traditional Chinese thought and the theories of modern management.

The book includes ten articles, exploring the relationship between “wisdom” from traditional Chinese culture and its application in modern management. It is further divided into two parts, with the first part concerning managerial wisdoms contained in the main schools of Chinese philosophy (Confucianism, Buddhism, Taoism, Legalism and Militarism), and the second part focusing on managerial wisdom derived from historical books and great historical figures. Apart from the nine chapters which serve as case studies demonstrating the functions and influences of traditional Chinese culture in modern management, the Preface written by the Ven. Master Xuecheng, is particularly worth close attention. Ven. Master Xuecheng is the President of the Buddhist Association of China and the Buddhist Academy of China. As a distinguished contemporary Buddhist monk, as well as a great manager who is in charge of the largest religious organization in China, Master Xuecheng has great insight in applying the Buddha’s profound teachings to the management of associations, monasteries and academies. The preface article was originally presented as a keynote speech (in Chinese) in the International Peace Conference held in the UNESCO headquarter in Paris (September 26, 2017), under the title “Building a New Civilization for the Future of Humanity”. Starting by referring to the United Nations’ “Millennium Development Goals” (2000) and the “2030 Agenda for Sustainable

Development” (2015), Master Xuecheng declared that as a Buddhist leader, he continues to contemplate how he might carry forward the spirit of Buddha (loving-kindness, wisdom and the middle-way) and contribute to the peaceful development and ‘win-win’ cooperation in today’s world and human society.

Alongside the fast development of modern science and technology, today’s world is also facing many global issues and unprecedented crises, such as environmental pollution, epidemics and disease, energy shortages, financial crisis, terrorism, war, and nuclear threats, which arise like a huge wall, and block the beautiful vision of Great Harmony. He argues that in the effort to reconstruct a holistic world for humankind and to realize humanity’s inner transcendence, Buddhist ideas of “the Middle Way” and “Buddha-nature” might be able to offer great wisdom and inspiration. Buddhist wisdom and thoughts can open up a new path for human beings to rethink modern civilization and reconstruct new civilization. The preface article articulates how to utilize the Buddha’s wisdom in the management of the modern world and human society.

Chapter 1 explores Confucian wisdom and its application to management, particularly through the study of two Confucian concepts, “Benevolence and Righteousness”. In this study, an operational model of “Heaven-Human Harmony” was constructed based on “systems theory” and “holographic theory”. Using this model and the concept that the “Human way needs to conform to Heaven’s way”, the origin of the Confucian values of Benevolence and Righteousness was then investigated through an analysis of the “Qian Hexagram” and the “Kun Hexagram” from the *I Ching*. At the same time the Confucian ethos in human interaction was also demonstrated, i.e., “Heaven’s way leads to the Human way”, “Benevolence leads to Righteousness” and “Righteousness leads to Benefit”. The second main contribution of the study is that it clarifies the similarities and differences between Righteousness and Benefit. It was thus possible to construct and present an innovative new model illustrating the dialectical relationship between the two elements by borrowing from the biological principles and Yin-Yang reciprocal philosophy. This model was designed to reveal the conflicting, yet complementary, relationship between Righteousness and Benefit, and the fundamental rule that the former generates the latter and the latter rewards the former. Finally, based on the enriched understanding of Righteousness, this chapter revisits the implications of Organizational Citizenship Behaviour and Corporate Social Responsibility, and concludes that they are in essence Western versions of Benevolence and Righteousness in the field of business. The

interweaving of the management philosophies of East and West is intended to bridge the gap between the two cultures.

Chapter 2 extends from Confucian wisdom to the integration of Confucianism and Legalism, and explores their managerial application to modern society. The governance capacity of the state and supportive public opinion are the two cornerstones of a state, guaranteeing its stability and sustainable development. In the Spring and Autumn and Warring States Periods, having respectively inherited the kingly way and the hegemonic way from the dynasties of Xia, Shang and Zhou, Confucians and Legalists developed their own governance philosophies with different emphases on the influence of public opinion, and that of the power of the ruler. Confucianism was not embraced by the vassal states in the Periods, as its philosophy of “rule by virtue” and by the “people’s will” was unlikely to boost the effectiveness of state governance, and was thus ill-adapted to an era characterized by the struggle for hegemony. Legalism, on the other hand, with its utilitarian view of human nature and the politically realistic goal of improving the ruler’s governance capacity and efficiency, gained tremendous popularity, especially with the state of Qin. With its help, the state of Qin emerged as one of the dominant powers of the Seven Warring States and unified China in 221 BC. Its rejection of the constraining impact of public opinion on state governance however, resulted in tyranny and the precipitous collapse of the Qin Empire. Since the Han Dynasty, most Chinese imperial governments have adopted a combination of Confucianism and Legalism (or the kingly way and the hegemonic way) as their ruling doctrine. The integration of Confucianism and Legalism may very well provide a pathway to understanding the long-term stability of China’s traditional monarchical autocracy, and may also give valuable insights into modern management.

Chapter 3 investigates the Abbot’s wisdom in the monastic management of Chan Buddhism, by comparing the Abbot’s “Rule of Virtue” to the Indian Karma Democracy. Following the rise of Chan Buddhism in the middle of the Tang Dynasty, the Buddhist Sangha established the Chan monastery. The Chan Master, Huaihai Biazhang, formulated a set of rules for Chan monastic discipline, which became the mainstream management system for the Chinese Sangha in the Song Dynasty. With distinctive Chinese characteristics in its philosophy, the Chan monastery’s management is different from the traditions found in India. Unlike the equal and democratic rule of the Indian Karma system, the Chinese Sangha never developed a system of equality; in fact, its main feature is the rule of the Master Monk (hereinafter referred to as the

Abbot). Within the institution of a Chan monastery, the management system is divided into hierarchies, with each official assuming an individual responsibility under the Abbot's command. By employing this system, which reflects the management philosophy of traditional Chinese culture, the Sangha successfully prevented the growth of autocracy. How to achieve a balance between the Abbot and the system is a question involving not only traditional Chinese culture and wisdom, but also the characteristics of Chinese monastic management. The Abbot's rule in Chan monastic discipline is quite different from the voting system found in Karma democracy and the autocracy of one-man rule, and it can be redefined as the "rule of virtue". This places a high demand on the Abbot's character, as well as on his knowledge and experience in management. In Chinese culture, this experience of professional management has been recorded in the classic entitled *Golden Words in Chan Monasteries*. The book is mainly concerned with the Abbot's "rule of virtue" and it has had a great impact on the management of the Chan monastery.

Chapter 4 studies the wisdom from Taoism and its application to modern management, through revisiting and interpreting the Taoist classic book *Tao Te Ching* (by Lao Tzu). In the *Tao Te Ching*, it is argued that the universe has certain innate rules and orders, that is, 'Tao'. In modern business management, it could be argued that a business could smoothly realise its management goals by following 'Tao'. To use the principle of 'Tao' in business management is to 'govern by non-action'. Non-action does not mean doing nothing; instead it is about action that follows the natural order of the market, human nature, and people's will, so as to achieve an ideal situation where at the macro-level, there is non-action (let the nature take its course); while at the micro-level, there is action (let the people govern themselves). To use 'Tao' in management also means that the managers need to commit to a constant process of self-improvement: 'the state of vacancy should be brought to the utmost degree, and that of stillness guarded with unwearying vigour' in order to maintain the true-plain nature of human, and to be humble and gentle. These could be seen as the earliest humanistic management theories in the history of management studies. 'Tao' may therefore, help to encourage creativity, unity, and solidarity among the employees, so as to win over customers and realise the management goals of the businesses.

Chapter 5 discusses *The Art of War* (by Sun Zi), the most significant of China's military classics, and its application to modern management. Full of philosophical wisdom, this military treatise, which dates back to the 5th century BC, has long been one of the most influential works on military