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**Bringing Ethics back to Management: Perspectives from Confucianism and Daoism.**

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**Abstract**

In 2005, Ghoshal (2005) sent an important call to the academic community, namely to challenge the meaningfulness of current ideas in the practice of management and management education. He brought to light the specific ideologies underlining and driving management practice and education today. His critique of the simplistic and moral-free “scientific” model<sup>1</sup> taught at universities and consequently implemented in practice reminded us that ethics is a vital part of ‘good management (theories)’ in both practice and education (cp. Gapper, 2005; Pfeffer, 2005). Similarly but much earlier, Peters and Waterman (2012 [1982]) already criticised the prevailing quantitative and “rationalist view” on business, whereas Drucker (1996 [1957]) spoke of more of a “mechanistic” and Cartesian view, which led Visser (1995) to stress that we need to see management and individuals in a more holistic way.

To conclude, ‘good management’ requires a holistic approach and the inclusion of ethical principles. Yet, the question remains from which philosophy and ethical theory should these be drawn from? Providing an alternative to Western approaches to ethical management, we present ethical concepts derived from Chinese philosophy. Following Leung (2009, 2012), we believe that ethical principles derived from Chinese philosophy substantially contribute to the development of universal management theories. Yet, we are aware of the difficulties coming with “transplanting exogenous processes” (Warner, 2014).

China has a long-standing, rich and turbulent history, which is also expressed in its cultural, religious and philosophical diversity. Confucianism and Daoism are both Chinese indigenous philosophies and came into existence between the 6<sup>th</sup> and 4<sup>th</sup> century BCE (Warner, 2014). By that time China was not unified and the kingdom of Zhou<sup>1</sup> was gradually losing its power. This led to a state of war, with various smaller dukedoms fighting for domination, the Warring States Period (476 BCE – 221 BCE) (Bell 2011).

According to Bettignies et al. (2011) “The humanistic doctrine of Confucius, and the naturalistic ideas of Laozi are the two towering cultural forces” (p.625). These “two grand traditions” both deeply influenced and shaped the Chinese mind (ibid.).

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<sup>1</sup> The Zhou dynasty lasted from the 11<sup>th</sup> century BCE to 221 BCE, divided into several periods: Western Zhou (11<sup>th</sup> century BCE – 771 BCE), Eastern Zhou, Spring and Autumn Period (770 BCE – 476 BCE), Warring States Period (476 BCE – 221 BCE) (Warner, 2014; Chan, 1969).

However, Yan (2011) stresses, “it is impossible that a single school of thought or theory can represent the entirety of Chinese thinking” (p.254). Similarly, Vermander (2011) emphasises that “Chinese traditions are plural” (p.697) and that these foremost present sources of wisdom from religious and spiritual traditions passed on through story telling and conversations. Yet, although this ancient wisdom is of course no “ready-made” managerial wisdom (ibid.), we can still use it as a source of inspiration for some ethical guiding principles in our daily as well as business lives. Since, what makes Chinese philosophy in general especially relevant in this context is its primary concern with solving real-life problems (Chan 1967, Fung 1958, Moore 1967). Chinese philosophy, regardless of its specifics, is always pragmatic and inherently tied to practice (Chen, 2016; Moeller 2004). Hence, the insights we are drawing from these two philosophies could inform both Chinese as well as Western theory of Management in the sense of providing an alternative perspective.

The proposed presentation is structured in the following way: First, the most salient aspects of Confucianism are introduced, followed by a section outlining managerial and practical implications of this philosophy applied in business. Second, the philosophy of Daoism is introduced, respectively followed by an outline of its managerial and practical implications. These two different approaches are then brought together and discussed in a third part, which closes with a conclusion.

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