



## Traditional Chinese philosophies and contemporary leadership



Li Ma<sup>a,\*</sup>, Anne S. Tsui<sup>b,c</sup>

<sup>a</sup> Guanghua School of Management, Peking University, No. 5 Yiheyuan Road, Haidian District, Beijing 100871, China

<sup>b</sup> Mendoza College of Business, University of Notre Dame, Notre Dame, IN 46556, United States

<sup>c</sup> Fudan University, China

### ARTICLE INFO

#### Article history:

Received 25 November 2014

Accepted 26 November 2014

Editor: Charles Dhanaraj

#### Keywords:

China  
Confucianism  
Daoism  
Leadership  
Legalism

### ABSTRACT

We discuss three traditional Chinese philosophies—Daoism, Confucianism, and Legalism—as they relate to Western-originated leadership theories. We analyze articles reporting interviews with fifteen contemporary Chinese business leaders to determine how their leadership practices reflect the traditional philosophies. We discuss future research directions for Chinese and global leadership. In a response to world-wide call for developing indigenous theories and knowledge about management, we encourage scholars to consider cultural settings and traditional wisdom in their studies of contemporary leadership practices.

© 2014 Elsevier Inc. All rights reserved.

### Introduction

Traditional philosophical and cultural roots influence the thought patterns and behaviors of all citizens in a community including its leaders (Parsons & Shils, 1951). Hence, leadership practices would reflect unique cultural idiosyncrasies even though in a rapidly changing context, multiple forces could shape the behavior of its people. For example, in China, it has been shown that leadership behaviors reveal cultural, political and economic influences (Fu & Tsui, 2003). Due to global competition and Western education, many Chinese business leaders have adopted Western management practices (Tsui, Wang, Xin, Zhang, & Fu, 2004). Though most scholarly studies of leadership in China have relied on Western leadership theories (Zhang, Chen, Chen, & Ang, 2014), there are also studies invoking the deep Chinese philosophical thoughts such as Confucianism or Daoism in explaining possible patterns of contemporary Chinese leadership behaviors (Fu, Tsui, Liu, & Li, 2010; Jing & Van de Ven, 2014). Further, it has been documented that Chinese philosophies, especially Confucianism, greatly impact leaders in the Chinese diaspora, and have done so for many years (Chai & Rhee, 2010). Clearly, traditional philosophies are still part of the cultural fabric in China today. In this paper, we seek to understand the ideas underlying three major traditional Chinese philosophical schools—Daoism (also spelled Taoism), Confucianism, and Legalism—which have an explicit discourse on leadership. We identify their parallels in the major leadership theories in the Western literature, and analyze, through published reports of interviews with fifteen successful Chinese business leaders, how current Chinese leadership practices may reflect these traditional philosophies.

Our work diverges from most (cross-) cultural leadership analyses that often use culture as a moderating variable or contextual factor. Instead we investigate culture's main effects by examining how the three traditional Chinese philosophies treat leadership. Our choice of these three philosophies was influenced by a recent survey of traditional values in a sample of more than two thousand

\* Corresponding author. Tel.: +86 10 6275 3185 (o); fax: +86 10 6275 1463.  
E-mail addresses: [lima@gsm.pku.edu.cn](mailto:lima@gsm.pku.edu.cn) (L. Ma), [atsui@nd.edu](mailto:atsui@nd.edu) (A.S. Tsui).

Chinese (Pan, Rowney, & Peterson, 2012). The factor analysis results showed that Chinese people combine Buddhism and Daoism, probably because both are characterized by action avoidance. In addition, they consider Confucianism, Legalism, and the Art of War as separate types. While Daoism, Confucianism, and Legalism provide extensive discussion on managing people and leading the state, the Art of War focuses on competition such as in business strategy or marketing, thus less relevant to the purpose of the current paper. Though relatively less known than Daoism and Confucianism, Legalism—with emphasis on rules, systems of rewards and punishment, and preservation of power—was a very important stream of traditional Chinese thinking. It was a widely adopted practice in Chinese leadership for centuries and, as we will show, is still the major form of leadership practices in contemporary China.

We first introduce the core ideas of the three traditional Chinese philosophical schools, focusing on content relevant to leadership. We then link each school to current leadership theories and summarize our ideas in propositions. We further aim to detect the influence of these traditional philosophical schools in the leadership practices of contemporary Chinese business leaders. Drawing on articles that reported interviews of fifteen business leaders, we code their leadership behaviors according to the school they exemplify. We use these fifteen cases to illustrate, rather than a test of, the propositions. Finally, we discuss how traditional culture could be a rich source of understanding for future leadership research in China and beyond.

## Traditional Chinese philosophies and leadership

The founders of traditional Chinese philosophies offered “normative theories” rather than descriptive, “middle range” theories (Merton, 1968). They prescribed desirable leadership behaviors without always providing reasoning or empirical support. Instead they used metaphors, analogies, and sometimes examples to support their arguments. Often their ideas have multiple interpretations and are quite difficult to decipher. Therefore, we rely on mainstream interpretations and translations of the most prevalent and authentic parts of their writings.

The founders were born about 2500 years ago, approximately 500 to 300 BCE. Laozi, founder of Daoism, was a contemporary of Confucius. Han Fei, founder of Legalism, learned from a teacher believed to be a student of Confucius. Both Laozi and Han Fei authored their respective books, but Confucius’s legacy was gleaned by his pupils from their dialogues with Confucius. All three founders targeted their teachings to emperors and their officers, which can be analogous to contemporary CEOs and middle managers. Table 1 shows the major ideas, leadership principles, and contemporary Western leadership theories most similar to each school. We describe the three schools in chronological order of their development to show possible influence of earlier thoughts on later ideas and the possible of influence of time as a context.

### Daoism on leadership

Daoism is named after the difficult-to-define term *Dao*. Laozi’s book, *Dao De Jing*, explains that *Dao* comes from a mystery that cannot be explicitly stated or expressed. The meaning changes at different places in the text, but its most essential meaning is that *Dao* comprises true, authentic, unchangeable laws ruling all things. Thus, all people, including leaders, must follow its guidance.

Daoism teaches leaders to avoid useless and counterproductive actions. One of the most famous sayings on leadership from *Dao De Jing* is “Governing a large state is like cooking a [pot of] small fish” (Lynn, 1999, p. 164), which “means no stirring. Action results in much harm, but quietude results in the fulfillment of authenticity. Thus the larger the state, the more its ruler should practice

**Table 1**  
Leadership and three traditional Chinese philosophies.

	Daoism	Confucianism	Legalism
Title of original treatise	Dao De Jing (aka Tao Te Ching).	The Analects. A record of dialogues with Confucius, written by his students.	Hanfeizi
Founding philosopher or “teacher”	Lao Zi (aka Li Dan, Li Er, Lao-Tzu, Lao-Tsu, Lao-tze)	Confucius (aka Kong Qiu, Kong Zi, Kong Fuzi, K’ung Fu-tzu, the Master)	Han Fei (aka Han Fei Zi)
Birth, death, relationship to the other two philosophers	B. circa 571 BCE D. circa 471 BCE Oldest of the three	B. 551 BCE D. 479 BCE 20 years younger than Lao Zi who answered Confucius’s questions regarding rituals.	B. 281 BCE D. 233 BCE (about 300 years after Lao Zi). Learned from Xun Zi, a student of Confucianism.
Target	Born rulers	Born rulers, officers, and ordinary people	Born rulers and officers
Basic leadership arguments	No over-leading, no action, empower subordinates to lead, balance and avoid extremes, selflessness	Establish healthy virtuous climate through learning, meditation, and self-reflection. Differentiate benevolence, respect, and ritual to encourage followers. Promote and praise followers.	Use power to exercise influence. Establish laws and use contingent awards to fit human nature. Implement rules universally, no personalized approach, promote by experience.
Most relevant current leadership models	Laissez-faire Servant leadership Authentic leadership Empowering leadership Paradoxical leadership	Transformational leadership Paternalistic leadership Leader–member exchange Individual consideration	Initiating structure Transactional leadership Path–goal leadership

quietude, for only then can he widely obtain the hearts/minds of the mass of common folk” (Lynn, 1999, p. 164). This statement reflects the Daoist belief that things are always turning, so that we finally obtain results that are often the opposite of the results we pursue. In this sense, dialectic thinking is deeply rooted in Daoism (Peng & Nisbett, 1999).

Closely relevant to the basic stances of dialectic thinking, Daoism is centrally focused on the critical idea of balancing: extreme actions will de-harmonize Dao as determined by the Heaven. Leaders can achieve desirable outcomes only by giving equal emphasis to different goals (not over-emphasizing any of them), empowering groups equally (without favoring any one group), and balancing giving guidance to and not interfering subordinates.

#### *“No action” in leadership effectiveness*

Daoism does not offer a clear path of leadership training or growth. Instead, *Dao De Jing* was written to instruct hereditary rulers. Coinciding with the basic dialectic assumption, Daoism argues that action-free leadership is more effective; more precisely, it is better to take no action so to avoid extra and counterproductive actions. When leaders do nothing, common people are free to follow their honest and simple natures, but when leaders establish abundant rules for regulation and punishment, some people could become cunning thieves. Thus no-action is best for allowing people to do the right things.

Daoism might have been a historical admonition demanding that leaders of the time to stop wasting money in luxurious and hedonistic pursuits (Lynn, 1999). However, Daoism also has evolved to further emphasize “doing what comes naturally” and to criticize the pursuit of virtue, benevolence, knowledge, skills, rituals, and interpersonal bonding. Instead, Daoism argues that people should return to an original, honest, and simple state when they were incapable of wrongdoing.

Daoism argues that the leaders are most successful if they seem non-existent to their constituents. Daoism uses the water metaphor to describe a seemingly soft or invisible, unselfish leader who actually has the strength of water in three aspects. First, effective leaders do not interfere with things and thus seem invisible and soft. “Whereas the Dao has no physical existence, water does not have existence” (Lynn, 1999, p. 64). Second, Daoist leaders are actually powerful like water. Although water is soft and pliable, it can attack and destroy what is hard and stiff. Third, Daoist leaders are nourishing. Water benefits all creatures, but settles where all other creatures do not want to be. To Daoism, the combination of these characteristics makes perfect the metaphor of water (in the world with other creatures) and can be conquered by nothing.

#### *Selfless leaders*

If leaders do nothing to or for others, what can they do to be effective? According to Daoism, effective leadership requires having no personal agenda. The leader must simply follow the Dao, do good to all, pursue whatever the people want, avoid competition with followers, be pure and innocent as babies, refuse to pursue material goods, high salaries, praise, reputation, or fame. If leaders are humble and sincerely listen to others’ ideas, their followers will tend to listen to the leaders. In this sense, strong and effective leaders embrace self-transcendence and self-sacrifice rather than self-enhancement (Fu et al., 2010).

#### *Daoism and contemporary leadership*

A number of current leadership theories seem to echo Daoist leadership guidelines. Leaders who follow *laissez-faire leadership* generally avoid making critical decisions or changes (Bass, 1985) and avoid taking responsibility in critical circumstances (Eagly, Johannesen-Schmidt, & van Engen, 2003). A meta-analysis of international journal articles and some dissertations (Judge & Piccolo, 2004) mostly conducted in North America, found *laissez-faire leadership* to be negatively correlated with subordinate satisfaction with the leader, job satisfaction, and perceived leader effectiveness. Despite the evidence that *laissez-faire leadership* is ineffective in contemporary Western settings, *laissez-faire leadership* fits the basic ideas in the Daoism philosophy we have described. Although Laozi may not have originally advised doing nothing, readers must make discretionary judgments regarding how actions align with the Dao. Consequently, Daoism leadership is usually understood as mainly “doing nothing.”

*Servant leadership* describes leaders who seek the development of followers and achievement of follower goals rather than achievement of organizational goals (Greenleaf, 1977, 1998; Luthans & Avolio, 2003; Stone, Russell, & Patterson, 2004; van Dierendonck, 2011). Servant leaders empower and develop their followers, are humble and authentic, accept people for who they are without seeking perfection, provide directions for followers’ development, and serve as stewards to followers (Parris & Peachey, 2013; van Dierendonck, 2011). Many aspects of servant leadership fit the Daoism philosophy except that servant leaders “provide direction” where Daoism eschews proactivity.

*Authentic leadership* has many conflicting definitions (Gardner, Cogliser, Davis, & Dickens, 2011; Li, Yu, Yang, Qi, & Fu, 2014). George (2003), the author of the first work that made the concept popular, said that authentic leaders “use their natural abilities, but they also recognize their shortcomings, and work hard to overcome them. They lead with purpose, meaning, and values.... They are consistent and self-disciplined” (George, 2003, p. 12). The definition indicates that authentic leaders do not pursue a perfect self, nor do they pursue perfect followers or subordinates—they accept situations as they are and act accordingly. Their behaviors match the Daoism philosophy of avoiding extra counterproductive effort.

*Empowering leadership* empowers subordinates, gives them autonomy, and involves them in decision-making (Ahearne, Mathieu, & Rapp, 2005; Arnold, Arad, Rhoades, & Drasgow, 2000; Spreitzer, 1995) in the belief that subordinates can make the right decisions (Ou et al., 2014). In other words, when leaders eschew feelings of superiority regarding their own judgments, they tend to delegate (Spreitzer, 1995). Similarly, the Daoism philosophy argues that effective leaders should refrain from active problem solving and leave the decisions to followers.

Daoism also has some similarity to the new *paradox leadership model* (Zhang, Waldman, Han, & Li, *in press*) developed through studies of leaders in Chinese firms. The model emphasizes balancing leadership actions, similar to Daoism's teachings of non-preference and extreme avoidance. However, paradoxical leadership is an active leadership approach, quite different from the non-action advocated by Daoism.

In summary, several current leadership models propose ideas similar to Daoism teachings. Although Daoism lends itself to multiple interpretations, it is traditionally believed to oppose active and counterproductive actions. It teaches leaders to allow subordinates to act according to their original innocence. Good leaders, then, are happy to see their people thrive and succeed. Guided by the above discussion, we formulate [Proposition 1](#):

**Proposition 1.** *Chinese leaders who are influenced by Daoism philosophy are more likely to practice (1) laissez-faire leadership, (2) servant leadership, (3) authentic leadership, (4) empowering leadership, or (5) paradoxical leadership.*

### *Confucianism on leadership*

Confucianism emphasizes virtuous leadership: “Guide them [the people] with government orders, regulate them with penalties, and the people will seek to evade the law and be without shame. Guide them with virtue, regulate them with ritual, and they will have a sense of shame and become upright” (Watson, 2007, p. 20). Similarly, “Conduct government in accordance with virtue, and it will be like the North Star standing in its place, with all the other stars paying court to it” (Watson, 2007, p. 20).

### *Leadership virtues*

Confucianism argues that virtuous leaders can achieve ideal leadership results because they do not desire satisfying own interests and behave according to justice and rituals. Examples of Confucian virtues include unselfishness, a desire to pursue noble causes, loyalty to relationships, full engagement in core business tasks, empathy with others' feelings, and willingness to work tirelessly for the common good, to treat family members well, and to serve the king loyally.

Obedying authority and respecting rituals are critical virtues in Confucianism. Confucius believed that the people would be more likely to follow directions if leaders faithfully followed rituals. For example, consistent with ancestor worship, Confucianism proposed that if leaders demonstrated proper ancestral respect by organizing gatherings to fully honor the dead, ordinary people would show enhanced ethical standards.

Confucian-inspired leaders reflect their loyalty by tirelessly striving to work for long-term interests that will benefit the country or the king. In a sharp departure from Daoism, Confucius praised the ethic of hard work. He said that even when situations are not ideal, noble people must work hard and loyally, pursuing work as a noble purpose in itself, even if they know they cannot achieve their objectives. Confucius encouraged students to try to gain governmental positions so that they might implement their superior ideas.

### *Leaders as role models*

Confucius proposed that leaders should be role models to demonstrate the values of seeking self-perfection through learning, meditation, and self-reflection. He described himself as being so deeply involved in study that he forgot his hunger. The attitude toward learning and knowledge must be sincere and honest. One cannot pretend to know before truly knowing. Confucius is also famous for tailoring his teaching to individual students. For example, he offered different recommendations to students with different action orientations. For a student with proactive personality but was sometimes careless, Confucius recommended the student to think over and over before action. For another student who lacked bravery and was hesitant, Confucius encouraged him to take action as soon as he had an idea.

Although learning reflects knowledge acquired from teachers and others, thinking reflects digesting and internalizing what is learned. Ideal students of Confucius would use self-reflection to rigorously identify their own faults and develop actions for self-improvement in the pursuit of self-perfection. They might ask themselves, Am I loyal when working for others? Am I sincere when interacting with friends? Am I practicing and reviewing what the Master has taught me?

### *Differentiated roles*

Confucianism recognizes that people live in social networks; their relative network positions define their roles. To achieve or sustain interpersonal harmony, their general and basic responsibilities are to treat others well; the closer the relationship, the higher the expectations (Fei, 1948).

Confucius differentiated benevolence depending on the nature of the relationship, stated as “Let the ruler be a ruler; the subject, a subject; the father, a father; the son, a son” (Watson, 2007, p. 82). He cared more about proximal networks. For example, he once heard about an incident in which “When his father stole a sheep, the [honest] son testified against him” (Watson, 2007, p. 91). Confucius disagreed and countered, “In our district the honest people are different from that. A father covers up for his son and a son covers up for his father. There's honesty in that, too” (Watson, 2007, p. 91).

### *Respecting and developing subordinates*

Confucianism emphasizes using respectful approaches to manage, lead, and encourage the growth and dignity of the common people. If the leader treats subordinates with dignity, they will respect the leader in return. Even high status kings must treat their

officers with respect and dignity. The Confucian version of the Golden Rule states: “What you do not want others to do to you, do not do to others” (Watson, 2007, p. 109).

Confucianism also emphasizes the importance of developing subordinates in order that they possess virtue and engage in continuous improvement. Confucius broadened students' perspectives, restrained them with ritual, and encouraged them to pursue virtue tirelessly by using individualized methods. According to Confucius, the continuous development of people will help the population to become more noble, and the officers wiser with a stronger devotion. These ideas of Confucianism are sharply different from Daoism, which believes these activities to be useless and counterproductive.

#### *Finding and promoting managers with virtue and ability*

Confucius recommended that virtuous and capable people should be discovered and promoted into managerial positions to enhance managerial teams. Once the king promotes who he knows are good candidates, other people will recommend those good candidates whom the king does not know. Continuing such process would lead to a stronger managerial team in the state. This way, governmental leaders would reach perfect virtue. Otherwise, ordinary people will doubt their leaders' judgment and integrity. Thus, Confucius placed high importance on promoting virtuous managers.

How can appropriate candidates be found for promotion? Confucius offered suggestions consistent with the long-lasting trait approach (Zaccaro, 2007): observe the candidates' goals, actions, and intentions—all virtue-relevant personal characteristics. By observing candidates from all different angles, observers can discover the candidates' true characteristics.

#### *Confucianism and contemporary leadership*

In addition to emphasizing virtue and following “natural law,” Confucianism promotes active leadership. As such, it has resemblance in current leadership models such as transformational leadership, paternalistic leadership, leader–member exchange (LMX), and leadership through individual consideration.

*Transformational leadership* is an umbrella concept incorporating a number of desirable leadership behaviors, including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985; Burns, 1978). Transformational leadership assumes that subordinates can be motivated to assume more responsibilities and achieve better work outcomes through transformational leaders who articulate visions, establish themselves as role models, show individualized concerns for subordinates, build and share challenging goals, and stimulate followers' intellectual development. These transformational leadership actions are congruent with Confucianism's leadership role in educating, developing, and helping people achieve perfection.

*Paternalistic leadership* encompasses the elements of fatherly benevolence, authoritarian supervision, and moral integrity (Cheng, Chou, Wu, Huang, & Farh, 2004; Pellegrini & Scandura, 2008) and is prevalent in Chinese societies as a legacy of Confucian values (Cheng et al., 2004; Redding, 1990). Similar to Confucian ideas, paternalistic leadership emphasizes that subordinates must obey senior authorities while leaders must be benevolent and provide moral role models.

*Leader–member exchange (LMX)* theory proposes that leaders develop varying relationships with different followers. Core to the LMX theory is that the same leader may treat members differently (Liden, Erdogan, Wayne, & Sparrowe, 2006; Ma & Qu, 2010). Members belonging to “in groups” enjoy high-quality relationships and gain benefits in terms of support, mutual trust, higher performance ratings, and reciprocal liking (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995). The differentiated treatment fits Confucian leadership behavior in that the same official relationship could mean different interpersonal interactions based on followers' situations and needs. The difference is that Confucian differentiation is to encourage follower development and does not imply an in-group vs. out-group division.

*Consideration* represents the relationship aspect, in contrast to the task aspect, of leadership. It captures leader concern, support, and respect for subordinates' well-being (Bass, 1990; House, Filley, & Kerr, 1971; Stogdill, 1950). A recent meta-analysis based on empirical studies mainly conducted in North America found that consideration is strongly and positively associated with positive leadership outcomes (Judge, Piccolo, & Ilies, 2004). Consideration requires leaders to think from subordinates' perspectives, matching the Confucian version of the “Golden Rule.” In addition, the Confucian idea of benevolence is also at the core of consideration leadership.

In summary, Confucianism emphasizes that effective leaders should educate, discipline, develop, and improve the welfare of their subordinates. Good leaders, according to Confucianism, behave like benevolent and authoritarian fathers and treat subordinates according to their individual characteristics. Although some ideas might seem to be in conflict, they constitute the primary teaching of Confucius and find their resemblance in several contemporary Western leadership theories. Thus we propose:

**Proposition 2.** *Chinese leaders who are influenced by Confucianism are more likely to practice (1) transformational leadership, (2) paternalistic leadership, (3) leader–member exchange, and (4) individualized consideration toward subordinates.*

#### *Legalism on leadership*

Han Fei, the founding scholar for Legalism, lived about 300 years after Laozi and Confucius. That period witnessed dramatic chaos with many kingdoms. All the kingdoms at that time were expected to respect and obey the King of Zhou, who represented the overall China kingdom. It was the Zhou King's ancestors who granted the multiple kingdoms to be built and authorized these autonomous kings to have their descendants inherit their king positions. However, during this era, the kingdoms fought against one another for



land, people, and power. Zhou King continuously lost power and dignity. During this period, more wars and battles occurred than during the Laozi and Confucius times. Military power rather than moral merit determined which kingdom could succeed in the battle for survival. Seeing this chaotic condition, and after learning and integrating the ideas from different schools of thought, Han Fei proposed three major elements for ruling a state: *Shi* (“momentum” or retaining power), *Shu* (“method” or implementing, controlling, and monitoring), and *Fa* (“law” or regulations and policies). Legalism is directly about leadership in its establishing and implementing detailed policies and systems and its exercise and preservation of power.

#### *Establishing laws, especially rewards and punishments*

Legalism argues that people avoid punishable behaviors. Thus, effective leaders should establish and publicize rigorous rules and laws. Although Legalism has been criticized as cruel for its severe punishments, Legalists insist that rigorous laws and strict implementations actually represent love rather than dislike for the people. In this sense, Legalism proposes that the best leaders are benevolent dictators who establish and enforce demanding rules.

#### *Importance of power*

Legalism sees power as essential for leaders to exercise command. Legalism scholars emphasize that top leaders alone must hold the power, especially of reward and punishment. Shared power would impede full implementation of laws, create potential rebellion, and might encourage subordinates to use power to pursue their own agendas. Legalism agrees that subordinates should have autonomy to work as freely as possible but insists that top leaders must tightly hold discretionary power regarding reward and punishment. In this sense, Legalism proposes “rule by law” but not “rule of law”: the law restricts everyone but leaders.

#### *Implementation and control*

To implement laws, leaders must monitor their managers effectively. Under Legalism, leaders are expected to establish role descriptions for different jobs requiring varying skills and experiences and to find appropriate job incumbents. Leaders then appraise performance and administer rewards or punishments. If incumbents perform well, leaders share the glory; if incumbents perform poorly, leaders can assign blame to incumbents for having failed to follow the clear role descriptions the leader provided. These implementation and control practices allow leaders to retain power.

Legalism further proposes that everyone must receive equal punishment for breaking the laws. If the leader is unfair, or if the wrongdoer has some special relationship with the leader, the differentiated treatment will lead to undesirable consequences. If wrongdoers who are close to the leaders are punished equally, everyone will be willing to obey the rules. The universal implementation of Legalism demonstrates a strong contrast with Confucianism.

Legalism recognizes the importance of professionalization of jobs, of finding the most appropriate people for positions and establishing clear boundaries of responsibilities. Legalism runs counter to a common business practice of rewarding individuals who are successful in one role by promoting them to positions in other roles outside their expertise. Such practices disrupt career paths and fail to use individual strengths. Legalism would disagree with the Confucian approach of “observing” employees’ to determine their leadership potential. Instead, under Legalism, leaders place people in appropriate positions, test and appraise their performance on the jobs, and then make promotion decisions. Lower-level individuals may rise to higher-level positions after they are trained on the job and accumulate the needed skills.

Legalism has a simple and clear underlying logic that coincides with a modern economic assumption: all people have selfish desires and agendas. Thus Legalism sharply diverges from Confucianism or Daoism, which assumes that people are basically good. Legalists would argue that it is much more realistic and practical to assume that people are guided by self-interest.

#### *Legalism and contemporary leadership*

Several current leadership models coincide with Legalism. For example, *initiating structure*, originally proposed with consideration, captures leadership that defines clear roles and responsibilities, guides subordinates to align their goals with group goals, and establishes patterns to ensure efficiency and effectiveness (Fleishman, 1973; House et al., 1971). A meta-analysis based on empirical studies mainly conducted in Western societies reports that leaders achieve desirable outcomes when they initiate structure that clarifies role responsibilities and divisions of labor (Judge et al., 2004). Similarly, Legalistic leaders counter ambiguity by initiating structures that include coordinated requirements along with clear rules, role specifications, and power limits.

*Path-goal theory of leadership* argues that leaders achieve effectiveness by helping subordinates achieve work goals and personal outcomes. Specifically, leaders smooth the path by “clarifying [the goal], reducing road blocks and pitfalls, and increasing the opportunities for personal satisfaction en route” (House, 1971, p. 324). Leaders thus provide structure, communicate goals at work, understand and satisfy employee needs, coordinate employee behaviors, and clarify policies and procedures to guide employees explicitly (House, 1996), all actions that are largely consistent with Legalism ideas regarding leadership.

*Transactional leaders* appeal to subordinates’ self-interest by establishing exchange relationships such that contingent rewards and punishments reflect their organizational contributions (Burns, 1978). According to a meta-analysis by Judge and Piccolo (2004), transactional leadership is positively associated with a number of desirable outcomes such as follower motivation, satisfaction with the leader, job satisfaction, and leader performance. The core of transactional leadership is contingent rewards and punishments, in perfect tandem with the Legalism principles.

*Weber’s bureaucracy theory* proposes that ideal organizations are like well-functioning machines: they feature precision, speed, efficiency, clarity, continuity, unity, order, and reduction of friction (Bennis, 1959; Weber, 2009). Weber assumed that leaders cannot

depend on subordinates to be reliable or rational and must establish clear roles and institutionalized rules, enforced by normative sanctions (Weber, 2009). In these aspects, Legalism ideas are highly consistent with the Western Weberian rational model of management and leadership popular throughout the past century.

In summary, Legalism proposes that leaders must hold power, establish clear policies, and administer contingent rewards and punishments. In response, subordinates will show orderly behavior. To ensure that policies are fully implemented, leaders will use their discretionary power to appraise subordinates' performance. Thus, we develop **Proposition 3**.

**Proposition 3.** *Leaders who are influenced by Legalism are more likely to practice (1) initiating structure, (2) path–goal leadership, (3) transactional leadership, and (4) bureaucratic leadership.*

### *Comparing the three schools on leadership*

The three most widely influential Chinese philosophies—Daoism, Confucianism, and Legalism along with others, less well known such as Mohism, Logism, and Naturalism—have evoked scholarly debate and discussion for thousands of years. In terms of leadership, we see overlaps and connections, simultaneously, major differences especially among the top three. We summarize their major overlaps and differences among these three major philosophies in four areas.

First, the three schools overlap in that they all assume the existence of Dao; that is, “heavenly rules.” Because traditional Chinese writings seldom clearly define concepts, the three schools might ascribe different meanings to Dao, but basically it is the divine, extra-human, or objective rule governing the world. Daoism refuses to define Dao but emphasizes its “Heavenly” nature. Confucianism emphasizes the personal aspect of Dao and discusses intensively on interpersonal relationships. Legalism uses the Dao more likely to describe people's general behavioral tendencies. For all these schools, leaders must be the keepers of the Dao, the ones who understand and act in accordance.

Second, in discussing the goal of leadership, all three schools mention the seeking of order and harmony but in different ways. Daoism sees ideal harmony occurring when no one interferes with the Dao. Confucianism sees ideal harmony occurring when everyone adheres to prescribed social roles. Legalism defines ideal harmony as order in which people stick to their organizational (but not interpersonal) roles so that society functions as a well-tuned machine.

Third, both Daoism and Legalism recognize that environmental and social changes might prevent efforts to accomplish goals so that even the “best” way might fail. However, Daoism and Legalism depart in terms of recommended actions. Daoism calls for taking no action or balancing different and opposite aspects. Legalism emphasizes continuously improving and changing new policies to fit the new environment and tasks. In contrast, Confucianism emphasizes the importance of virtue and rituals and following prescribed roles to ensure social order and a stable society. Although Confucianism does not emphasize change, it overlaps with Daoism in its emphasis on the need for balance. Daoism made the idea of *Yin–Yang* popular to express ideas of balancing. Similarly, Confucianism emphasizes “balancing” in its concept of *Zhong Yong*: the virtue of middle-ness or the doctrine of the mean (Cheung & Chan, 2005; Jing & Van de Ven, 2014). Confucianism explains that great leaders listen to all opinions, including the extremes, but adopt the likely superior middle option.

Lastly, the three schools differ in their attitudes toward leadership actions and virtues. Daoism proposes that the selfless and virtuous leader leads passively and inactively because action is counterproductive. Both Confucianism and Legalism emphasize that leaders should be active and proactive. In Confucianism, the action includes personal development, self-perfection, promotion of virtues in subordinates, and fulfilling state goals. In Legalism, the action is consistent with the rules and use of institutionalized contingent rewards and punishments for performing clearly defined roles. Selflessness, however, does not matter.

### *Ancient philosophies in contemporary Chinese leadership: illustrative case analysis*

To identify the philosophical foundations of contemporary leadership practices in China, we utilized interview reports of successful business leaders in China published online by Chinese Management Insight, a magazine developed for executives by the International Association for Chinese Management Research ([www.iacmr.org](http://www.iacmr.org)), between 2012 and 2014. The interviews were designed to showcase the unique management thoughts and leadership practices of the most successful business leaders in China. Beyond their companies' economic success, the leaders also must be exemplary in terms of their contribution to society through corporate social responsibility efforts and be widely recognized as role models for other business leaders. Each leader answered a standard set of semi-structured questions and a few questions unique to them or to their business, for a total of ten to twelve questions. Two sample questions are “What are your management philosophy, perspective, or style?” and “What experience in your life profoundly influenced your business and management style?” The interviewed were video-taped (with permission), transcribed, the text prepared, edited, and verified by the interviewees before they were published online.

Since the magazine's founding in January 2012, fifteen interviews have been completed and published online. Clearly, this is not a random sample. Also, we do not intend to test a causal model or to test the propositions. Since all the leaders are successful, we cannot conclude that their leadership approach is the cause of their success. We use these fifteen cases for a modest goal of illustrating the philosophical foundation of contemporary management practices.

We applied a content coding procedure to the fifteen articles. We provided the coders the content of **Table 1** and asked them to code each interview article suggesting explicit expressions of actions representing any of these three philosophies. We told the coders that it is possible that the leader may mention none, one, two or three philosophies. Two doctoral students coded the interview

articles independently and extracted statements representing leadership behaviors that reflect each of the three philosophical schools. Their first round of coding resulted in 82% agreement. Specifically, among 45 cells (3 philosophies and 15 leaders), they agreed on 37 cells. The first author and two coders discussed any disagreements until they reached a consensus. Table 2 shows coding results.

### Results of the illustrative case analysis

We found that most of the interviewed leaders followed leadership practices reflecting more than one philosophical school. Four of the leaders reported practices reflecting all three schools. Nine of the leaders used practices related to both Legalism and Confucianism. Only one leader used leadership practices reflecting entirely Legalism. Those findings indicate that contemporary Chinese leadership reflects the influence of multiple philosophical schools simultaneously. Furthermore, all fifteen leaders show leadership practices

**Table 2**  
Coding results of Chinese leader interviews.

Leader age, firm age, and industry	Leadership practices reflecting the three schools		
	Daoism	Confucianism	Legalism
1 51 24 Sportswear	–	–	<ul style="list-style-type: none"> <li>• Forced relatives and friends to leave the company</li> <li>• Promoted professional culture</li> </ul>
2 59 23 Software	–	<ul style="list-style-type: none"> <li>• Trust, respect subordinates</li> </ul>	<ul style="list-style-type: none"> <li>• Strict and perseverant in enforcing regulations and policies</li> </ul>
3 58 21 Manufacturing and retail	–	<ul style="list-style-type: none"> <li>• Respect for employees and sale channel partners</li> </ul>	<ul style="list-style-type: none"> <li>• Legal approaches to hold brand control</li> <li>• Performance-based manager promotion w/o considering personal relations</li> </ul>
4 69 27 Manufacturing and retail	–	<ul style="list-style-type: none"> <li>• Leader as role model for work behavior</li> <li>• Paternalism</li> </ul>	<ul style="list-style-type: none"> <li>• Performance-based incentive system</li> </ul>
5 57 18 Insurance	–	<ul style="list-style-type: none"> <li>• Sincerity, seek the collective welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Professionalism and universal management techniques</li> </ul>
6 51 19 Energy	–	<ul style="list-style-type: none"> <li>• Social responsibility regarding air quality</li> </ul>	<ul style="list-style-type: none"> <li>• Establish rules and responsibilities</li> <li>• Rigorously appraise performance</li> </ul>
7 70 30 IT hardware	–	<ul style="list-style-type: none"> <li>• Familial work environment</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver on promises</li> <li>• Promote managers for performance</li> </ul>
8 63 30 Real estate	–	<ul style="list-style-type: none"> <li>• Adhere to ethical norms</li> <li>• Respect people</li> </ul>	<ul style="list-style-type: none"> <li>• Assume human nature to be evil</li> <li>• Establish policies to regulate behavior</li> <li>• No family members and relatives as employees</li> <li>• Establish rigorous rules and implement rigorously</li> </ul>
9 49 17 Real estate	–	<ul style="list-style-type: none"> <li>• Encourage people to grow based on their merits</li> <li>• Treat employees and customers with sincerity and kindness</li> </ul>	<ul style="list-style-type: none"> <li>• Establish rigorous rules and implement rigorously</li> </ul>
10 66 16 Retail	–	<ul style="list-style-type: none"> <li>• Be a role model</li> <li>• Practice own teachings</li> <li>• Respect and trust employees</li> </ul>	<ul style="list-style-type: none"> <li>• Improve policies to avoid employee mistakes</li> <li>• Have accountable performance</li> <li>• Establish structures and implement strategies</li> </ul>
11 65 27 Bank	<ul style="list-style-type: none"> <li>• Balance micro and macro, present and future, risk and profit</li> </ul>	–	<ul style="list-style-type: none"> <li>• Establish structures and implement strategies</li> </ul>
12 59 22 Internet	<ul style="list-style-type: none"> <li>• No action is best</li> <li>• Be an observer</li> </ul>	<ul style="list-style-type: none"> <li>• Be a role model</li> <li>• Accept and use affectionate relationships within organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasize importance of a good management system</li> <li>• Encourage employees to work for their own benefit</li> </ul>
13 55 21 Real estate	<ul style="list-style-type: none"> <li>• Non-competitive mindset and limited interests</li> </ul>	<ul style="list-style-type: none"> <li>• Company has high ethical standards and a mission to help society</li> </ul>	<ul style="list-style-type: none"> <li>• Obey law, deter bribery, ensure transparency</li> <li>• Treat coworkers like strangers—using rules only</li> </ul>
14 46 22 Investment	<ul style="list-style-type: none"> <li>• Balance strictness and leniency</li> <li>• Balance interests: win-win for both sides</li> </ul>	<ul style="list-style-type: none"> <li>• Be a role model of selflessness</li> </ul>	<ul style="list-style-type: none"> <li>• Professionalism in dealing with interpersonal relationships</li> <li>• Promote managers by their ability to develop people</li> </ul>
15 50 15 Internet	<ul style="list-style-type: none"> <li>• Balance the sides of leadership</li> <li>• Respect business and people for their true nature</li> </ul>	<ul style="list-style-type: none"> <li>• Company has morality at its core</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and enforce extremely strict regulations on bribery</li> </ul>

Note: Cells with a dash (–) mean that the leadership practices do not reflect that philosophy.



consistent with Legalism, thirteen with Confucianism, and five with Daoism. Hence, most Chinese leaders focus on building rules and policies. The mentioning of Confucianism by thirteen of fifteen leaders suggests the deep influence of Confucianism on contemporary Chinese business leadership (Zhang, Bai, Caza, & Wang, 2014; Zhang, Chen, Chen, & Ang, 2014).

#### *Daoism*

Balancing opposites requires dialectic thinking. Five leaders mentioned balancing opposites in their policymaking and strategy orientation. Some also reflected Daoism ideas in their tendency to take “no action.” They believed that avoiding the competitive mindset was best for the organization’s interests. One leader (12, Table 2) said “little or no management is best management.” Specifically, “I decided to hand over [my company’s] internet business to someone more suitable, and chose to remain only as a navigator or spiritual leader. My most important job was to intervene in [my company’s] business as little as possible; the less I manage the better.” Two leaders (14 and 15) mentioned the importance of balancing between opposite views or avoiding extremes, reflecting Daoism.

#### *Confucianism*

Confucianism requires leaders to be role models, embraces personalized relationships within organizations, encourages members to bond with and support one another, and builds a “family culture” in which leaders show generalized care for all employees. In turn, employees respect and care about both the leader and the company. One leader (7 in Table 2) explicitly tries to be a “family business without family members.” He said, “By ‘family business,’ we mean that our leaders (top and middle managers) should view [the company] as their family business, as their lifetime career, and as an integral part of their life. ‘Without kinship’ means that we do not have family relations or blood ties here [this company]. Instead, we rely on property right mechanisms (equity ownership) and organizational culture to form family-like relationships and emotional bonds. Achieving this goal of building a family business without kinship will require the effort of many generations. We have prepared well for my successors, but we must continue to work so that further generations of management teams can also inherit and pass on such a tradition.”

The interviewed leaders frequently mentioned that leaders should serve as role models to demonstrate being selfless, hardworking, and pursuing the collective wellbeing. One company leader (14, Table 2) specifically stated his understanding of virtue and selflessness: “You must manage your own needs and refrain from greed. [For example,] you ask for a little less compensation, interest, or rights.” The business leaders also reported that because of their trust and respect for subordinates, they set high ethical standards and tried to develop their people. Confucianism has been the dominant ideology in Chinese society for more than two thousand years, and is almost genetically engraved into the individual Chinese mind. Thus we would expect Confucian leadership to be prevalent.

#### *Legalism*

All fifteen leaders established rigorous rules and ensured their implementation. Sometimes founder–leaders forced relatives and friends to leave the company so that personal connections, nepotism, or *guanxi* had no role in business decisions and that they can lead their employees with universally applied organizational rules to ensure justice (Chen, Chen, & Huang, 2013). Many leaders enforced universal implementation of organizational rules to avoid differentiated treatment. For example, one leader (1, Table 2) said: “Many people, such as the family of my teammates or fellow-villagers, came to join the company when I first established it. Gradually some family cultures formed within the company. So I made a firm decision and asked all relatives to leave the company, with the purpose of providing promise and hope for all employees. So they don’t have to care where they come from, just focus on what they do and whether they could make a contribution.” The quote is an obvious Legalism approach to universal application of organizational rules.

Many leaders have learned evidence-based best practices from Western countries and try to promote a professional culture, strictly and perseveringly pushing regulations and policies. Some leaders (e.g., 8, Table 2) mentioned assuming human nature to be evil and establishing policies to regulate and counter potential misbehavior. Specifically, the leader stated: “[my company’s policy] is something Western. The Western model has a very simple logic. The first assumption is that people are evil and need systematic restrictions. ... I often reflect on myself: am I good? Of course I am good. Do I have my wicked side? Unfortunately, I do. Therefore, since I have a wicked side myself, how can I require other people to be 100% good? This logic is very clear when I run my business.”

#### *Summary and discussions of the illustrative case analysis*

The analysis of interview reports of fifteen successful contemporary business leaders in China reveals the prevalence of the three schools of Chinese philosophy in their leadership practices in this order—Legalism most frequently, followed by Confucianism, and Daoism the least. This finding suggests two speculations. First, the philosophies were adopted in response to the conditions of the time. For example, after several decades of war (over 2200 years ago), the Han Dynasty was established. The emperors at that time, lacking people and wealth, endorsed Daoism and left the people alone so that they could produce more people for soldiers and more agriculture to bring tax income in the future. The conditions are quite different in current China, and the differences of environment may explain why contemporary leaders are less influenced by Daoism. Instead, Confucianism was adopted in more peaceful times. Many Chinese emperors officially adopted Confucianism as the national ideology in order that people would revere and obey governmental power. But in reality, the emperors used Legalism to rule the country, to implement policies and rules, and to hold their power. While ordinary people widely accepted Confucianism, leaders enforced rules and regulations. Thus the two schools are Janus-faced: Confucian on the outside, but Legalist within (Hucker, 1959). This combination is clearly prevalent in current relatively peaceful and economically favorable times.

Second, the relative prevalence of the three schools (i.e., the primacy of Legalism, followed by Confucianism and then Daoism) also indicates the institutional and cultural contexts surrounding the current Chinese firms and reflects a developmental journey for Chinese firms. In the initial entrepreneurial stage, leaders follow their personal approaches to leadership, but later they must establish rigorous rules and avoid nepotism. These modern Western corporate governance or management practices coincide with the Legalism philosophy. Most of the fifteen leaders lead large and growing organizations. Not surprisingly, these firms face significant challenges requiring them to establish sturdy structures, strong regulations, and consistent implementations to improve efficiency and quality. Simultaneously, most leaders have a deeply ingrained base in Confucianism, and they know that their subordinates largely endorse Confucianism in dealing with interpersonal relationships. These facts impel the leaders to pay attention to human needs and expectations in managing their employees. Obviously the Daoist ideal of “no action” runs counter to the current institutional and normative emphasis on action. However, some ideas in Daoism found receptivity among some contemporary leaders.

We must acknowledge the limitation of this case analysis. As mentioned earlier, this is not a direct test of the propositions advanced in this paper. The sample is not representative and it includes only successful business leaders. Leaders who are less successful may or may not embody these same traditional philosophies in management and leadership practices. Future research should directly test the propositions with representative large samples.

## Discussion

In this study, we briefly introduce the major Chinese classical philosophies developed about 2500 years ago—Daoism, Confucianism, and Legalism—and discover that they are interwoven with modern (Western) leadership literature and interconnected with modern Chinese business leadership practices. Previous studies paved the way by first suggesting that China's recent reform was an outcome of three major sources of influence on modern leadership in China: Confucianism as classic Chinese philosophy, communist ideology, and modern management practices (Fu & Tsui, 2003; Tsui et al., 2004). A related study argued that Confucianism, socialism, and capitalism are the bases for current Chinese managerial philosophies (Yang, 2012). Thus researchers have recognized that traditional philosophy shapes the minds and beliefs of contemporary leaders. By combining the deep-rooted philosophy-based cultural aspect with economic and institutional aspects, we can explain contemporary leadership behaviors. If we fail to consider a society's traditional thoughts on leadership and human relations, we cannot truly understand modern business leadership, at least not in China.

Clearly, traditional Chinese philosophy deserves a more careful examination to delineate its core content. Consistent with our analyses of Daoism leadership, researchers have found Daoist leadership to include perseverance, modesty, altruism, flexibility, and honesty (Lee, Haught, Chen, & Chan, 2013). A factor analytic study of Chinese values confirmed that Chinese can identify and explain the major traditional philosophies (Pan et al., 2012). Leader integrity, one of the most important Confucian virtues, can determine how leadership impacts employee burnout (Jiang, Law, & Sun, 2014) and can stimulate employee citizenship behavior (Zhang, Bai, Caza, & Wang, 2014). Those works are promising but we need many more.

Comparative analysis of traditional philosophies provides value for studying comparative leadership practices, such as comparing Chinese philosophy with traditional philosophies in other cultures and analyzing their treatment of leadership. For example, a comparison of Aristotelian and Confucian perspectives on leadership offered implications for leadership research (Hackett & Wang, 2012). In a discussion of the philosophical repositioning of human resource management, one study referred to French philosopher and sinologist François Jullien to argue that Chinese managers value compassion and sustainability in human development (Persson & Shrivastava, 2013).

Lastly, Chinese philosophies have obvious limitations regarding modern leadership, so we must be cautious when applying or extending ideas based on traditional Chinese philosophy to develop new leadership theories or models. Although some ideas are quite relevant, they are not equivalent. Traditional Chinese philosophical writings tend to define key concepts imprecisely and fail to provide logical syllogistic reasoning. Daoism's often ambiguous recommendations are open to a myriad of interpretations. In addition, those philosophical thoughts on leadership were developed during eras of uneasiness or wars in the society. In the contemporary world, the majority of the leadership theories and thoughts were developed in a peaceful context. Our philosophical analyses offers some wisdom in that we show the importance of considering broader contextual conditions at firm, industry, and societal levels for developing or applying leadership theories.

### *Future research directions*

In recent decades, the proliferating leadership literature has offered numerous constructs, models, and findings (for reviews see Dinh et al., 2014). Despite the cautions we have mentioned, we believe that traditional Chinese philosophy may offer several new insights for leadership research.

First, we suggest that researchers might use the configuration approaches to map holistic leadership behaviors rather than measuring leader behavior as different dimensions (Meyer, Tsui, & Hinings, 1993), a common practice in current research. By analyzing the leadership behavior of fifteen Chinese business leaders, we show that leadership behavior often reflects multiple philosophies. Research might characterize the behaviors as *configurations*, or patterns (Tsui et al., 2004). Leaders in different types of organizations might have different configurations of leadership behaviors producing different leadership outcomes, given their cultural contexts.

Second, it would be interesting to trace the cultural roots of Western leadership theories. We found the most popular Western leadership models of transformational leadership, LMX, and empowering leadership to have Chinese parallels in Confucianism and Daoism. What are the cultural roots of these Western leadership patterns? Would that be Christianity, which also has a 2000-year history? It would be fascinating to compare how modern leadership reflects Platonism, Christianity, and Confucianism (e.g., Bass &

Steidlmeier, 1999; Lee & Ruhe, 1999; Tweed & Lehman, 2002). Some authors have argued that Christianity underlies the premise of servant leadership (Winston & Ryan, 2008) or authentic leadership (Malphus, 2003). The match between traditional Western philosophies and contemporary “Western” models of leadership can be an interesting direction for future research. This article offers an example for similar analyses in other contexts with deep cultural or religious traditions in the West, South America, or in other Asian countries such as India, Japan, Korea, Thailand, or Indonesia. Such efforts would be a direct response to the call for indigenous research in different contexts (Li, Leung, Chen, & Luo, 2012; Rodrigues, Duarte, & Carrieri, 2012; Tsui, 2004, 2006, 2007, 2013).

Third, we provide the preliminary case data showing how the three traditional philosophies seem to be reflected in contemporary Chinese business leader behaviors. Future research should more systematically analyze traditional philosophical influences using in-depth case studies or large sample analyses. Such research could compare both economic and social outcomes relative to leadership practices guided by one or more of the traditional philosophies.

## Conclusion

In this article, we introduce three major Chinese philosophical schools and show how they relate to modern leadership theories. We also analyze the leadership behaviors of fifteen highly successful Chinese business leaders revealing the cultural–philosophical roots of their leadership practices. Legalism dominates in an unsurprising alignment with modern management emphasizing order, control, reliability, predictability, and professionalism. However, leader integrity, benevolence, trust in followers, and empowerment are also important, suggesting the influence of Confucianism and Daoism. We hope that this study has illustrated the intellectual value of digging deep into the cultural fabric of a society to understand the multiple sources influencing contemporary leaders’ beliefs, values, and actions.

## Acknowledgments

We, the authors, are grateful to the Chinese National Natural Science Foundation (No. 71032001 and No. 71372021) for its financial support. We also thank Charles Dhanaraj, Jianjun Zhang, Yanlong Zhang, Zhi-Xue Zhang, and two anonymous reviewers for their helpful comments, and Mingpeng Huang, Dong Ju, and Jacquelyn Thompson for their assistance.

## References

- Ahearne, M., Mathieu, J., & Rapp, A. (2005). To empower or not to empower your sales force? An empirical examination of the influence of leadership empowerment behavior on customer satisfaction and performance. *Journal of Applied Psychology*, *90*, 945–955.
- Arnold, J.A., Arad, S., Rhoades, J.A., & Drasgow, F. (2000). The empowering leadership questionnaire: The construction and validation of a new scale for measuring leader behaviors. *Journal of Organizational Behavior*, *21*, 249–269.
- Bass, B.M. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Bass, B.M. (1990). *Bass and Stogdill's handbook of leadership*. New York: Free Press.
- Bass, B.M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *Leadership Quarterly*, *10*(2), 181–217.
- Bennis, W.G. (1959). Leadership theory and administrative behavior: The problem of authority. *Administrative Science Quarterly*, *4*, 259–301.
- Burns, J.M. (1978). *Leadership*. New York: Harper & Row.
- Chai, S.K., & Rhee, M. (2010). Confucian capitalism and the paradox of closure and structural holes in East Asian firms. *Management and Organization Review*, *6*, 5–29.
- Chen, C.C., Chen, X. -P., & Huang, S. (2013). Chinese *guanxi*: An integrative review and new directions for future research. *Management and Organization Review*, *9*, 167–207.
- Cheng, B. -S., Chou, L. -F., Wu, T. -Y., Huang, M. -P., & Farh, J. -L. (2004). Paternalistic leadership and subordinate responses: Establishing a leadership model in Chinese organizations. *Asian Journal of Social Psychology*, *7*, 89–117.
- Cheung, C. -K., & Chan, A.C. -F. (2005). Philosophical foundations of eminent Hong Kong Chinese CEOs' leadership. *Journal of Business Ethics*, *60*, 47–62.
- Dinh, J.E., Lord, R.G., Gardner, W.L., Meuser, J.D., Liden, R.C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *Leadership Quarterly*, *25*, 36–62.
- Eagly, A.H., Johannesen-Schmidt, M.C., & van Engen, M.L. (2003). Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men. *Psychological Bulletin*, *129*, 569–591.
- Fei, Hsiao-tung (1948). *Peasant life in China*. London: Routledge & Kegan.
- Fleishman, E.A. (1973). Twenty years of consideration and structure. In E.A. Fleishman, & J.G. Hunt (Eds.), *Current developments in the study of leadership* (pp. 1–40). Carbondale, IL: Southern Illinois University Press.
- Fu, P.P., & Tsui, A.S. (2003). Utilizing printed media to understand desired leadership attributes in the People's Republic of China. *Asia Pacific Journal of Management*, *20*, 423–446.
- Fu, P.P., Tsui, A.S., Liu, J., & Li, L. (2010). Pursuit of whose happiness: CEO personal values and transformational leadership. *Administrative Science Quarterly*, *55*, 222–254.
- Gardner, W.L., Cogliser, C.C., Davis, K.M., & Dickens, M.P. (2011). Authentic leadership: A review of the literature and research agenda. *Leadership Quarterly*, *22*, 1120–1145.
- George, W. (2003). *Authentic leadership: Rediscovering the secrets to creating lasting value*. San Francisco: Jossey-Bass.
- Gerstner, C.R., & Day, D.V. (1997). Meta-analytic review of leader-member exchange theory: Correlates and construct issues. *Journal of Applied Psychology*, *82*, 827–844.
- Graen, G., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, *6*, 219–247.
- Greenleaf, R.K. (1977). *Servant leadership: A journey into the nature of legitimate power and greatness*. New York: Paulist Press.
- Greenleaf, R.K. (1998). *The power of servant-leadership*. San Francisco: Berrett-Koehler.
- Hackett, R.D., & Wang, G. (2012). Virtues and leadership: An integrating conceptual framework founded in Aristotelian and Confucian perspectives on virtues. *Management Decision*, *50*, 868–899.
- House, R.J. (1971). A path-goal theory of leader effectiveness. *Administrative Science Quarterly*, *16*, 323–339.
- House, R.J. (1996). Path-goal theory of leadership: Lessons, legacy, and a reformulated theory. *Leadership Quarterly*, *7*, 323–352.
- House, R.J., Filley, A.C., & Kerr, S. (1971). Relation of leader consideration and initiating structure to R and D subordinates' satisfaction. *Administrative Science Quarterly*, *16*, 19–30.
- Hucker, C.O. (1959). Confucianism and the Chinese censorial system. In D.S. Nivison, & A.F. Wright (Eds.), *Confucianism in action* (pp. 182–208). Stanford, CA: Stanford University Press.

- Jiang, J.Y., Law, K.S., & Sun, J.J.M. (2014). Leader–member relationship and burnout: The moderating role of leader integrity. *Management and Organization Review*, 10, 223–247.
- Jing, R., & Van de Ven, A.H. (2014). A Yin–Yang model of organizational change: The case of Chengdu Bus Group. *Management and Organization Review*, 10(1), 29–54.
- Judge, T.A., & Piccolo, R.F. (2004). Transformational and transactional leadership: A meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89, 755–768.
- Judge, T.A., Piccolo, R.F., & Ilies, R. (2004). The forgotten ones? The validity of consideration and initiating structure in leadership research. *Journal of Applied Psychology*, 89, 36–51.
- Lee, Y.T., Hought, H., Chen, K., & Chan, S. (2013). Examining Daoist Big-Five leadership in cross-cultural and gender perspectives. *Asian American Journal of Psychology*, 4, 267–276.
- Lee, M., & Ruhe, J.A. (1999). Ethical mindsets of Christianity and Confucianism: A comparative study. *International Journal of Value-Based Management*, 12, 13–27.
- Li, P.P., Leung, K., Chen, C.C., & Luo, J.D. (2012). Indigenous research on Chinese management: What and how. *Management and Organization Review*, 8(1), 7–24.
- Li, F., Yu, K.F., Yang, J., Qi, Z., & Fu, J.H. -y (2014). Authentic leadership, traditionality, and interactional justice in the Chinese context. *Management and Organization Review*, 10, 249–273.
- Liden, R.C., Erdogan, B., Wayne, S.J., & Sparrowe, R.T. (2006). Leader–member exchange, differentiation, and task interdependence: Implications for individual and group performance. *Journal of Organizational Behavior*, 27, 723–746.
- Luthans, F., & Avolio, B. (2003). Authentic leadership development. In K.S. Cameron, & J.E. Dutton (Eds.), *Positive organizational scholarship* (pp. 241–254). San Francisco: Berrett-Koehler.
- Lynn, R.J. (1999). *A new translation of the Tao-Te Ching of Laozi as interpreted by Wang Bi*. New York: Columbia University Press.
- Ma, L., & Qu, Q. (2010). Differentiation in leader–member exchange: A hierarchical linear modeling approach. *Leadership Quarterly*, 21, 733–744.
- Malphus, A. (2003). *Being leaders: The nature of authentic Christian leadership*. Grand Rapids, MI: Baker Books.
- Merton, R.K. (1968). *Social theory and social structure* (Enlarged ed.). New York: The Free Press.
- Meyer, A.D., Tsui, A.S., & Hinings, C.R. (1993). Configurational approaches to organizational analysis. *Academy of Management Journal*, 36, 1175–1195.
- Ou, A.Y., Tsui, A.S., Kinicki, A.J., Waldman, D.A., Xiao, Z., & Song, L.J. (2014). Humble chief executive officers' connections to top management team integration. *Administrative Science Quarterly*, 59, 34–72.
- Pan, Y., Rowney, J.A., & Peterson, M.F. (2012). The structure of Chinese cultural traditions: An empirical study of business employees in China. *Management and Organization Review*, 8, 77–95.
- Parris, D.L., & Peachey, J.W. (2013). A systematic literature review of servant leadership theory in organizational contexts. *Journal of Business Ethics*, 113, 377–393.
- Parsons, T., & Shils, E.A. (1951). *Toward a general theory of action: Theoretical foundation for the social sciences*. Cambridge, MA: Harvard University Press.
- Pellegrini, E.K., & Scandura, T.A. (2008). Paternalistic leadership: A review and agenda for future research. *Journal of Management*, 34, 566–593.
- Peng, K., & Nisbett, R.E. (1999). Culture, dialectics, and reasoning about contradiction. *American Psychologist*, 54, 741–754.
- Persson, S., & Shrivastava, P. (2013). *Caring and sustainable HRM? Insights from traditional Chinese thought*. Working paper.
- Redding, G. (1990). *The spirit of Chinese capitalism*. New York: Walter de Gruyter.
- Rodrigues, S.B., Duarte, R.G., & Carrieri, A. d. P. (2012). Indigenous or imported knowledge in Brazilian management studies: A quest for legitimacy? *Management and Organization Review*, 8(1), 211–232.
- Spreitzer, G.M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38, 1442–1465.
- Stogdill, R.M. (1950). Leadership, membership and organization. *Psychological Bulletin*, 47, 1–14.
- Stone, A.G., Russell, R.F., & Patterson, K. (2004). Transformational versus servant leadership: A difference in leader focus. *Leadership and Organization Development Journal*, 25, 349–361.
- Tsui, A.S. (2004). Contributing to global management knowledge: A case for high quality indigenous research. *Asia Pacific Journal of Management*, 21, 491–513.
- Tsui, A.S. (2006). Contextualization in Chinese management research. *Management & Organization Review*, 2(1), 1–13.
- Tsui, A.S. (2007). From homogenization to pluralism: International management research in the Academy and beyond. *Academy of Management Journal*, 50(6), 1353–1364.
- Tsui, A.S. (2013). On compassion in scholarship: Why should we care? *Academy of Management Review*, 38(2), 167–181.
- Tsui, A.S., Wang, H., Xin, K., Zhang, L., & Fu, P.P. (2004). Let a thousand flowers bloom: Variation of leadership styles among Chinese CEOs. *Organizational Dynamics*, 33, 5–20.
- Tweed, R.G., & Lehman, D.R. (2002). Learning considered within a cultural context: Confucian and Socratic approaches. *American Psychologist*, 57, 89–99.
- van Dierendonck, D. (2011). Servant leadership: A review and synthesis. *Journal of Management*, 37(4), 1228–1261.
- Watson, B. (2007). *The Analects of Confucius*. New York: Columbia University Press.
- Weber, M. (2009). *From Max Weber: Essays in sociology*. New York: Routledge.
- Winston, B.E., & Ryan, B. (2008). Servant leadership as a humane orientation: Using the GLOBE study construct of humane orientation to show that servant leadership is more global than western. *International Journal of Leadership Studies*, 3, 212–222.
- Yang, B. (2012). Confucianism, socialism, and capitalism: A comparison of cultural ideologies and implied managerial philosophies and practices in P.R. China. *Human Resource Management Review*, 22, 165–178.
- Zaccaro, S.J. (2007). Trait-based perspectives of leadership. *American Psychologist*, 62(1), 6–16.
- Zhang, G., Bai, Y., Caza, A., & Wang, L. (2014). Leader integrity and organizational citizenship behaviour in China. *Management and Organization Review*, 10, 299–319.
- Zhang, Z. -X., Chen, Z.X., Chen, Y. -R., & Ang, S. (2014). Business leadership in the Chinese context: Trends, findings, and implications. *Management and Organization Review*, 10, 199–221.
- Zhang, Y., Waldman, D., Han, Y.L., & Li, X.B. (2014). Paradoxical leader behaviors in people management: Antecedents and consequences. *Academy of Management Journal* (in press).