

Ethical Leadership, Words of Wisdom: Lessons from the Chinese Context

Prof. Qinqin Zheng
of the School of
Management Fudan,
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her research into
how traditional Chinese
wisdom may play
an important part
in shaping ethical
leadership in China.



An alliance with a purpose

THE 3 Ps IN A CoBS POD



PERCEIVE

with a set of key takeaways



PROJECT

with food for thought: on yourself, your organisation and the wider context



PERFORM

by putting it all into practice using action tips





● PERCEIVE with a set of key takeaways

- While China has experienced high-speed economic growth in the past decades, there has been increasing disclosure of immoral corporate conduct.
- This has had a positive effect: for employees and customers, unethical conduct touches a nerve-end that they rightly feel requires attention; for the authorities it strengthens the notion that business ethics is a dimension that has to be taken seriously; and it brings increased awareness of the fact that ethical leadership and business ethics in China are increasingly a subject for discussion and debate among academic, government and professional circles.
- It is positive for business too: It has long been established that long-term customer relations are good for sustainable competitive advantage.
- Customer loyalty is beneficial for corporate profits: A loyal and intimate relationship with customers is rare and difficult for rivals to replicate and it produces higher company performance and greater shareholder value.
- The stability of customer relationship is particularly critical in China where Guanxi – a social philosophy based on mutual obligations, reciprocity and trust that finds its origins in Confucianism – is still important.
- There are two factors that positively influence this customer relationship – ethical leadership and social capital.
- Practical wisdom from Chinese classical traditions can be of great guidance in contemporary management – in China and beyond. The Art of War by Sun Tzu is perhaps, the exemplification of this search for management wisdom.
- However, besides tactics and strategy, The Art of War also promotes a set of leadership attributes that in today's world mean ethical leadership. Among these are humanity, sincerity, wisdom, benevolence, discipline and trust.
- According to Confucian school of thought, three aspects are necessary for ethical leadership. The first is the leader's personal code of conduct. In the modern world, people will do their duty without the issuing of orders if a leader walks the talk.
- Public spiritedness and dedication make up the other two aspects. These notions are transposed to the context of shareholders, customers and suppliers.
- Research shows that communities and stakeholders have an effect on corporate performance.
- Social capital, the network of cross-cutting relationships in society characterized by trust and reciprocity and common good. With more trust, existing bonds are strengthened and new ones forged.



Read the full article:
<https://councilcommunity.org/2017/10/26/ethical-leadership-words-of-wisdom/>



● PROJECT with food for thought

- Does the leadership in your organisation exhibit these Confucian ideals? Does the organisation culture foster such ethical values?
- Are you affected in your daily work and life by social capital? Are your customer dealings purely transactional or is there a personal element to it as well?
- Is the organisation mission and vision aligned with serving a higher purpose?
- To what extent can the notions included in Confucian thought apply to your company, its approach, or even western management and business practices?

Thoughts

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● **PERFORM**

by putting it all into practice

CHECKLIST

- 1. Practice what you preach.** If for example, many people are taking a pay cut, don't be flamboyant.
- 2. Identify and establish** a set of responsible leadership attributes that include humanity, sincerity, wisdom, benevolence, discipline and trust.
- 3. Encourage social capital and trust within your workplace:** establish the right to speak up and offer ideas, even if these might go against conventional hierarchical approaches.
- 4. Identify and strengthen** which factors of your organisation, its products or services contribute to creating a loyal customer base.
- 5. Integrate local** cultural norms and practices into educational and training programmes.
- 6. At the B-school level,** develop in-house practices that discuss daily business dilemmas in the workplace.
- 7. Identify the need** and use of a corporate code of ethics and conduct.



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