STUDY OF CHINESE CONSTANCY AND CONTINGENCY MANAGEMENT

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by

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ABSTRACT

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As we rush headlong into the 21st century, with science and technology making new and almost daily shocks, how do we deal with making decisions? How will we manage the future? Is the past of any use to us any more?

This thesis puts managerial techniques into a historical perspective and investigates methods created by Chinese people. Most importantly it shows how the economic future can be confidently addressed by reference to one of the oldest of Chinese classic texts, I-Ching, the Book of Changes (易经).

Combining the two apparently conflicting concepts of “Change” (變) and “No Change” (常), I-Ching is shown by the author to have manifold and vital applications in the real world of organisational management.

This thesis illustrates the way that any institution can be divided into three levels of management and how these levels can combine with the three basic concepts of Heaven (天), Humanity (人) and Earth (地) in a way that, in coordination with the “change, no change” awareness of I-Ching, can resolve the problems of any organisation.

According to the theory of Change and No Change, “No Change” is to represent the unchanged basic principle. In Chinese style management “No Change” means “to settle other people down” (安人), “Change” must be made according to the principles and be regulated. All managerial activities such as planning, organising,
leading, control, and training, are considered in detail in the theories of “Change” and “No Change”.

This thesis posits a managerial approach and understanding that will bring success to an organisation, not only for today but also for tomorrow that awaits us.
ACKNOWLEDGE

After more than ten years of studying managerial philosophy, I do feel appreciative that, especially for recent five years of studying in Britain and getting to understand the British culture, I finally have this opportunity to honestly present my research results.

It is only appropriate that I have such an opportunity to present this thesis to my supervisor—Professor P. M. Jackson and British committee—Dr. C.A. Bourlakis, Dr. N. Tang and Ms. P. A. Greatorex, as I realised that Confucian ideas are indeed thriving in the British way of life. My utmost gratitude is for their kind encouragement and thoughtful advice.

During this past year, I hesitated in completing this paper, fearing misunderstanding and contention. The real Chinese culture is simply hard for most Westerners to understand fully. Fortunately, Professor Jackson is truly a scholar of the world, who has open minds and managerial practices in the Chinese culture. Such supervision lay the foundation stones for the results of my research, using the Chinese method of “Tee Whe” (體會) rather than the usual forms of questionnaire, interview and investigation.

I want to express thanks to my family who support me wholeheartedly. Without their support, it is impossible for me to devote to my study for so many years. I also send my best wishes to all managers who have the vision to harmonise all changes with constancy, avoiding pain and stress, in a gentle and pleasant manner.
CONTENT

LIST OF FIGURES.................................................................viii

LIST OF TABLES.................................................................xi

CHAPTER I INTRODUCTION

I. 1. The Purpose of the Study.............................................1
I. 2. Background and References...........................................13
I. 3. Hypotheses, Research Methodology, and Summary of the
  Thesis..............................................................................18

CHAPTER II METAPHYSICAL BASIS OF CHINESE
  STYLE MANAGEMENT

II. 1. Different Managerial Thoughts: "Two Form One" (TFO)
  and "One Contains Two" (OCT)........................................25
II. 2. Variation of TFO and OCT Managerial Philosophy..........30
II. 3. Mutualism is the Product of OCT.................................35
II. 4. The Theory of "Change" and "No Change".......................40
II. 5. An Illustration of the Three Fundamentals of I-Ching—
  Heaven, Humanity and Earth...........................................48

CHAPTER III A COMPARISON OF TFO, OCT AND OCA
  MANAGERIAL PHILOSOPHIES

III. 1. Characteristics of TFO Managerial Philosophy..............58
III. 2. Characteristics of OCT Managerial Philosophy..............64
III. 3. Characteristics of OCA Managerial Philosophy.............71
III. 4. Illustrations of TFO, OCA and OCT Managerial
CHAPTER IV  THEORY AND PRACTICE OF THREE
ORGANISATIONAL LEVELS
IV. 1. Three Ever-Changing Groups of People.........................88
IV. 2. Three Organisational Levels and Their Possible
Coordination.................................................................92
IV. 3. The Importance of the Basic Level’s “No Change”...........102
IV. 4. The Importance of the Middle Level’s Change and No
Change..............................................................................106
IV. 5. The Importance of the Top Level’s Change......................112
IV. 6. Study of a Practical Case and Its Evaluation.....................117

CHAPTER V  THEORY OF CHANGE AND NO
CHANGE IN PRACTICE: PLANNING
V. 1. “Settling Other People Down” is the “No Change” in
Chinese Style Management.................................................127
V. 2. How “Change” and “No Change” Coordinate Closely........134
V. 3. The Planning in Chinese Style Management..................137
V. 3.1 Model of the Planning in Chinese Style Management......137
V. 3.2 The “No Change” of Planning.....................................140
V. 3.3 The “Change” of the Planning.................................147

CHAPTER VI  THEORY OF CHANGE AND NO
CHANGE IN PRACTICE: ORGANISING
AND LEADING

VI. 1. Organisation in Chinese Style Management .....................151
   VI. 1.1 Model of Organisation in Chinese Style Management ....151
   VI. 1.2 The "No Change" of Organisation..........................158
   VI. 1.3 The "Change" of Organisation...............................164
   VI. 2. Leading in Chinese Style Management ........................172
   VI. 2.1 Model of Leading in Chinese Style Management ........172
   VI. 2.2 The "No Change" of Leading................................181
   VI. 2.3 The "Change" of Leading....................................187

CHAPTER VII THEORY OF CHANGE AND NO CHANGE
IN PRACTICE: CONTROL AND TRAINING

VII. 1. Control in Chinese Style Management ..........................193
    VII. 1.1 Model of Control in Chinese Style Management .......193
    VII. 1.2 The "No Change" of Control...............................199
    VII. 1.3 The "Change" of Control..................................206
    VII. 2. Training in Chinese Style Management .....................212
    VII. 2.1 Model of Training in Chinese Style Management .......212
    VII. 2.2 The "No Change" of Training..............................218
    VII. 2.3 The "Change" of Training................................229

CHAPTER VIII CONCLUSIONS AND
RECOMMENDATIONS

VIII. 1. Conclusions.......................................................240
     VIII. 2. The Analysis and Evaluation of the
            Three Hypotheses..............................................243
     VIII. 3. Concrete Recommendations................................247
VIII. 4. Suggestions for Future Study .................................. 256

BIBLIOGRAPHY ................................................................. 259
LIST OF FIGURES

Figure 1.1 Three Levels of an Organisation.................................................................5
Figure 2.1 Two Categories of Management...............................................................26
Figure 2.2 Westerner and Easterner Look at the Same Earth......................................27
Figure 2.3 Different Explanations from Western and Eastern Points of View...............28
Figure 2.4 West and East Generate Different Philosophies.........................................29
Figure 2.5 Summarises the Variations of TFO Managerial Philosophy.......................32
Figure 2.6 Summarises the Variations of OCT Managerial Philosophy.......................33
Figure 2.7 Change and No Change as Upper and Lower Bounds of
    Quality Control.......................................................................................................42
Figure 2.8 Input-Output Mode of I-Ching Systems....................................................44
Figure 2.9 The Relative Positions of Heaven, Humanity and Earth
    Remain Unchanged...............................................................................................50
Figure 2.10 A Concept of Time as well as a Spatial Relationship Exists
    Among Heaven, Humanity and Earth...................................................................51
Figure 3.1 A and B Are Not Balanced.......................................................................60
Figure 3.2 Change Between A and B Are Obvious....................................................60
Figure 3.3 The Shape Changes of OCT Are Less Obvious.........................................69
Figure 3.4 American Style Management Is Based on Individualism..........................76
Figure 3.5 Japanese Style Management Is Based on Collectivism............................77
Figure 3.6 Chinese Style Management Is Founded on Mutualism.............................78
Figure 4.1 A Normal Distribution of the Three Groups of People.............................90
Figure 4.2 Matching the Three Organisational Levels with the Three Groups... 96
Figure 4.3 Symbol Representing the Basic Level Employees... 102
Figure 4.4 Symbol Representing the Middle Level... 107
Figure 4.5 Symbol Representing the Higher Level Managers... 112
Figure 4.6 TFO Visitor... 120
Figure 4.7 OCT with Scope for Various Options Between the Upper and Lower Bounds of Quality Control... 125
Figure 5.1 Planning in "Tang Style"... 138
Figure 5.2 Planning in "Song Style"... 138
Figure 5.3 Planning in "Ming Style"... 139
Figure 6.1 Organisation in Recent Chinese Society... 153
Figure 6.2 Traditional Chinese Organisation Should Be Look as A Tree... 154
Figure 6.3 Brotherhood Organisation during Period of Creation... 155
Figure 6.4 Brotherhood Organisation during Period of Small Scale... 156
Figure 6.5 Line Type Organisation... 167
Figure 6.6 Line-Staff Type Organisation... 168
Figure 6.7 The Relationship between the Leader and Subordinator in Chinese is flexible... 174
Figure 6.8 The Special Model of Leading in Chinese Style Management... 175
Figure 6.9 The Busy Model of Leading in Chinese Style Management... 177
Figure 6.10 Another Busy Model of Leading in Chinese Style Management... 178
Figure 6.11 The Solving Problem Model of Leading in Chinese Style Management... 179
Figure 6.12 Another Solving Problem Model of Leading in Chinese Style Management... 180
Figure 6.13 The Entertainment Model of Leading in Chinese Style Management... 181
Figure 7.1 Control Procedures in Chinese Style Management.........................196
Figure 7.2 Break Even Point Analysis............................................................207
Figure 8.1 The Three Levels within An Organisation........................................244
Figure 8.2 The Relationship Between the Three Levels and the Three Fundaments.245
Figure 8.3 The Co-operation Between Change and No Change within the
Three Levels of the Organisation.................................................................246
Figure 8.4 Simultaneous Thinking Processes Regarding Change or No Change.....250
Figure 8.5 Must Have No Change or Must Not Change in a Disorderly Way ........251
Figure 8.6 See the Actual Circumstances and Respond.....................................252
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1.1</td>
<td>Diagrammatic Representations of Managerial Styles</td>
<td>3</td>
</tr>
<tr>
<td>Table 2.1</td>
<td>Characteristics of The Three Talents</td>
<td>57</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>The Three Levels Corresponding with The Three Talents</td>
<td>97</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Characteristics of The Three Levels</td>
<td>98</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Different Role Symbols for the Three Levels</td>
<td>116</td>
</tr>
<tr>
<td>Table 8.1</td>
<td>Main Points of the Three Organisational Levels</td>
<td>253</td>
</tr>
<tr>
<td>Table 8.2</td>
<td>Necessary Psychological Foundations of The Three Levels</td>
<td>254</td>
</tr>
<tr>
<td>Table 8.3</td>
<td>Different Paces of Change of The Three Levels</td>
<td>255</td>
</tr>
<tr>
<td>Table 8.4</td>
<td>The Three Levels Take Different Responsibilities Towards Change</td>
<td>256</td>
</tr>
</tbody>
</table>
CHAPTER I
INTRODUCTION

I. 1. The Purpose of the Study

Management is a common problem throughout all the societies. This thesis seeks to address the problems of how to build flexible and lasting managerial structures in an environment of rapid changes. China is one of the oldest and longest lasting countries in the world. Under the circumstances of high increment and ever-changing, the advantages of Chinese style management are more flexible and more suitable in an environment of rapid changes. This study concerns with the Chinese style management, the philosophy, the structure and the ways used in practice; and the characteristics of Chinese style of management.

Managerial thought can be divided into two categories: the metaphysical basis of abstract ideology (Hodgkinson, 1978) and the material learning of concrete theory. Material learning is determined by metaphysics because all managerial theories are governed by ideology (Tseng, 1987). Therefore, viewed from the metaphysical basis of abstract ideology, there are differences not only in the American, Japanese and Chinese styles of management but in the individual managerial styles of corporate organisations. Based on the philosophy of Chinese people is one of the classical Chinese texts, the I-Ching or Book of Changes (易经). In fact, I-Ching directs most of the thoughts and behaviors in Chinese people (Tseng, 1992) including their managerial thoughts.

In doing so, *I-Ching* examines the concepts of constancy and contingency and how they affect the construction and coordination of organisations. This thesis looks at how the *I-Ching* resolves the apparently conflicting concepts of “change” and “no change” and the way in which this approach can have manifold and vital applications in the field of business management.

The author has spent more than twenty years studying in this regard and making more than six hundred speeches on the comparisons of the American, Japanese and Chinese styles of management. (Before 1945, Taiwan was under heavy influence from Japan, whereas post 1950 Taiwan was in turn under great influence from the United States. Therefore, Taiwan is an ideal place to carry out comparison and research on the American, Japanese and Chinese modes of management. From a Chinese point of view, United States of America can be seen as a symbol of western culture.) The author finds that the Westerners observe life from the West and the Orientals look from the East, but the facts they discover are actually identical. From the Western point of view, “one cell dividing into two” forms the “two parts form one” (TFO, 二構成一) concept; while the Eastern point of view of “one produces another” forms the “one contains two” (OCT, 一內涵二) concept. This is the fundamental difference between Western and Oriental philosophies. The TFO concept, applied to a family, means that if a husband and a wife cannot get along with each other, they may divorce. They are still split units despite of marriage. The OCT concept, however, would posit that since a husband and a wife are married they should try and cooperate with each other. In other words, a family needs a husband and a wife, and it cannot function without either one of the couple.

From the viewpoint of metaphysics, the American style management is based on Individualism, the Japanese style management, on Collectivism, the Chinese style management, on Mutualism (交互主義). They are formed due to ecology of
and will be further elaborated in Chapter three. The three diagrams below can accurately represent the three managerial modes (Table 1.1).

<table>
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<th>American Style Management</th>
<th>Chinese Style Management</th>
<th>Japanese Style Management</th>
</tr>
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<tbody>
<tr>
<td>TFO</td>
<td>OCT</td>
<td>OCA</td>
<td></td>
</tr>
</tbody>
</table>

Table 1.1 Diagrammatic Representations of Managerial Styles.

The *I-Ching*, or *Book of Changes*, is one of the first efforts of the human mind to place itself within the universe. It has exerted a living influence of China for over three thousand years (Baynes and Wilhelm, 1981), originally served only for casting runes. But its later development lifted it out of the sphere of divination into an expression of wisdom (Fang, 方東美, 1978). It presents the believes that all things in the world are governed by natural laws and that Humanity can also find the correct standards of life within these natural laws. In Chinese culture, "Nature is a combination of Heaven, Humanity and Earth." Heaven represents the higher position; Humanity, the middle position; and Earth, the lower position. Applied to a division of time, then Heaven represents the future (for its changeableness); Humanity, the present (for its presence on the process); and Earth, the past (for its slowness of inertia).

The characteristic of Heaven is to be good at "Change (Contingency)" while that of Earth is "No Change (Constancy)". It is a natural law that Heaven changes, while Earth does not. (However, "Change" and "No Change" are two relative concepts. A basic and paradoxical idea of *I-Ching* is that everything changes eventually). Humanity lives between the two and must consider both Change and No Change in his decision making. Therefore it is not natural and impossible for everything to change
or keep status quo at the same time. Management, too, cannot be totally one thing or the other; it has to remain unchanged in some aspects and changed in others if it is to approach and solve problems in a reasonable fashion. So it is necessary to apply both Change and No Change together to conform the natural law.

The I-Ching combines two conflicting concepts— which roughly translates to both “Change” and “No Change”. To a lay person, the I-Ching finds applications in fortune-telling, physiognomy and soothsaying, however this is just a small part of the I-Ching. I-Ching also provides an effective way to study the Chinese style management (Clayre, 1984). When applied to management, the I-Ching can solve the human side of problems by wisely combining the concepts of Change and No Change. I-Ching-trained managers coordinate change and no change to find what is best suited to a particular situation. They seek an acceptable solution that avoids conflict between Change and No Change (Tseng, 曾仕強, 1989).

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2 There are intimate relationships between language and civilisation. The Chinese language, for example, with its conflicting expressions embraces the spirit of I-Ching. For instance, there is “Merit mind responds good results” (好心有好報). At the same time there is “Merit mind responds worse thunder blow” (好心遭雷霆). “The human being has a same mind, so human being has a similar principles” (人同此心, 心同此理) but “human being has different mind and similar to their different appearance” (人心不同, 各如其面). “Stories should be always told to any people” (事無不可對人言) and “Don’t tell people whole stories, thirty percents are enough” (逢人只說三分話). “There are no means to evaluate people by winning or losing” (不以成敗論英雄) but it shows that “the winner is a ruler and the loser is devil” (勝者爲王, 敗者爲寇). This illustrates the spirit of the concept of I-Ching in everyday language.

3 This method often mystifies Westerners. To them, the Chinese appear to make capricious decisions without regard to hard and fast rules. Yet the majority of Chinese believe that they do have principles that they always follow. In fact, they will actively participate in debates over their principles. Thus the Chinese express their applications of the I-Ching to their daily life.
An organisation is, after all, a collection of people, and what the organisation performs is done by people. The activities of a group of people become organised only to the extent that they permit their decisions and their behavior to be influenced by their participation in the organisation (Simon, 1997).

To achieve coordination, the *I-Ching* tried to divide an organisation into three levels of management, namely the top, middle, and basic hierarchical levels. The *I-Ching* regards the top managerial level as Heaven, the middle managerial level as Humanity, and the basic managerial level as Earth. The three levels are shown briefly in Fig. 1.1

![Diagram](image_url)

**The 3rd Line** | **Heaven** (天)
---|---
**The 2nd Line** | **Humanity** (人)
**The 1st Line** | **Earth** (地)

*Figure 1.1 Three Levels of an Organisation.*

The *I-Ching* views Earth and Heaven as constant (Earth is ever-constant, while Heaven is ever-changing) and indivisible. Humanity, however, is flexible and divisible, composed of individuals who nevertheless share similarities. Each level plays several different roles that may or may not be shared. As an example, a number of small businesses usually have only a boss and several employees. This is a two level system - a top level and a basic level, with no middle level. In Taiwan, in a two-person operation such as a small shop, the owner's spouse sometimes may play a role as a top level boss and also is involved in as a middle level manager. Hence, the organisation is divided not based on the number of people, but rather on their functions.

Chinese style management often use the three-division method of the *I-Ching*. Between the leaders and the led are the facilitators; between the informers and the
informed, the mediators; and between the capital and the labours, the agents.

Whereas the two-division method easily causes opposition, the three-division method provides a buffer that facilitates coordination.

In the following chapters, this thesis will explore the following principles:

1. The members of any organisation, regardless of existing organisational structures, can be divided into three levels.

2. Correlations among the three levels of *I-Ching* (Heaven, Humanity, and Earth) and the three levels of management can reveal coordinative functions.

3. Using the *I-Ching*, organisational problems can be solved via coordination between Change and No Change among the three levels of management.

Generally speaking, all organisations can divided into three levels. Most junior employees are not particularly knowledgeable, and an organisation should look after them and educate them so that they can eventually learn, grow and be promoted to key staff. Most middle level key staff is knowledgeable but need the guidance from the top level to proceed in the right direction. The top level shall provide the favourable conditions to comply with changes and reach a balance between Change and No Change. The top level person should possess foresight, acute ability in prediction and considerable sensitivity to market changes.

The main difference between top managers and middle level staff members is that in the face of a problem, the top manager does not say "How shall I deal with this?" but rather "Which of my key staff shall I arrange to take care of this?" Just as Heaven does nothing, so the top manager himself does not lay hands on a problem. After the key staff come up with proposal for solution and discuss with the manager, they will get basic level staff to carry out the necessary action. The key staff do not need to ask the top manager to authorise every detail, but can put the process into action themselves.

Chinese style management is often criticised as lacking sufficient delegation, in fact, the
top manager does not take personal action over things but only assigns the responsibility to his middle level staff; and before taking care of a problem, the middle staff will often seek the permission of the top manager. This is Mutualism in practice.

Basic level staff should perform the role of the unknowing, with all things done according to regulations. If one has an opinion, he may just inform his superiors according to the normal procedures and, likewise, if there is a problem, he may report and discuss about it with his superiors. Through practical work he may promote himself to the level of the later enlightened. At this time he may be promoted to a middle level staff. In this way the principles of Humanity and actions taken are kept. Similarly, during the work process one can both learn an accumulated experience. If he can further develop his ability of foresight, he can then become a top manager. Any organisation is made up of the three levels, with each playing its own role properly to mutually integrate and develop team strength.

The reality of Chinese history is that, for most of the time the political situation has been in upheaval and only for short periods has it been stable. This does not mean there is a problem for Chinese managerial philosophy, but it does mean that the standards of the Three Talent Principle are not well realised. Whether basic or middle level workers, they all want to imitate the top managerial mode by making further random changes that usually lead to chaos and disruption. As Confucius cared for "practice," informing us, "Is it not pleasant to learn with a constant perservarance and application?" (學而時習之,不亦樂乎) He also said, "The superior man bends his attention to what is radical" (君子務本). That is, asking the basic level to do things in the spirit of TFO as much as possible. The pity is that individualism makes the

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5 Confucian Analects. Hsio R. Pien. (論語,學而篇) Chap. II.
Chinese over-reach themselves, becoming excessively self-important and forgetting where they are. This is why individualism cannot be proposed and practiced in China.

As mentioned earlier in this chapter, managerial thought can be divided into the metaphysical basis of abstract managerial philosophy and the material learning of concrete theory. The metaphysical basis of Chinese style management was described in the first half in this thesis, and the second half will be devoted to the material learning of concrete theory of Chinese style management.

For over two thousand years, the social order of China has been maintained with Confucianism. Social systems were instituted according to Confucian thoughts. The material learning of concrete theory of Chinese style management is also directed with Confucianism.

From the view of Confucianism, the meaning of management is "the process of cultivating oneself and settling other people down" (修己安人的歴程). (Tseng and Liu, 1983) We should cultivate ourselves, and then we should settle other people down. This is the managerial conception of Chinese. Chinese regard harmony as the most important thing. Every managerial activity must be harmonious, the harmonious attitude is the part of the managerial process.

Constancy and contingency are the basic approaches in management. Within the framework of constancy and contingency, all planning, organising, leading, control, training can be operated successfully. Once familiar with the techniques, Chinese can operate foreign principles of management properly through the "Change" and "No Change". The points are listed as follows:

1. The western theory of constancy and contingency emphasises the changes in surroundings and people. Therefore, management should be changeable too. There is no perfect management in the world. The managers should find an appropriate approach in order to suit the changing circumstances.
2. "Changes with expedience" (通權達變) is a Chinese specialty. Chinese managers are afraid of "being tricked" by subordinate. They do not easily trust expedience by subordinate. They must set many unchangeable "No Change" before Chinese expedience.

3. Chinese style management based on "the philosophy of Change and No Change", just like all Chinese thoughts are based on "I-Ching", the "No Change" is "normal approaches"; and the "Change" is "expedience". The meaning of "Change and No Change" is that any change would only be made according to the basic normal approaches. The western asks for changes, Chinese always claim that "changes" must be reasonable, therefore, changes with expedience are required.

4. The main principle of changing with expedience is "the contingency can not leave the constancy" (權不離經). If "the No Change and the Change is contrary", it is very dangerous to leave classics and disobey normal approaches. The main point of combining "the constancy" and "the contingency" is to ask for a "golden mean" (中庸) which does not have to change in the environment. This is the reason for Chinese to reach the goal by the way of matching time and situation.

5. The coordination of the "Change" and the "No Change" asks for "the contingency not leaving the base" (權不拋本), "the contingency not damaging people" (權不損人), and "the contingency not using too much" (權不多用). Chinese Zen masters (禪師) point on "knowing suddenly" (頓悟). An approach reaching this goal is over. However, Japanese Zen masters usually try to know the truth through various methods. They dare not wish to know suddenly but gradually, whereas Chinese usually adopt both of the approaches. Apart from the way of "Change" and "No Change", they ask for the promotion of "response" by the way of planning, organising, leading, control, and training.

6. Chinese style management is based on planning. Chinese plan is full of spirit of
"combining Heaven and Humanity together" (天人合一), considering "people make plans for themselves continuously, and the Heaven(sometimes means God) also never stops making plans for every one. To be successful, the plans made by people and by God must be coordinated." Therefore “People plan; but the success of the plan depends on Heaven” (謀事在人,成事在天). To Chinese, this is neither fatalism nor superstition. To coordinate both requires appropriate change.

7. Organisation is a tool of Chinese style management. Chinese style organisation is a “mutually reliant network”, closely related to each other, the atmosphere of ethics is very strong. There are many family enterprises. Some people claim to change by means of law. The idea is good, but in appropriate to Chinese society. They hope to tight the “mutually reliant network” tightly and efficiently, based on the family enterprise to expand its good points and improve its drawbacks.

8. Leadership is the centre of Chinese style management. People are the foundation of Chinese culture as well as all managerial activities. Therefore Chinese always say, “to strengthen the leading centre”. However, Chinese style leadership is “to lead heroes by a leader who presents non-heroic attribute”. The leader is like a “general officer” (將) in Chinese chess, when compared with “the vehicles, (車) the horses, (馬) the canons (包)”, it is no power, in an emergency, the vehicles, the horses, and the canons would willingly sacrifice themselves to protect the general officer. The basic principle in playing chess is unchangeable, while the model in chess is ever-changing. This is the model of Change and No Change.

9. Control is the root of Chinese style management. Chinese society pays attention to the spontaneous control. It is formless. Many people criticise that Chinese tradition lacks system. However, they scorn it as “the ceremonies would overwhelm people” (禮教吃人). This is a big antinomy obviously. “To control by ceremonies” is "No Change". Whilst to change appropriately is “Change".
Chinese dislike formal control very much. The majority of people still keep the tendency of "privilege". It should be used properly and carefully.

10. Training is the beginning of Chinese style management. Chinese have lots of good traditions. For a long time, it has suffered twist and damage to become weird and abnormal. Modernising Chinese style management must begin with training, making decision to do from the very beginning so that it can be successful. Training is everyone's responsibility, it can not be entrusted to others; from the high level to the basic one, everyone should learn modestly and exactly. "To learn as long as you live" is the greatest spirit in Chinese society.

This thesis will develop the following major concepts:

1. The relativity of constancy and contingency.
   Everything in the world always changes; nothing remains forever. What seems constant is revealed on closer inspection simply to change very slowly. In contrast, over a short period of time, the changing world appears constant. In managerial theory, contingency and constancy are similarly related, but ultimately, both are forms of managerial result in change. Yet only anarchy can result from changing everything; people must adopt some constant principles. In fact, they seek the optimal compromise between initiating change and maintaining the status quo, in order to bring about the effect of moderate change.

2. The coordination of I-Ching trigrams.
   Despite being an ancient book, the I-Ching finds applications in all times. The I-Ching divides the universe into three lines of a trigram which stand for Heaven, Humanity, and Earth. In figure 1.1, each line fulfills a particular purpose and has specific characteristics. Heaven is ever-changing; Earth is ever-constant.
Humanity, between Heaven and Earth, neither changes continuously nor remains always constant; instead, Humanity adjusts to its environment. According to the principles of *I-Ching*, one should strive to make Heaven, Humanity, and Earth interact smoothly, and set the universe into perpetual motion.

3. The correlation of organisational hierarchy.

Regardless of the numbers of levels an organisation has, it can be roughly divided into top, middle, and basic levels. The top level, imitating Heaven, initiates change and is ever-changing; the basic level, imitating Earth, remains constant and obeys principles and guidelines. The middle level, imitating Humanity, uses its wisdom to follow and interpret the guidance of Heaven and to modify the Earth accordingly. When each level obeys the principles of its corresponding trigram, the organisation will run smoothly and achieve its goals efficiently.

4. “To settle other people down” is the central point of Chinese style management.

From the view of Confucianism, the meaning of management is “the process of cultivating oneself and settle other people down”. To “settle other people down” is in aim of the first level in Chinese style management. To “be steady” (安定) and “progression” (進步) are the second level; while “efficiency” (效率), “benefit” (利潤), “task” (任務) and “safety” (安全) are the third. Management is the process of educating oneself and settling other people down. “Settling other people down” means “to make the one who contacts me obtain peace”. Managers take “settling other people down” as the final goal, and so as the employees. It not only coordinates to the basic requirement, but also is the same goal for both managers and employees. There would not be conflicts between team goal and individual goal. Chinese regard harmony as the most important thing. Every managerial activities must be harmonious.
I. 2. Background and Reference

The author first appreciated the importance of managerial science in 1956, when he took a course in shop management as a college junior. At that time the American style management was the most popular type in Taiwan, and all text books, study materials and videos were from the United States. People had faith in the American style, and these works aroused great research interest. Later on, the author worked in a trading company and had many opportunities to apply managerial principles and theories. However, as a teacher and administrator since 1960, the author has increasingly felt that American theories and methodologies of management cannot meet practical needs in Chinese society.

The author began to realise that management and culture are intertwined. Any managerial theory and methodology must be in harmony with native culture and customs or adjusted accordingly to have a lasting effect. In fact, management must be rooted in culture (Drucker, 1977). If it is not, managerial strategies are effective in the short term only and soon lose their efficacy.

The author spent more than six years seeking the root of Chinese managerial philosophy and behavior. He found that Chinese thought and behavior were deeply influenced by I-Ching. However, because of cultural differences, this Chinese approach was not so comprehensible to Westerners (Tseng, 1992).

In 1981, putting together preliminary conclusions of his research, the author wrote a book entitled Chinese Managerial Philosophy (中國管理哲學, Tseng, 1992).

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6 The author admire Drucker’s thought concerning management. Drucker enjoyed more fame and honor in the East than he did in the USA. Was this an illustration that the East values managerial philosophy more than the USA and that the USA values managerial science more than the East?
1981). At around the same time, articles he wrote in the *Central Daily News* (中央日报) aroused a great deal of interest and reactions from both general public and public enterprises\(^7\). As a part time consultant in administration for many companies since 1983\(^8\), the author has had many opportunities to apply the conclusions of thinking and research on real managerial activities and individual managerial cases. The results of interviews with many managers across a broad spectrum of businesses and industries clearly show the following consensus:

1. Objects can be managed in a fully scientific way. Because of lack of emotion and opinions in material items, scientific management will not meet with antagonism or opposition. Moreover, a person can freely impose his own managerial attitude and method when dealing with objects without interference. Trial and error can uncover mistakes, which can then be rapidly rectified. Scientific management is free from regional or national boundaries, and the management of objects does not facilitate the differentiation of American, Chinese or other styles.

\(^7\) These articles included: “An Analysis of the Final Goals of Management from the Basic Culture Differences between the West and the East”, “The Heart of Management”, “The Best Direction of the Chinese Managerial Model”, “Chinese Talk with Reasons”, “Should Management Detect Crises and Opportunities Faster Than Others?”, and “Sticking to Principles and Allowing Flexibility is the Way of Management.” Presented in the *Central Daily News* in 1982, they excited great interest among business and industry who wanted to know more about the Chinese Way of Management; and the author was invited for in-house seminars.

\(^8\) These included national corporations such as Taiwan Power Co., Chinese Petroleum Corp., Taiwan Fertiliser Co., Chinese Steel Corp., Chinese Ship-building Corp., Taiwan Salt Works and private companies such as Tuntex Group, President Enterprises Corp., Yuen Foang Yu Paper MFG Co., Taiwan Semiconductor Manufacturing Co., Far East Construction Co., San Fu Motors Industrial Co., King Steel Machinery Co., Taiwan Fluorescent Lamp Co., Mitac Group, China Rebar Co., Far Eastern Textile Group, China Man-Made Fiber Corp., Sampo Corp., Tay Shan Group. Also, foreign investment such as 3M Taiwan Ltd., Philips Lighting Taiwan Ltd., General Instrument Co., Inchcape Testing Services Taiwan Ltd., Hewlett-Packard Taiwan Ltd., NEC Taiwan Corp., and banks including Taiwan Bank, The Farmers Bank of China, etc.
2. The management of people should not be totally scientific, since people's feelings of dissatisfaction can lead to work stoppages and severe disruption. People have their own opinions and do not blindly accept the commands and instructions of others. Scientific management is data-based but numbers are not alive and lack feelings. If things are expressed solely in numbers, people become alienated and experienced no enjoyment in their work. The adjustment of managerial attitudes and method depends on successful mutual interaction. One must empathise with the needs and feelings of others in order to find the best working method. Racial and cultural differences also come into play and the strategies of managing people will often differ according to the parties concerned, thereby creating, i.e., the Chinese, American and Japanese styles.

3. An "alien" managerial style cannot be transplanted en totem but rather must respond to the nature of people and place. Many American businesspersons when establishing companies or plants in Taiwan for the first time insist on the implementation of American style management. But after a while, they make gradual changes later on adapt to the prevailing characteristics of the people of Taiwan. Similarly, Japanese businesspersons who investing in Taiwan transfer their national managerial style to their projects only to find it undergo substantial adjustment while maintaining the Japanese form only superficially.

4. The Chinese are good at adapting and are able to adjust their own pace to match their bosses' needs and intents. If Chinese employees work for an American boss they will adapt to him and make him feel that things are being done according to his instructions. The same process of adaptation will take place for a Japanese and, indeed, a Chinese boss.

5. Most Chinese cannot name the characteristics of Chinese style management nor explain its underlying spirit and salient features. Since the 1840's, the Chinese have
suffered a loss of self-confidence because they considered Western management to be more modern, therefore the study of Chinese style management was neglected. Nevertheless, the long-term implementation of the Chinese style has become commonplace, although its specific content and characteristics have become hard to recognise. In order to understand how management is operated in other countries, the author has visited companies in the United States, Japan, Singapore, Malaysia, Hong Kong, Indonesia and Mainland China.

The author does not wish, indeed, it has proved to be impossible, that the whole world should follow American style management. Equally, the writer does not believe that Chinese style or Japanese style managements should be brought to every part of the world, because the global village has to be kept multicultural for nations to learn from one another. The purpose of conducting comparative studies on management are to show respect for different cultures, to increase mutual understanding and to find the things that are held in common so that countries can develop the kind of managerial methods that best suit and characterise their own cultures.

Countries have many things in common and some things unique to theirs. Management should be built on a common ground and theorem to provide various regions’ opportunities to manifest their characteristics.

The author read many kinds of management-related books and theses in fulfilling his roles as a teacher and a part-time consultant. Before 1975, he held no opinions at variance with the established works on management. In 1975, however, after half a year of studying and thinking about managerial theories and practices had led to him the conviction of not accepting all existing schools of management. Instead he evaluated the relevant truth of the information presented in front of him and decided which managerial theory was worthy of acceptance. When studying in the United States of America and United Kingdom, he found young people there study for a fully rounded,
overall understanding of what they studied. In contrast he found that he himself could hardly finish a book because of bias or preconceived ideas he had accumulated through the years. This awareness led the author to undertake a fresh view and wider ranging research and analysis of managerial theory.


In the early 1980s, the author realised that the correct way to analyse Chinese style management was through I-Ching. In *Chinese Constancy and Contingency Management* (中國經權管理), relationships between the constant and the variable were revealed; this study expands these concepts to organisational hierarchy. In particular, this study will develop the following key points:

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1. The whole world is subject to the principle of "only those who can cope with the environment will survive" (Darwin, 1859). People always seek to change and evolve. Different attitudes towards "Change" and "No Change" result in different behaviors. The British love their traditions and strive to maintain them; the Chinese love their traditions too, but allow their manifestations to change as long as their intrinsic meaning is retained. The Chinese refer to this as "get rid of old things and create new ways". This combination of "Change" and "No Change" originates from the I-Ching.

2. The American managerial experts look for appropriate change and ambiguity in response to changes in the environment. Consequently, as far back as Leibniz (1646-1716) and as recently as Toynbee (1889-1975) there has been a lobby in favor of closer study of Eastern philosophy, particularly I-Ching. Such enlightenment was both wise and forward looking.

3. By putting together the philosophy of I-Ching and modern managerial theory, we can get the best way of management, offering benefits to the whole world.

I. 3. Hypotheses, Research Methodology, and Summary of the Thesis

There are three hypotheses of this thesis.

The first hypothesis is to consider is that the hierarchy of an organisation can allow many changes but basically is divided into three levels.

Nature shows us that heaven is above; earth is below; and human beings are in between. Heaven, Earth and Humanity separately represent the three levels of an organisation. No matter how wide heaven is, nor the number of levels into which it can be divided, how deep the earth and how many strata it can be split into, how many kinds of human beings and how many hierarchies they can be divided into, in the end
heaven is heaven, earth is earth, and human is still human. An organisation can be divided into Top (Heaven), Middle (Humanity) and Basic (Earth) level. It remains an unchanged structure yet within it the hierarchy of earth level can be expanded at will to form many changes.

The second hypothesis of this thesis is to align the three levels of an organisation (Top, Middle and Basic) with the three elements of Heaven, Humanity and Earth.

The relationship of Heaven, Earth and Humanity is firm and unchanging, each having different, unchanging characteristics. Heaven deals mainly with “energy,” Earth with “material” while Humanity deals with both energy and material equally. These traits do not change and can be used to form the “necessary characteristics” needed to create the three levels of an organisation. The operation of the three levels may differ in terms of human being, place, object, time and numerous variables but the controlling nature of the individual basic characteristics remains the same.

Heaven, Earth and Humanity keep on changing, but the changes are different for each one and have individual properties. Heaven changes faster than Earth, for instance a variation in weather can be fast and people have readily notice. While Earth changes more slowly, people feel it to be still. The judgment of human senses is that Heaven changes, while Earth does not, in reality they differ only in rate. How about a human being? Sometimes changes quickly, and sometimes slowly. Some people change more quickly than others.

Through this compliance, the three sets of characteristics can conform to the principle of Nature and attain the performance of growth of all things in the Universe.

The third hypothesis of this thesis is to unite “change” and “no change” with the tri-partite structure of an organisation to solve the problem of change and no change.

Many managerial scholars adhere to extremist theories and take up opposing positions that bring about the opposition of human administration and judicial
administration; benevolence and terrorism; democracy and oligarchy; change and no change; and certainty and uncertainty. Between the extremes, there are a myriad of levels. Therefore, management cannot solely emphasise change or no change. Rather, a reasonable point, given the corresponding time and place, will be found between change and no change. The Chinese advocate a middle way and find it reasonable because if a principle is founded on extremes it turns out to be lacking reason (Liang, 1988).

The comparisons made in this thesis basically deal with differences in level and not absolute opposition between two extremes. All things are in a state of change, and this is the basic understanding of this thesis. To control these changes, however, one has to catch the basis of no change. This thesis focuses on the elements of no change from which many other propositions follow. The author, in accordance with the system view of the I-Ching, provides many no change elements in management with a framework to reasonably comply with changes in both internal and the mutually complying principles. Based on this unchanged structure and principle we also adapt to different variables with a contingency with a true system sense. That is, in cases of contingency, do not forget constancy.

The three hypotheses proposed in this work will apply the I-Ching to practical management. This study will examine not only the theoretical basis of Chinese managerial philosophy (i.e. the principles of the I-Ching) but also its practical utility (i.e. reaction from the business world).

The research method employed in this analysis is survey and field work. The author also traveled to the United States of America, Japan, Singapore, Malaysia, Hong Kong, and Mainland China to carry out on site observations.

After visiting Moscow and St. Petersberg, the author came to understand that in many ways Mainland China was influenced by the Russians and similarly he realised
why people in Singapore and Malaysia did things in the way they did after he went to the United Kingdom.

The author has spent over thirty years in studying the history of Chinese society and economics in order to find out how traditional Chinese style management works. In the progress of Chinese history, methods of management differs in different era. These data and the raw materials obtained in modern Mainland China and Taiwan were combined and concluded into working models of Chinese style management.

Many raw data was obtained during this research, and careful thought was given to the fundamental differences among Chinese, American and Japanese managerial styles in an attempt to find the different philosophical foundations therein.

Dialectic is a good method to use when conducting comparative studies. Dialectic is a thorough thinking process toward preliminary conclusions and discerns things from different perspectives. This method first assumes the conclusion is correct and then tries to prove if it is wrong. Dialectic investigates back and forth the results derived from using dialectics to ensure that the results of research are correct. In this case the author also uses the "Tee Whe" method (體會法) to determine if the results are correct.

This method is a traditional Chinese intellectual approach that is not generally appears as a part of Western researchers' procedures, since Westerners perceive Tee Whe as relying on instinct (Northrop, 1947). In fact, in the Tee Whe method, Chinese do not produce viewpoints formed by instinct as there is no culture on earth could cope in this way. The method allows principles to be understood on the basis of past experience or physical proof. Hu Shyh (胡適, 1891-1962), a famous Chinese philosopher, pointed out that human beings are creatures born with thinking abilities. Every day there are things that compel human beings to perform logical reasoning. No matter how good or bad man scores on logical thinking, human being has to do it
better and better.

What Tee Whe does is to understand principles on the basis of past experience or to prove a theorem by doing it physically (Wu, 吳森, 1979). Tee Whe is not reaction by instinct though instinct is part of it. Tee Whe also involves dialectics, analysis, appreciation and putting one's self in another person's shoes. Mencius (孟子) said, "Treat with the reverence due to age the elders in your own family, so that the elders in the families of others shall be similarly treated; treat with the kindness due to the young in your own family, so that the young in the families of others shall be similarly treated." (老吾老以及人之老, 幼吾幼以及人之幼). His saying is an good example of the Tee Whe method. This method is one of action and is resistant to accurate description solely by words.

The three keys to the Tee Whe method are:

1. As to things that can be experimented, those things are to be proved by experimentation. There are things that cannot be experimented, therefore, we should adopt the Tee Whe method. A prerequisite for the Tee Whe method is to believe that nature and human life are based on the same logic and other people's minds can reflect to yours. If you believe this, you are more likely to comprehend other's thoughts and feelings.

2. Tee Whe is not just a mental process. It results from a series of actions. For example, some one can comprehend in what ways employees may react to their bosses on the basis of how he feels toward his bosses' behavior towards him. The Tee Whe method can match reality only when it is done according to real interactions.

3. Tee Whe is a repeated process through which you learn to sympathise with others
as you get to know yourself in depth. After a period of time if you look at the same issue from a different angle, and still be able to reach the same conclusion, then you have used the Tee Whe method correctly.

Western scholars try to eliminate the emotions, personality and ethics of the human being from their objective systems of thought, but Chinese philosophers believe that any view is infused with the personality of its author. For instance, Chinese philosophers would argue that Plato, St. Augustine, Kant, Hegel and Nietzsche revealed their personalities through their philosophical works (Fang, 方東美, 1978). The perspectives shared in this study are the result of interactions the author has had with two hundred enterprises and one hundred and sixty senior managers over the past ten years.

With respect to research methods, the questionnaire, since the rise of empiricism, has become the most-favored research approach for study, analysis, and conclusions. However, the questionnaire method is unsuitable for this study since the Chinese will tend not to select responses deviating from the middle, even though this probably does not reflect reality. In addition, philosophical thought and rationality are difficult to indicate through the questionnaire method. Therefore, this thesis adopts the well-known Tee Whe method to arrive at conclusions. Through interviews, these conclusions can be verified.

In the second and the third chapters, the author analyses the different points of view between Easterners (OCT) and Westerners (TFO); characterises OCT philosophy; explains the theory of Change and No Change; and describes the Three Talent principle of I-Ching.

Chapter four constructs a theory and practice of three organisational levels. Each level has its own symbol to represent its main characteristic and also study a practical case and its evaluation.
From chapter five to chapter seven, are devoted to the material learning of concrete theory of Chinese style management. The principles of Chinese style management and how to use the theory of Change and No Change in practice are mentioned in these three chapters. All managerial activities, including planning, organising, leading, control, training, applying with Chinese style management are also mentioned in detail in these three chapters.

Chapter eight lays out some conclusions and recommendations and suggests some research subjects for further study.
CHAPTER II

METAPHYSICAL BASIS OF CHINESE STYLE MANAGEMENT

II. 1. Different Managerial Thoughts “Two Form One” (TFO) and “One Contains Two” (OCT)

As mentioned above, material learning is decided by metaphysics because all managerial theories are governed by managerial philosophy.

Let us use the concept of a computer and divide management into software and hardware as shown below in Figure 2.1. Software is managerial philosophy\(^1\), namely the metaphysical basic of the abstract ideology, while hardware is managerial science\(^2\), namely the knowledge and skill of management.

About ninety-five percent (95%) of management is tangible theory and skill, and merely five percent (5%) of it is intangible managerial philosophy\(^3\). However, the knowledge and skill of management can only provide some alternatives. Final decision-making actually depends on the philosophy of manpower\(^4\).

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\(^1\) Management is one kind of selection in which values and standards decide the method of management, direct managerial behaviour, and determines the managerial objectives. See reference of Filley, Alkan C. and Behaviour, Glenview III. Scott, Foresman & Co. p.25

\(^2\) Management science represents under certain conditions of period, angle and circumstances, recognition of management. Managers’ recognition relies on their own universal view-points, understandings and valuations as premises. It means that some have the self-consciousness to understand and others do not. Or some admit it and others do not, regardless of the constraint and limitation of any particular philosophy. See Li, Honglei(黎紅雷). (1933). Confucian Administrative Philosophy (儒家管理哲學). Kuan Lai High Education Press p.7

\(^3\) T. Fujisawa, Co-Founder of the Honda Motor Company said: "Japanese and American management is 95 percent the same and differ in all important respects."

\(^4\) Decision is the result of a combination of the human brain and computer output. The computer represents managerial science. It can only provide some alternative solutions for managers to make a suitable decision. The human brains represent managerial philosophy. It shows the decision maker’s value and wisdom. He can choose from computer output for judgement and comparison to make a right decision.
Science transcends cultural and geographic boundaries and is consistent throughout the world. Americans use managerial science to define its general principles, which can then be applied to situations throughout the world. Furthermore, managerial science can substantiate its points of view as correct and acceptable. Hence, the field of comparative science does not exist; Oriental and Western management can not be examined from the perspective of managerial science. On the other hand, philosophies differ greatly from culture to culture. It is thus possible to use the subject of comparative philosophy to compare Eastern and Western management. Therefore, this study must be approached from the level of managerial philosophy.

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The author has participated in several seminars about comparative management; none of them gave satisfactory answers for basic issues of management. Most of them discussed many minor points about managerial problems from the view points of pure managerial science. They always neglected more important issues concerning the philosophy of management.
Lao Tz’u⁶ (老子) thinks the best traditional mode of management is to free people from the pressure of rules and allows them to fully enjoy their own lives. Another, but lesser, mode of reign, according to Lao Tz’u, is to make the people full of praise for the ruler and his administration. The worst mode of ruling is to make the people live in fear and terror, silently cursing and hating the ruler and his methods.

There is only one Earth, but West and East look at Earth from different angles. Nevertheless, the facts that they observe are identical.

Western scientists discovered that one cell divides into two; two cells, into four; four cells, into eight; and so on, into infinity. On the other hand, Eastern philosophers like Lao Tz’u directly pointed out that one produces two, two produce three, three produce all, (一生二，二生三，三生万物), that means one produces one more to become two, two produce one more to become three, and so on. Yet, the Western point of view, "one cell dividing into two,” and the Eastern result, “one producing another,” are basically the same. In other words, observations of the Earth from East or West give the same result, i.e. “One can become two.” See Figure 2.2.

![Figure 2.2 Westerner and Easterner Look at the Same Earth](image)

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⁶ Lao Tz’u (老子) (the fourth century B.C.) is the author of Tao Teh Ching (道德經); but when, where and how he lived has been the subject of long and ardent speculation. See Bahm, Archie J. (1958). Tao Teh King Interpreted Nature and Intelligence. New York: Frederick Ungar publishing Co., p.71.
However, when Western and Eastern people try to solve the problem of "how one can become two," their explanations bring a difference of opinion (Figure 2.3).

Figure 2.3 Different Explanations from Western and Eastern Points of View

The Western answer is that "two parts form one" (二構成－, TFO); the whole is made up of two separate portions and is easily divided (Ma, 1970). For example, a family was originally composed of a husband and a wife; if they are unable to cooperate, they can divide into two single-parent family units. A business is made up of labourers and capitalists who contradict and conflict with each other; if the business does not work, the two sides will split.

Orientals, on the other hand, believe that "one entity contains two parts" (一內涵二), and since one was originally composed of two, it can produce another. For example, a family needs a man and a woman; without each other, cannot function. A couple must pull together, tolerate each other, and not take divorce lightly. A business has labourers and capitalists, and since one cannot exist without the other, there is no point to defying each other or arguing.

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7 Two parts form one means 二構成一 in Chinese.
8 A Russian biologist, Erast Haeckel (1834-1919), in his book, *Kristallseelen*, said that: all cells, have a nucleus. Each cell is therefore composed of two cell. See Mr. Ma, Sou Ber (馬紹伯), (1970), *The Thoughts of Dr. Sun Yat Sen* (國父思想探微) Chen Chong Publishing Co.
9 One contains two means 一內涵二 in Chinese.
Hence, the contrasting explanations of "how one can become two" produce different managerial philosophies for East and West\(^{10}\) (Figure 2.4). This makes Oriental and Western managements quite distinct in appearances.

There are definite differences between Western and Eastern philosophies. The difference between Eastern and Western philosophies creates different managerial styles\(^{11}\). Orientals believe that "one contains two" (OCT). A unit contains two

![Diagram showing the relationship between W, EARTH, and E.]

Figure 2.4 West and East Generate Different Philosophies.

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\(^{10}\) "Why one can become two" is not a scientific problem, but one of philosophy. The answer comes from judgement made by observing several facts. Everybody has their own judging standards; this generates different philosophies. See Tseng Shih-Chiang, (1982), *Chinese Managerial philosophy*, Taipei, Tung Dar Publishing Co.

\(^{11}\) A famous Chinese philosopher, Mr. Chien Mu (錢穆) analysed the different characteristics of Chinese and Western people. He found that Chinese people had more of a "merging" characteristic than Western people, who had a "separation" characteristic. See Chien Mu, (1991), *To study Chinese characteristics from Chinese history* (從中國歷史來看中國民族性及中國文化), eleventh edition, Taipei, Tung Dar Publishing Co.
parts, implying that the whole is as important as the components. They hope to put all efforts towards togetherness\textsuperscript{12}. Meanwhile, Westerners maintain that “two form one” (TFO). Two parts make up the whole, with the emphasis placed on the individual, working towards individual goals. This is the reason why Oriental and Western managements have different methods of organisation, leadership, motivation and communication. This dissertation mainly focuses on Chinese style OCT philosophy and will not pay too much attention to TFO philosophy.

\textbf{II.2. Variations of TFO and OCT Managerial Philosophy}

In Figure 2.5, when A is equal to B, both A and B are in balance, and it is an ideal balance. But in actuality, it is not easy for such a balance to come into existence. For example, it is usually ideal for production and sales to balance out, but in reality either demand is greater than supply or vice versa.

Since it is difficult for A and B to be even, when A is greater or lesser than B, A and B will compete against each other. To establish rules of the game acceptable to each other, the boundaries of right and wrong should be clearly divided, and the expression of them must be clear, too.

But most of the time these rules are set up by the stronger party. Even if the weak one strives and fights against the other, the mightier one will eventually win, and the weaker must compromise. If the weak one does not see the strong dominate, it must try to establish a balance between them. At this time, both A and B do not want to see the situation in which A> B will turn into A< B, nor the situation in which

\textsuperscript{12} The East and West so closely interpenetrate each other that it is often tempting to say that East is West and West is East. Perhaps it is more accurate to say that while East is East and West is West, there is East in the West and West in the East. Each individual seeks the other for its own completion and fulfilment. c.f. Wu, John C.H., \textit{The Individual in Political and Legal Traditions}, edit by Charles A. Moore, (1967), \textit{The Chinese Mind: Essentials of Chinese philosophy and culture}, Hawaii, East West Center Press, p.355.
A\textless{}B will turn into A\textgreater{}B, so they watch over their own rights and do everything to prevent those rights from being violated. In situations like this, those who are good at expressing themselves, adept at showing off or brazen enough to steal other people's ideas or take credit for their contributions are likely to become hero-worshipped by all.

The much-admired, lauded person will use this opportunity, with the help of his supporters, to create rules and regulations, in order to effectively control and stabilise the situation to their advantage.

When A is greater than B to such an extent that A has total control, or when B is greater than A to the same degree, it does not necessarily follow that might is in the right. When A overpowers B it would appear that B loses the opportunity to become involved. Nevertheless, B's influence is still there and, through much hard work, one day the situation in which A commands B will become first A is larger than B, then A becomes equal with B, and finally A becomes smaller than B. The situation then may turn into one in which B overpowers A.

By the same token, we are not saying A does not exist at all when B has total control of A. Any changes in the environment may turn B\textgreater{}A into B=A. And later B\textless{}A will become A can direct B. The development of an organisation will depend on the will of its members\textsuperscript{13} (Figure 2.5).

\textsuperscript{13} Western people like to say fate is in our hands. They see the issue from a concrete angle. The Chinese believe our future lies in the thoughts of our minds; our fate changes as our minds change. Our will is an expression of the power of the mind. So the will of organisation members can decide its future development. Chinese thought coincides with the expectation that "what we want, we will make it."
Figure 2.5 Summarises the Variations of TFO Managerial Philosophy.

The Tai Chih symbol of *the Book of Changes* shows two (the negative and the positive) are in one (Tai Chih). The Tai Chih symbol is the root of all changes and multiplies into the creation\(^{14}\). Since OCT may become TFO, then all the variations of TFO can be seen as variations of OCT (Figure 2.6).

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\(^{14}\) The Chinese came by the Tai Chih doctrine through experience. Tai Chih is the root of all creatures. It talks of the functions of the positive and the negative. The creatures are produced when the positive and the negative work. Reference: *A Study on Ta-Yi Philosophy* (大易哲學論), Kao, Huai Ming (高懷民). Taipei: Cheng Wen Publication Corp. 1978, pp.115-140.
Figure 2.6 Summarises the Variations of OCT Managerial Philosophy.

If the anti-S line\textsuperscript{15} is straightened, OCT becomes TFO. We see that OCT can take all the steps that TFO does, providing a stable environment, clear situation, and distinct divisions between right and wrong. Without competition nothing can make progress but if we always maintain this competitive stance we will not help one another\textsuperscript{16}. Managing and restraining invisibly, though it may not produce the expected outcome, can also form explicit restraining forces. If a person has worked well but is not appreciated they will, of course try to protect their standing. The purpose of hiding our potential is to show people at the right time how well we are

\begin{itemize}
  \item A = B
  \item A < B
  \item A > B
  \item A or B
\end{itemize}

\textsuperscript{15} The curve in the OCT graphic is an S. Why is it called an anti-S? The answer is that the \textit{Book of Changes} believes all changes begin from the bottom. Because S is written from the bottom to the top it is called the anti-S line.

\textsuperscript{16} Philosophers in the post-Darwin age said the motivation of human progress was mutual progress and not competition. Dr Sun Yi Shien, founder of the Republic of China, took the view that as a Chinese he was for mutual help, but on the other hand, he was not against competition as it could motivate people to work for progress. Ref: \textit{Collections of Dr. Sun Yi Shien: Conclusions of Industrial planning}. 
equipped for our job. Otherwise, why bother to appear humble?

All things are to be done in ways consistent with the time, place and other
governing factors of the situation. When we operate reasonably within the
parameters permitted by the system, we will not be punished for breaking the rules.

We can clearly see a major difference between OCT and TFO in that TFO
believes in selecting one opinion or method from various opinions and methods and
advocates that the minority should go with the majority in decision-making. OCT,
however, does not usually choose from different opinions or methods but, rather, puts
several selections in an order of priority. For instance, it may talk nicely at first but
then rebukes if deals cannot be reached. In the beginning it may deal with a person
in a polite and well-mannered fashion but if the person is rude then force will be used
to threaten. Being gentle first and then taking up a threatening attitude is an example
of how OCT operates. It looks contradictory yet is actually a variation. Both OCT
and TFO may become OCA. What follows is a study of the particular variation that
is OCA.

OCT can change into TFO or OCA, but of the three it is the most flexible. The
Japanese often feel that they have many similarities with the race and culture of the
Chinese. Americans are often proud of the way the Chinese have gradually become
Americanised, even referring to Taiwan as the 51st State of the Union. Such are the
similarities in managerial style of the two nations. If we look at worker recruitment,
for example, the Japanese believe in life-long recruitment to one firm while the notion

17 Many Chinese overlook this point and think that the limitations imposed by responding to changes
without changing the rules leads to a violation of the rules. It is not a normal phenomenon and causes
foreigners to have many misunderstandings about the Chinese. The Chinese truth lies within what is
permitted by rules of law; within the permitted areas, the Chinese seek to respond to changes from
outside. Otherwise it is chaotic, and the actions do not make sense.

18 *The Book of Changes* adopted the principle that the wise and capable are more important than the
majority. Western democracy, however, believes that the minority should listen to the majority and
thus make decisions.
of the perpetual company individual prevails in Chinese society. American-style management prefers short-term employment while in China there are many "part-time" workers who are hired when there is work to be done and dismissed when it is completed or their performance falls below par. An American will do the same sort of work for various firms during his life because the Americans favour specialisation. The Japanese will do different jobs for the same company in his working life as they believe that, as long as one is reasonably bright, a number of different tasks can be learned by the same person. Within the company structure, he may be transferred a number of times, learning as he goes. A Chinese will perform different functions for various firms during his working life. It may be that he stays in the same company doing the same thing; he may undertake the same role but for different firms; or he may do different jobs for various companies. OCT encompasses both TFO and OCA. Because the Chinese-style management is the most flexible in nature, its content also changes and can appear uncertain, ambiguous and resistant to specific definition.

II. 3. Mutualism is the Product of OCT

Even though the concept of Individualism and Collectivism is often used as an important indicator of the difference between Western and Chinese cultures. Certain cross-cultural psychologists seem to place the Chinese into the Collectivism corner at all times, which is an impractical assumption.

The Chinese are much concerned with humanism. Their focus of the human in life is obvious in all aspects of Chinese living and has been so for centuries (Chan, 1967). Wing-Tsit Chan, Professor of Chinese Philosophy at the University of Hawaii, who in his thesis asks that if human being was so important, why had the
concept of the individual not been more developed in Chinese thought? In offering an answer to this apparent mystery he noted that the Western belief that the individual has little place in Chinese society arises partly from a limited observation of the nation’s political and social life and also from somewhat flimsy and incomplete understanding of Chinese thought. He goes on to explain that since marriage was traditionally arranged by the parents and property owned in the family name as well, historically speaking, the family unit rather than the individual became regarded as the norm. Moreover, China would seem to have had scant regard for the individual. On top of this, he points out that Confucianism teaches obedience and both Taoism and Buddhism to deny the self. But he also actually goes on to criticise the individualism of the Chinese. “One of China’s chief troubles in recent decades has been an excess of individualism. Everyone has his own opinion. There have been far too many individualists who think they are above society.” Professor Chan identifies teamwork and the spirit of cooperation as having been in sharp decline because of this primacy of the individual. He recognises that the communists have set out to wipe out this excess of individualism but points to the danger that they might destroy the individual himself while doing so.

The historian, Yu, Ying-Shih (余英時, 1984) does not consider Chinese culture to be an example of Collectivism, he says the Chinese obviously cannot adapt to the control of strict discipline or collective life. The Chinese like unrestrained freedom, leading them to being “random,” “scattered” and “responsible only for the snow in front of one’s own doorway.” (各人自掃門前雪) Liang, Sue-Ming (梁漱溟, 1963) also points out that the Chinese also lack a Collective life. He says there is no common concept with the Chinese who, though may be kind and rational outside of the family will yet return home and become emperors again, expecting wives and children to be obedient in all respects.
However, though the Chinese practice individualism, the famous Chinese philosopher, Chien-Mu (錢穆), points out that the behavior of the Chinese is not concerned with the individual as hero but rather with collective cooperation. The philosopher, Joseph S. Wu (吳森), thinks that individualism is a product of the West. He identified two foundation stones as crucial in the process. One is the legal tradition and spirit of obedience to the law for more than two thousand years of Western development. The second stone is a composite of family milieu, school education and social trends that cultivate individual independence. It is difficult to find such pillars in Chinese society and lacking these preconditions it has proved impossible to develop such Western individualism.

As a cultural anthropologist, a specialist in Chinese and English, Hsu L. K. (許烺光, 1981) has lived in the United States of America for a long time and has a profound understanding of both Chinese and American cultures. Comparing the Chinese with the American he has found distinct differences:

1. The American way of life focuses on individual benefit and is individual-oriented. The Chinese living style focuses on the position and appropriateness of action of an individual in his group. A Chinese will consider whether a thing conforms to his own position first before whether it appeals to him.

2. Americans care about personal sentiments and perform in accordance with what is best for them, while the Chinese are more concerned with a wider common relationship and, for the mutual good, may restrain personal feelings. Hsu thinks the prime difference between the two national cultures lies in the Chinese focus on thought and the American focus on action. He points out that the people of both countries use thought and action simultaneously, but the Chinese do so to succumb to reality, while Americans make reality succumb to the individual. In a Western society each individual is an independent body, all people are equal, practice
common principles, and are treated equally. In a Chinese society, the social behavior mode is to surround an individual with people who are separated into several circles depending on the closeness of the relationship. The most important difference lies in whether one belongs to the "personal side" or is an "outsider." To these two different types of people, the Chinese act differently (Fei, 1947).

Hsu thinks the tie among individuals in the West relies on a common structure. The structure comes first, and individuals get into the structure to create connections mutually. It is not so in Chinese society. Various network strings are more prominent than the common structure and more flexible and effective. Similarly, among foreign students in Great Britain, the informal social ties among the Chinese soon form a rapid and effective connection network. Normally, they do not need to rely on a formal organisation to set up personal interactions for mutual aid. The Chinese are scattered all over the world and what they rely on is not the governmental structure, rather, through personal connections they are able to provide much help to the government. The self-centred connection network of Chinese society works well at all times and is flexible (Fei, 1947).

For example, while in traditional China, the Chinese had no personal choice in marriage, he has enjoyed absolute freedom in the choice of religion. There is a general regard for privacy, in religion as in other spheres of life. While property has been held in common, each son has had the inalienable right of inheritance. There was no individual vote guaranteed by the constitution and yet, in village meetings, every male adult was a voting member by natural right. In the one thousand years' tradition of civil service examinations, the basis of selection of government officials was individual merit rather than race, creed, economic status, gender or age (Chan, 1967). From the above description, one realises that what the Chinese rely
on is an "expedient rationalism."

The Chinese are famed for the "intermediate way," a reasonableness that one may call rationalism. Professor Chien-Mu (錢穆) said also: "While the individual is fully considered as important, his importance does not overshadow that of society." A balance of the two has to be maintained. In fact the goal of moral discipline is exactly this balance. "Actually, the Chinese character consists of two parts (OCT), one being man himself and the other being many, that is society. The interests of the individual and that of society are fully recognised and so is the necessity of their adjustment. A basic institution has existed for centuries for this purpose, namely, the family. Among the functions of the family, surely one of the most important is its position as the intermediate point between the individual and the larger society. It is here that one is trained in the adjustments he will have to make throughout life between himself and other individuals. There is the reason harmony has been stressed as a cardinal virtue for the family. How well the Chinese have succeeded in maintaining the balance between the individual and society and whether the family should continue to be a training ground for this adjustment in a modern democracy are important and interesting questions for discussions."

The Chinese managerial mode utilises a start from self-cultivation to building a family, from building a family to establishing a career, and from establishing a career to administering a nation. As mentioned previously, the highest ethical goal of the Chinese is humanity. As Confucius taught, "The person of humanity (Jen, 仁), wishing to establish his own character, also tries to help others to succeed." \(^{19}\)

Individualism stresses the individual while Collectivism emphasises the importance of

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\(^{19}\) This is an extremely important saying, and one that is well known to all students of Confucianism. It is vital, not only as a positive statement of the Golden Rule, but also because it expresses the central Chinese idea that a good man must also be a good member of society. It is stated in Analects (論語), Yung-Yeh Pien (庸也篇).
society. In ethical terms, the former inclines to hedonism and the latter to rigorism. Mutualism is an intermediate between the two, rather close to Mosotes proposed by Aristotle\(^2\).

However, the ethical Mosotes is not absolutely fixed, like the mathematical rule of “ten and two divided by two makes six” that remains unchanged (Aristotle, 370 B.C.).

The reasonable criterion in Chinese style management does not remain unchanged through either things, people or generations. If you have a strong stomach, eating three bowls of rice is reasonable. If you have a weak stomach then one bowl of rice is more reasonable, but you can eat more frequently. If the decision of the leader is correct then obedience is reasonable, if the decision of the leader is unreasonable then disobedience is reasonable. Similarly, if disobedience is expressed in front of a leader, making him embarrassed, it is not reasonable. The best way is to show obedience first and then approach the leader to explain the reasons for being unable to agree with him. However, in some cases, a leader expects his followers to express any opposing opinion and if such a condition exists it is right to express disagreement straight away. Both fixed change or fixed no change are unnecessary TFO and fail to conform to the requirement of Mosotes.

Chinese style management is based on Mutualism, with changes sometimes and no change at others. Greek philosophy is strong on dialectic; Christianity, at paradox. Western management already integrates together dialectic and paradox. The Chinese as a race practice the intermediate way based on personal experience that we can call

\(^{20}\) If Confucian and Western philosophy commingled in Aristotle’s time, global culture would not be in the state of chaos it is today. It is a great pity that Chinese and Western cultures did not begin any significant exchange of ideas until the late 19\(^{th}\) Century. Westerners found Chinese culture corrupting, while much of Western culture was offensive to the Chinese. Both readily found out the defects in the other without uncovering the positive advantages. From this basis it is no surprise to find they have great difficulty in learning from each other and becoming mutually integrated.
“personal verification.” The Chinese are not good at Greek dialectic nor the reverse verification of religion. When it comes to personal experience, however, the Chinese have a unique talent (Hsieh, 1967). Modern Chinese, influenced by Greek philosophy and Christianity, integrate dialectic and paradox gradually into their personal experiences and thus, in the aspect of change, more personal experience is added. Mainland China insists it is Communist but has, in practice, largely changed. It has made great changes to existing principles to avoid following the pattern of Gorbachev's Russia, which has ultimately collapsed. Gorbachev is an outstanding man in the eyes of many Westerners, but for the Chinese he is a failed hero who may possess courage but lacks wits. Taiwan, on the surface, does not communicate with Mainland China but actually communications are well established in all major respects. Both R.O.C. and P.R.O.C seem not to have started negotiations with each other yet negotiations are, in practice, at an advanced stage. This change appears to be no change, yet everything is changed during no change. It is the practice of mutualism in management.

II. 4. The Theory of Change and No Change

The I-Ching considers everything in the universe to be continuous. In chapter one, two contradictory sentences of the Chinese proverbs were presented, namely, "stories should be always told to any people“ and don't tell people whole stories, thirty percent are enough”. Their application in management is to the upper and lower bounds, respectively, of quality control. For instance, the principle of No Change says that everything should be reversed to certain people, whereas only thirty percent should be told to others. The principle of Change dictates what should be told to which party. Although there is an apparent contradiction, the I-Ching points
out that “everything in the world is changing, there are still constant rules for these changes.” To cope with rapid changes, these unchanged constant rules must be understood. In other words, Change and No Change are the upper and lower bounds of quality management. As indicated in Figure 2.7, upon encountering a problem one has to find a reasonable solution between “Change” and “No Change”.

![Change and No Change](image)

**Figure 2.7 Change and No Change as Upper and Lower Bounds of Quality Control.**

Sometimes no change is the answer; at other times, a small amount of change should be made, and on some occasions, major changes should be made to deal with a pressing situation. Hence, it is not a case of change or no change but rather of “how to change within reason.”

Lin Yu-Tang (林語堂) points out that “education today has been classified and scattered; all thoughts today are fragmented, in pieces, providing a vision of just one side of life but not the whole.” For example, a biology professor may specialise in research of the bee and has no time to study other insects. This kind of study leads to more and more fields of education generating less and less knowledge for individuals. Philosophy today has become a very secondary discipline to mathematics. It is no longer related to us because it does not address the concerns of people in general. Even when it does, philosophy remains apart from us because it is couched in terms that resistant to understanding. As for a profile of life, we do see the particular with precision, but we do not see the whole. This is a kind of loss for modern human. More and more people only understand a part of management, but
do not comprehend what General Management is. They thus fail to attain a comprehensive view of management.

Modern scientific study has two major defects. First, reductionism narrows the object of research to the smallest unit, defining the large through understanding the small and making it difficult to realise the whole. Second, specialisation prevents proper understanding, like a blind person examining an elephant by touch can seem to correctly identify the parts of the animal but hopelessly mistake the whole. When Bertalanffy proposed the General System Theory he was even satirised by the mathematician, Gauss, as the "Clamour of Boetiana." In fact, Hegel (1770-1831) had long ago pointed out that "the whole is larger than the sum total of each part; the whole decides the properties of each part and each part cannot be understood apart from the whole because each part, in a dynamic situation, has mutual reaction and concerted relation". Wertheimer, the Gestalt psychologist, also emphasises the wholeness, unity and non-separation of a psychological situation, stressing that a separate part or factor cannot be used in isolation to explain or understand psychological status. Bertalanffy combines the extremes of the mechanist advocated by physicians and the vitalist proposed by biologists when he points out that all things in the universe are part of systems with both mechanical and vital aspects. The system of the universe are composed of several single units bound by fixed rules. A single unit certainly cannot exist apart from the whole and the whole is also reliant on the individual unit. The reality of the universe has the organism composed of the biological and the mechanical together (Bertalanffy, 1975).
These beliefs are very close to the system theory of the I-Ching. If we use the modern jargon of input and output then the theory of the I-Ching as shown in Figure 2.8 is that the input of Yin (陰) and Yang (陽)\(^{21}\) leads to the output of the universe via the change of the Eight Diagrams.

\[\text{Input} \quad \text{Output} \]

\[\begin{array}{c}
\text{Eight Diagrams} \\
\text{Yin, Yang} \\
\text{Universe}
\end{array}\]

Figure 2.8 Input-Output Mode of I-Ching Systems.

In the universe, from the creation of the earth to the continuous change of everything, there are numerous rules and without the order these rules define, all elements become chaotic. However, human being’s awareness is limited, and it is difficult for him to be in control of his world. The symbols and structures of the Eight Diagrams are a way of making, from seeming chaos and disorder, systems and order. The I-Ching considers that all movement changes in the objective world progress within a fixed rule that is called “Tao (道)\(^{22}\)” The meaning of Tao is the unification of the opposition of Yin and Yang, among the three elements of Heaven, Earth and Humanity. That is to say, Tao embraces the whole of nature and the entire span of humanity (Hsu, 徐志銳, 1994).

\(^{21}\) Yin and Yang mean “陰” and “陽”, consequently.

\(^{22}\) The Chinese character of Tao is “道”.

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The variables confronted by management are numerous but there will be an unchanging relationship between these variables. This is the most prominent characteristic of Chinese style management: No Change exists among changes and change is to be found among no changes but not an absolute selection of Change or No Change. The Chinese prefer the third type of choice.

In Great Britain, a would be customer reads the opening hours on a store window. Suppose he sees that the shop opens at 10 am, but it is currently only 9:30 am; an Englishman normally has two options. He may wait for the shop to open, or he may decide not to buy anything. On the other hand, if a similar situation occurred in China, the customer may neither wait nor leave. Waiting outside the store would wastes him half an hour, moreover, the store may have changed its business hours. Leaving and returning in half an hour also wastes time, as the store may open earlier that day. The other case is when he returns later, he may find that the goods he desired have been sold to earlier shoppers. Hence, the Chinese customer does not leave, nor does he wait. Instead, he chooses the third option—to knock on the door and find out if anybody is in the store. If so, he can ask to purchase the things he desires, thereby saving time. At the least, he can determine if the business will be operating according to its normal schedule.

This behaviour is an example of change under the conditions of no change. If the change works, the customer obtains his goods or information earlier. If the change does not work, the customer resorts to no change, and he will wait for the store to open. Hence, Chinese refute dualism in favour of triads. Between creation and evolution lies the theory of evolution in separate phases, and between teleology and mechanism lies the theory of compromise.

The principle of Cause (因) and Effect (果) has long been a part of science, like a
chain of rings interlinked and closely following each other, free from the existence of uncertainty. However, in this light the universe is completely dead, fixed, and without change (Chang, 1928). In 1927, Heisenberg, a German physicist, proposed the principle of uncertainty. Since then, science has changed from examining the purely certain to determining probable trends. This, however, does not mean that the future is unpredictable. Rather, it states that we cannot forecast the future as accurately as we might imagine (Harrison, 1962). The *I-Ching* proposes a similar point. Because the universe proceeds according to fixed rules, humans can make forecasts. When looking at philosophy, the substance remains the same while the environment changes. Looking at an individual, the principle of doing things will not change but the practical methods of doing can be changed. Though things change, some things remain the same, unchanged. Only by accepting that some things remain unchanged can one believe in change. For example, John remains John even though one day he may dress in a suit and another day in sports gear. Though he may go through many such changes he is still the same person. Without such a no change, John is no longer John but is replaced by Paul. The replacement of John by Paul does not mean that Paul becomes John because replacement is not a change (Perelman, 1977).

TFO selects one answer from two mutually contradictory propositions. OCT consider two opposing answers as the upper and lower bounds of quality control and then selects the answer most reasonable for a particular time and place. This is the major different between Western and Chinese concepts. When an American is asked if he wants tea or coffee, he will make a positive choice between them. When a Chinese is asked the same question, he is most likely to reply that "both will do" or "either one is fine." Because the Chinese person is not clear about the situation, he will not make a decision recklessly. Moreover, a response that is too decisive is
considered impolite to the host.

The *I-Ching* philosophy considers each kind of universal mode, e.g. life or managerial modes, not as a mode of linear progression but rather as a circular path with numerous changes. The function of management is to seek the no change principles for human life in an existence full of changes. The basic attitude of management should not be to find an answer between Change and No Change, but to seek no change among changes and look for change among no changes. There are laws in Chinese society but they are not always carried out strictly. If they were, the laws would meet great resistance and cause great public anger. No organisation can live without statutes and systems, but in practice there are normally varying modes that can give the appearance of being systemless.

Western managerial philosophy has at its roots in the concept of justice. However, it is a pity that after the 19th Century the rise of materialism, imperialism, pragmatism, communism and evolution, etc., that idealism, love and justice have been replaced by realistic capitalism, competition and winner take all attitude. The modern managerial ethos is one of "authority is truth." The scientific management school concerns itself with the material and neglects the ideal, on work instead of humanity, and mechanical performance instead of the ends. The behavioural management school divides human nature into an improper division of two extremes, but in practice humanity is neither as bad nor as good as these extremes. The managerial function school over-emphasises principle while the contingency school is narrowly focused on the variable. The quantitative school puts too much stress on social systems while the decision school is over enamoured with the importance of decision making. All these schools are united in being adversely affected by the development of natural science in the late 19th Century with its emphasis on the material over the ideal. Fortunately twentieth century Western management
professional discarded the beliefs of the final phase of the nineteenth century with its beliefs in the "two choose one" (二選一) contingency theory.

Westerners have tried to rid themselves of the dilemma of dualism using the system management school. This proposition is the closest to the I-Ching. All things in the universe are systems; all movements and changes in the objective world progress under fixed laws. Therefore, certainty contains uncertainty, while uncertainty contains certainty.

The Chinese choose to break through the dilemma of "Two Choose One" by finding a third option. Foreigners often think the Chinese are chaotic and disobeying laws, but the Chinese recognise that there is order and good sense in chaos. The oral management of the modern Chinese is very similar to that of the West, but in practice it differs greatly. This is the third option—"similarity in difference and difference in similarity." (同中有異,異中有同).

The Top, Middle and Basic levels of an organisation are correlated with the characteristics of Heaven, Humanity and Earth to attain mutual concordance and effect good performance. In recognition of everything being in change, the foundation of no change is sought. This thesis provides some necessary principles, mainly to comply with occasional variables. What remains unchanged is the basic structure and the principle of mutual compliance. What is in change is method and attitude, and this is the systematic contingency.

II. 5. An Illustration of the Three Fundamentals of I-Ching — Heaven, Humanity and Earth

I-Ching is unquestionably one of the most important books in the world's
literature. Its origin goes back to mythical antiquity, and it has occupied the attention of the most eminent scholars of China down to the present day. In the introduction to the *I-Ching*, the German translator, Richard Wilhelm, stated his opinion as follows: “Nearly all that is greatest and most significant in the three thousand years of Chinese cultural history has either taken its inspiration from this book, or has exerted an influence on the interpretation of its text. Therefore, it may safely be said that the seasoned wisdom of thousands of years has gone into the making of the *I-Ching*. Small wonder then that both of the two branches of Chinese philosophy, Confucianism and Taoism, have their roots here.” (Baynes, 1977)

Richard Wilhelm has it right: "Indeed, not only the philosophy of China, but its science and statecraft as well, have never ceased to draw from the spring of wisdom in the *I-Ching*. Even the commonplaces of everyday life in China are saturated with its influence."

*I-Ching* is always seen as a book that contains rich and deep philosophies. Originally used to explain foretelling, some academicians have studied the work and turned it into a book that has many philosophical applications. The concepts of Yin and Yang in *I-Ching* have become important perspectives for the Confucians.

In 1701, Gottfried Wilhelm Leibniz (1646-1716) researched the Eight Diagrams of *I-Ching* thought the order of the diagrams was one of mathematical method. A pioneer in signs, logic and mathematical design, he accepted the stimulus of the special expressions and signs of *I-Ching*. In fact, the Eight Diagrams were symbols created by Fu Hsia, the legendary Chinese ruler credited with the introduction of

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farming, fishing and animal husbandry, after he had observed nature over a long period of time.

We see clearly in nature that above us is the sky, humanity is situated in the middle, and underneath is the earth. In old China, heaven, humanity and earth were the major objects in the universe. Thus the Chinese have a strong affinity with the number “three.” The Chinese believe that among all the odd numbers “three” is the one that best suits human nature. We are more favourably disposed towards odd numbers than even ones, because an odd number gives us the feeling that it is undivided and united, whereas an even number can be readily divided and easily broken. Among odd numbers, one is too simple but five and seven too complex, thus three becomes the most appropriate. The Chinese encourage people to think three times before making decisions. In fact, the number three is very closely related to the way the Chinese live. It is also common practice in management to divide the twenty-four hours of a day into three sessions of work, each session last eight hours.

The principles of *I-Ching* are applicable to management (Tseng, 1992). This thesis applies three of those principles—Heaven, Humanity and Earth (Figure 2.9).

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**Heaven**

**Humanity**

**Earth**

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Figure 2.9 The Relative Positions of Heaven, Humanity and Earth Remain Unchanged.

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Humanity is situated between heaven and earth and must co-ordinate with them both. It represents a relationship of space.

The movements of the sun and moon give the Chinese the concept of time. Heaven, Humanity and Earth also stand for the past, present and future26 (Figure 2.10).

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Heaven  Future
Humanity  Present
Earth  Past
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Figure 2.10 A Concept of Time as well as a Spatial Relationship Exists Among Heaven, Humanity and Earth.

Heaven has its uses; Humanity has his mission; and Earth has her functions. The roles and processes of the three are different, and each has their own specialisation and thus are called the Three Talents of *I-Ching*. When these Three Talents work together and produce the continuous operations of the universe, it is known as the Three Talent Principle.

Confucius counsels people to give up superstition and not use the *I-Ching* as a fortune teller's tool. He also teaches people to study the principles of the *I-Ching* and behave in accordance with them. Under his influence, the Chinese have come to believe that "management is the principle of conduct." Effective management consists of behaving properly and doing things well. The principles of behaving oneself become ethics, while the principles of doing things develop into management. Thus Chinese style management does not only involve management but also ethics.

26 "Time" and "dwelling" in *I-Ching* were equal to "time" and "space" They are elements closely relate to human beings. The Eight Diagrams of *I-Ching* included the changes of time and space, and expected man to find the most reasonable solutions in this time and space.
Humanity lives between Heaven and Earth and, from an ethical view point he has to be aware of the favour of Nature that Heaven and Earth have bestowed on him and not attempt to conquer it. The British historian, Buckle, said in *History of Civilisation in England*, “The geographical location of Europe is right for human control over Nature and is the main factor of the development of European civilisation” (Buckle, 1902).

But from the standpoint of the *I-Ching*, the conquest and control of nature both violate the principle of the “harmony of Heaven, Earth and Humanity” and ”the universe as a harmonious integrity” and are also a violation of the Three Talent Principle. Western and Oriental cultures differ because Westerners like to harness Nature, while Orientals do not seek to restrain nature but instead want to comply with it to the mutual benefit of both. When we look at this principle in physical terms, we see, of course, heaven is above us. Since heaven is in such a position, its image is very important. People are attentive to the signs of changes in the skies because heaven has a direct impact on our lives. For example, a farmer will study the evening clouds to make a prediction of what the following day’s weather will be like.

Earth takes on a foundation role. Thus, it is very important that earth is stable enough to be depended upon. The Chinese care very much about location – Feng Shui (風水)²⁷ of dwelling places because our homes have very close relationships to our lives. Human being lives between heaven and earth and has to be aware of the powerful heaven and the yielding earth. Human beings must work in accordance with both aspects. This yoking together of apparent opposites will enable human being to work in a rational manner and to accomplish what is necessary in reasonable ways.

²⁷ The Chinese characters are “風水”, and the direct translation means “the wind and the water.”
When viewed from the perspective of time, observation of the sky puts emphasis on foretelling because what is important is future change and how we should prepare for it. The accumulation of progress through countless past years has formed the earth and given humanity a base to use. The earth may change in the future but her future changes are not as important as the results she has already brought about. Humanity should remember the lessons he has learned and works out methods to cope with future changes. Between the two, the present moment is most precious and practical. When humanity values the present it is able to apply its past experience in the development of plans for the future.

To sum up, negative and positive changes dominate the shifting heaven. Sometimes it is cloudy and rainy; other times the sun shines. Such changes are linked to time. When there is no rain for a long time or it rains for too long, difficulties occur for human beings. Humanity always keeps a close eye on the changing seasons and believes that by closely watching changes of this nature he can prepare for the weather to come and operate accordingly.

Humanity is characterised by kindness and righteousness, the outward expression of which is reasonable behaviour. The Chinese believe management and ethics are intimately related in that management is outward ethics and ethics is inward management. The Great Learning (大學) (one of the Four Classics, 四書) is a byword for discipline. It is also a requirement in management. The Chinese actually believe success and failure are the result of either good or inappropriate action, thus human beings should practice morality to synchronise with the timing of heaven and the benefits of the environment. In this way there is harmony and

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cooperation among human beings, and all things may prosper. An effective integration can result from the close match of the three talents of Heaven, Humanity and Earth. The following looks further at the characteristics of the three.

The first characteristic of Heaven is changeability. The weather is unpredictable, sometimes raining, other times sunny. It can be warm in winter, it may be cold in summer. The unpredictability tries us but also leads us to adapt to the cold, dry, hot and various other changes in the weather.

The first characteristic of Earth is unchangeability. A slight earthquake may cause grief and fearful harm. Stronger earthquakes can cause the death of countless people. When the earth remains unchanged we can live in peace and work.

The first characteristic of Humanity is adaptability to change. We live between heaven and earth and should intuitively comprehend the principles of unchangeability that govern the earth. Remaining unchanged will not help us adapt to the shifting patterns of weather, while reckless change will not aid us adapt to the stability of the earth. Thus we should be able to change, but not change blindly, that is, we should cope with changes in a rational way.

The second characteristic of Heaven is to do nothing. Heaven wants humanity to do things. What heaven does is to take care of humanity and provide it with timing, allowing humanity to make adjustments and to act.

The second characteristic of Earth is to grow things. Heaven does not grow anything, nor does humanity. Only the earth grows produce and supplies humanity with things to live on.

29 The Chinese look after good tuning place and harmoniooous relationship. They believe it is the greatest achievement if those three factors are acquired. Good relationships with people indicate being loved and assisted by the majority of people.
The second characteristic of Humanity is action. Action is the intersection of humanity and object, and is also the product of the timing of heaven and the advantages of earth. Humanity receives the order of heaven, handles things in a reasonable way and undertakes various forms of action. Our actions and behavior must be reasonable if we are to achieve harmony and respect.

The third characteristic of Heaven is love. Heaven takes care of humans and guide human to behave well, no matter what kind of person he/she may be. Should someone not want to be a good person, heaven will, after several warnings, severely punish that person with a natural punishment. A person who suffers such punishment will attract no sympathy as people will think that the person must have made many mistakes to incur such a consequence.

The third characteristic of Earth is gentleness. No matter what kind of plant, a seed may grow the earth will do her best to sustain it. But whether we are digging, fertilising, planting, watering or harvesting, we must perform in appropriate ways or the consequences will be failure or even disaster. When people dig irresponsibly and overlook soil conservation, the earth will fight against man’s unreasonable actions with natural disasters.

The third characteristic of Humanity is reasonableness. If we rely totally on heaven and accept all of its orders, we become fatalists, lose independence and creativity, and greatly diminish the point of living. If we want to go absolutely against natural order and dominate nature, we will also suffer vengeance from said

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30 The natural characteristic of a thing is called nature. However, most of the Chinese admit the existence of the heaven. Accepting the order of the heaven is not superficial. Rather it is a belief held by many. See Cheng, Wu-O (1984). The Scientific and Universal Perspectives of the Chinese Culture. Taipei: Shang Wu Publications, p.124.

31 The Chinese do not gain people’s help by pleasing them. There is no benefit to either party when Chinese solely try to please each other. The Chinese believe lasting harmony can be achieved by taking reasonable and mild steps. Many Chinese do not known how to do it. Therefore, most relationships are skin-deep and there is no true friendship.
nature. In this way we put others as well as ourselves in jeopardy and will be more than somewhat unpopular.

Heaven only gives hints and no clear directions. It wants us to think and to intuitively understand its ways. It wants us to take the initiative and to cultivate self-discipline and self-respect. The reason that the Chinese like, and are good at, comprehension by intuition, is that the Chinese well understand the discipline of heaven. If heaven were to give us clear indications, we would have no need to think for ourselves. In the long run we would lose our cognitive abilities. If heaven were to make things crystal clear, the impact would vary among different people, perhaps helping some, but very likely endangering others. Thus heaven never indicates clearly of its intentions.

The earth expresses clearly and correctly. She bears whatever she is able to and collapses when the burden is too great. The earth permits no ambiguity.

When it is not important for us to express ourselves clearly we do not need to do so. On the other hand when we do need to state clearly what we expect from others, this is what we must do. It seems there are no fixed principles, but it is truly just a reasonable way of coping with changes.

In conclusion, heaven is changeable, watches over humanity, is loving, foretells the future, has negative and positive sides, and uses implicit expressions. The earth does not change, grows all things, keeps rules, continues what has been done in the past, has both tough and gentle sides, and expresses explicitly. Humanity copes with changes, has work to do, likes rationality, takes opportunities that arise, and likes kindness and righteousness. Sometimes humanity will state clearly what is required, at others, humanity will indicate implicitly, depending on what is the most appropriate course of action (Table 2.1).
<table>
<thead>
<tr>
<th>HEAVEN</th>
<th>HUMANITY</th>
<th>EARTH</th>
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<tr>
<td>Changeable</td>
<td>Coping With Changes</td>
<td>Unchanging</td>
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<td>Taking Care of Humanity</td>
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<td>Kind And Righteous</td>
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<td>Implicit</td>
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Table 2.1 Characteristics of The Three Talents.
CHAPTER III
A COMPARISON OF TFO, OCT AND OCA
MANAGERIAL PHILOSOPHIES

III. 1. Characteristics of TFO Managerial Philosophy

There are six characteristics of TFO managerial philosophy:

1. There is a sharp division between right and wrong and the expressions of it are clear.

Knowing what is right and what is wrong is the foundation of management. Managers have to be able to differentiate between them, getting rid of the wrong and keeping the right. Management has to establish criteria on the basis of what is right and lets everyone in the organisation know what they are. Members of the organisation are required to do their jobs according to the criteria set forth by management. Because the standards are set, there are consistent actions that form regulated management (Tseng, 1989).

There is a clear-cut line between right and wrong in TFO; there are no grey areas and no argument is allowed. For example, cars must stop when the traffic light turns red. Otherwise, they are in breach of the traffic laws. Pedestrians can walk, and cars can move forward only when their respective green lights are on. Other examples illustrating the wrong things include being late for work, imbalance between production and sales, and covering up the facts of a situation. If everything is explained clearly, no misunderstanding will result. Everyone knows what to do when procedures are clearly stated. Clarity and precision are part of the characteristics of TFO management (Pascale and Athos, 1981).
2. Competing against each other leads to survival of the fittest.

When Darwin's survival theory is applied to managerial practises, it leads to a competitive situation in which the strong decide what constitutes right and wrong. English speaking people actually are in control of various world organisations and have been since 1945 (Little and Reed, 1988). The other weaker nations have become decision followers, with little power to change decisions made for them.

Sometimes it is hard to decide who is in the right and who in the wrong when it comes to managerial problems. Authorities or experts, influential in their own areas of expertise, may grab opportunities to prove that only what they say is correct. History shows that when a theory is proved to be correct people will obey it as it is the truth. People believing in that theory are seen to be right. Unfortunately, theories that were thought to be correct might proved to be wrong. The efforts of our generation seem just to provide the next generation with to prove as wrong (Drucker, 1993).

Survival of the fittest is not a thing which never changes. The fitting can become unfitting, and the right can become wrong. At one time in history, dinosaurs ruled the earth, but dinosaurs are no longer in existence. Most of the time wrong decisions are made by people in authority. Therefore, we know the winner is not necessarily right. Allowing the victor to decide everything is another characteristic of TFO managerial philosophy. This type of Olympic spirit forms hero-worshipping in management, for example, the best sales-man for consecutive months or an outstanding scientist (Deal and Kennedy, 1982).

3. Seeking balancing power so the winner does not become egotistical.

Authoritative or professional people are in a much stronger competitive position; they have a tendency to puff up their egos and behave as they wish. So a balancing
power, such as labour unions, is necessary to restrain management from implementing policies that would be disadvantageous to workers.

The two components forming TFO are not always proportionally equal. Sometimes component A is greater than B, and sometimes the reverse is true (Figure 3.1). When both A and B feel the situation is reasonable, they stay at a percentage that is acceptable to both parties. If either feels exploited, they will fight each other in an attempt to find an equilibrium. If both components feel unreasonably treated, they also make some kind of adjustment.

![Figure 3.1 A and B Are Not Balanced](image)

TFO adopts an obvious balance. The change between A and B clearly indicates a winner and loser status as indicated in Figure 3.2.

![Figure 3.2 Changes Between A and B Are Obvious.](image)

4. Everyone looks after his own rights and benefits and does his best to keep them.
Because both A and B are to be kept in balance at all times everyone looks after his rights and benefits and does his best to protect him from being violated. To protect his rights he will want to show that he is competent, can make strong contributions to his organisations, and strive for higher positions and rewards, if his organisation cannot give a reasonable reward, he may well change job. Also, if he is not promoted within a short period of time. He will fight to advance himself or leave his job (LeBoeuf, 1983). Under TFO, individualism is encouraged and emphasised.

5. People who are good at showing off are more likely to get promotion.

People are educated not only to do their best but also to tell everyone how good they are. This type of education tends to form in people an attitude of usurping others' achievements to make them look good. People who talk a lot and do not do much, who use meetings to stand out, and who employ strange, individualistic methods to get things done, are more likely to be promoted. Some other characteristics of TFO include: Personal achievements outweigh the goals of the organisation; the will of management dictates the direction of the organisation; personal reward or punishment becomes more important than the success of the organisation or the desire to accomplish the most within the shortest time; and the performance of the organisation depends on the ups and downs of the individual worker (LeBoeuf, 1983).

6. Keep to the rules.

When the percentage of components A and B are decided, systems are formed. All the rules are set out clearly and precisely. Everyone knows and keeps to the rules or they will be accused and punished (March and Simon, 1958).
In stable situations, the rules can adapt to the needs of the environment. During these times, people do not need to think of them much, they just follow the rules. Though it may result in less innovation, it meets the demands of the environment and achieves expected goals.

But when the environment becomes unstable, regulations cannot meet needs. If in time such as these people simply obey the rules, their actions are out of date and will produce shortcomings. When the environment is changing swiftly, members of the organisation should be creative to cope with the changing environment.

Take politics as an example. Laws become more important when society becomes more stable; people think there is equality when rules are obeyed. When society is changing swiftly, laws become less adaptable, and it becomes difficult to keep things in conformity to laws. The tendency to administer by human being becomes clearer. The greater power of the American President and the British Premier are products of changing societies. It takes a long time to amend regulations. Urgent problems cannot wait for relevant regulations to make adjustments. Therefore, it takes innovation and creativity to meet the demands of a changing society.

Chapter one of the new version of the American Constitution is "president". This did not happen in the past. In fact the power of the President of the United States of America is becoming greater. In the past the power of the American President was authorised by the laws created by the Congress. Now the situation has gradually changed, and the President tells the Congress what it should concern itself with. Though it is legal, it is not consistent with the essence of the constitution. Because of the changing environment, the President of the United States of America has had to take such steps so that he can deal effectively with situations and not be delayed by Congress should crises arise that need to be dealt with immediately.
The expression of TFO in management is based mainly on three concepts.

1. Yes and No, Good and Bad are absolutes. To be good is good, bad is bad, and never the two shall meet. One does not care for the significance of the opposing view, and once a goal is selected, it is pursued without doubts. Clear cut management is the objective.

2. It is believed that as long as a complete effort is made, the harvest will follow. There is excessive emphasis on "human power surpassing Heaven" (人定勝天); human power can overcome Nature.

3. It is believed that personal wits and knowledge can solve all problems.

These three concepts seem like common sense but rather lack profundity. Only if the universe is totally mechanical and under the full control of human power can they be realised. The problem is that the universe is not a machine. It contains organic parts and moreover, cannot be fully controlled by human power. A modern individual is not a strong believer in religion and has almost lost his ideals. The wonders of science have brought in the terror of destruction. The human up to date way of life has failed to bring an accompanying sense of well being. These are the results of excessive belief in TFO (Chang, 1985).

They come about because:

1. The world is not absolute and unchanging. One cannot think a good thing always and unconditionally be good nor a bad thing absolutely bad.

2. Although humans have great powers, the force of nature is greater. Humans can only reach their goals on the condition that they abide by the principles of nature in doing so.

3. If the universe is static, certainly all problems can be solved. But as the universe is in a state of change, human efforts will always be transformed or even destroyed.
by the force of nature. Thus, other problems will occur.

III. 2. Characteristics of OCT Managerial Philosophy

There are also six characteristics of OCT managerial philosophy:

1. Ambiguity of right and wrong, and vague expression.

OCT managerial philosophy also asks for differentiation between right and wrong because a managerial philosophy cannot achieve its expected effects without being able to tell right from wrong. But OCT does not draw a clear line between right and wrong. For example, pedestrians and cars should stop when the red light is on; however, can a car or person ignore the red light when there are no other cars or people moving on the street, and something urgent needs to be done? Being punctual at work is obviously right; however, is it right if the employee arrives at the office on time and does nothing? Being late for work is not right, but if the reason for being late is for doing something significant, is it still not right? There ought to be a balance between productions and sales, but sometimes an imbalance between the two can be viable strategy.

If things are not said clearly, and people have to calculate each other’s true intention; and then in the long run, a tacit understanding is developed with no misunderstanding. People learn to provide automatic and better assistance for each other and also to make adjustments accordingly².

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² When everything is said clearly and is open, members of the organisation do not need to spend time and energy in thinking. This phenomenon leads to an office mentality of using hands rather than brains. If things and rules are more ambiguous, people have to assess more. Though it takes longer to put things in detail, it provides opportunities for thinking and forms an attitude of utilising both hand and brain. It is more cautious and prudent.
One characteristic of OCT managerial philosophy is not to make judgements on right and wrong at the outset. Judgements are made as things go on, because to judge at the start makes it difficult to make adjustments in response to changes in the external environment. When management makes judgements while things are in progress, it is best able to decide in which direction a thing should develop.

2. Being a complement and helping one another. People that are capable should help those who are weak.

Taking the world as a whole, the result of competition is that powerful nations should help weaker nations so that human beings can progress and be in harmony.

From the viewpoint of economic development, country A that enjoys fast economic development but lacks international trade partners can do nothing in that area. At the beginning stage, country A has to help various developing countries such as B and C. When countries B and C reach the same level of economic development as that of A, the old fair-trade rules cannot provide country A with adequate protection. At this stage, country A asks countries B and C to assist on another instead of competing.

One of the characteristics of OCT managerial philosophy is asking the capable to help the weak. People in authority should take the time to listen to those below them. People with professional knowledge should also listen to those who lack such knowledge. The reason for this is to make the best decision by knowing all the relevant facts and opinions.

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3. The greatest thing about Confucianism is that the mighty should help the weak (才也養不才). Half of human capabilities come from diligent learning, and half are inherited by birth. We have to challenge those who are less capable to learn with diligence, but on the other hand they are not supposed to take up all the responsibilities.
3. Do not explicitly restrain. Yet there is reciprocal reaction taking place without being noticed.

Explicit restraining inevitably leads to argument. At the beginning, two parties may argue with reason; later they will react according to their feelings and ultimately they will object to the other party's opinions willfully, simply because they want to. Dignity is lost in this kind of fight. In particular situation where the whole process is transparent, people who are good at making shows can make a big profit by using shameless means, while capable bodies just look on without lifting a finger.

When capable people become indifferent to things within an organisation, the group tends to make less progress. OCT makes implicit restraining measures and puts up informal obstacles in exchange for reciprocity. Thus dignity is preserved, and capable people are more willing to be involved.

4. Everybody looks after their responsibilities and duties and wants to do their best.

Because of a lack of obvious restriction, people have to put their best foot forward in order to accomplish their responsibilities and duties. There needs to be self-discipline in this kind of organisation so that its goals can be achieved through mutual help. This spirit of self-discipline has become a major motivating force in OCT organisations. When everyone takes care of the things they ought to, no supervision of others is needed.

4 When obvious restraining is present the one who is restrained feels they lose face and are move to anger by the feeling of shame. When people resort to feelings, they do not resolve problems very well. If restraining is practiced without being noticed, if will definitely cause less trouble, and one would feel they are losing face. This way it can be easily accepted and adjusted to on a reasonable level.
To provide members of the organisation with the opportunities to do a good job, the manager’s primary responsibility is not their own personal performance but the provision of opportunities for their subordinates. When an organisation is characterised by group performance and not by a particular manager’s heroic role, it has true general mobilisation.

Lao Tz’u, advocated “Wu Wei Erh Chih” (無為而治 means “managing invisibly”); he was not saying that people in authority should do nothing. The essence of his managerial philosophy is that management should allow subordinates to take charge of things, and give them opportunities to show their talents and capabilities so that the effect of general mobilisation is created. Managers must do the things their subordinates do not know how to do, and furthermore, they must teach their subordinates the knowledge to see that they make progress.

5. Those who are good at hiding their potential are more likely to be promoted.

To allow the members of the organisation to fully utilise their capabilities and to learn from work, managers must know how to hide their own abilities. Those who know how to stimulate and inspire their subordinates have more opportunities to be promoted.

One of the primary responsibilities of management is to direct people working for them to know how best to achieve the goals of the organisation. Therefore, management ought to allow their people enjoy the fruits of success. When people

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5 “Wu Wei Erh Chih” (無為而治) can be translated in English as “managing invisibly” and is the Chinese sagely ideal of administration. Lao Tz’u often surmised that “those who know, do not speak; whilst those who speak, do not know” (知者不言,言者不知). Good managers should be guided by the general theory of “non-action”, or in modern terms, non-wasteful action.
have a sense of accomplishment and satisfaction, they will automatically work hard to fulfill the goals of the organisation. Managing without the aura of heroism is an indispensable characteristic a manager should have at work.

The absence of hero-worship is a major facet of OCT managerial philosophy. Only those who can challenge people to be heroes at work and do not wish to be heros themselves are truly capable managers.

6. Things are done with flexibility, and adjustments are made according to variables such as time, place, and the issue at stake. This requires reasonable cooperation from people.

When self-discipline is cultivated, the organisation should give employees esteem to satisfy their desire for self-control. The OCT managerial philosophy demands reasonable cooperation from employees in the form of self-control and self-discipline. This creates the desired flexibility, and the expected effects can be accomplished.

The environment is dynamic. Members of an organisation cannot rely on rules that may not fit a changing situation. In times like this, people should be aware of changes in the environment and make appropriate changes to adapt to the situation. Take politics as an example. Since 1970’s, all nations that have a fast developing economy have had an enlightened government brought about by good rules. When

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6 Western history has a high regard for heroes. From Alexander and Caesar to Napoleon, these men showed that heroes could create great times. The Chinese tend to prefer doing things in groups. When a group of people are united in creation, the results produced thereby are more important than those by one single hero. Please refer to Seeing the Characteristics of the Chinese People and Chinese Culture from the View Point of Chinese History by Chien Mu (錢穆), 1979, Taipei: Lien-Ching Publishing Co., pp.47-53.
Taiwan was under the administration of Chiang Kai Shek (蔣介石), Mr. Chiang established a firm foundation for Taiwan's economic development. Thus under the administration of Chiang Chin Kao (蔣經國), the economy was able to grow swiftly. Now people talk about systematisation and rules of law, and the development of the economy slows down.

The notion of an Olympic-style competition with a clear, heroic winner is hard for the Chinese to accept. The OCT balance is less obvious and mediation is employed with both parties contributing concessions to create a two-win result, as indicated in Figure 3.3.

![Figure 3.3 The Shape Changes of OCT Are Less Obvious.](image)

The Western view of the Chinese is a superficial one, they think the Chinese hero worship those in authority. Actually the Chinese are afraid of authority and are not obedient to it, nor do the Chinese admire heroes. They see them as often having courage without wisdom and thus as ending up being taken advantage of others. The Chinese often wait for others to assume the mantle of hero and then watch them die painfully. If a hero challenges harmony he is often sacrificed.

The expression of OCT in management is mainly based on the following three principles:

1. Such terms as good-bad, kind-evil, and beautiful-ugly are relative, though opposites can be mutually exchangeable. Sometimes yes may become no; good may turn out to be bad; kindness can bring evil; and beautiful things may turn ugly. In the
United States of America for example, production is so developed that supply outstrips demand. In order to find an outlet for the excess of goods and so continue the development of the production system, the dumping of products becomes a goal. The United States of America is in a strong economic position, and other nations find they are hardly able to compete with it. Thus trade dumping results in the centralisation of global wealth in America, making it the super rich among all other nations. As the production of the United States of America becomes more developed, more and more dumping is required. But other nations are relatively poor and lack the purchasing capacity. In order to maintain its production levels by finding markets for its products, the United States of America has to make loans to other countries to help them purchase America goods. These loans have to continue for the buying power of those nations to be maintained. At the end of the Second World War, nations lacked the ability to return loans so America changed them to support. This method of giving a loan, getting the earnings back and then loaning the earnings out again, though superficially gainful, is actually empty. The view of OCT is that it is a process of circulation without purpose.

2. The universe is itself in order and has a natural harmony. Human beings have developed great powers; but if they upset the natural order, those powers can become very harmful. Thus the more developed science becomes, the more dangerous the position of humans becomes and the greater the risk of being destroyed by science at any time. One must obey nature so that human power is developed safely. Human beings seem to have achieved much in some ways but viewed from the perspective of the universe as a whole, they have actually brought an element of disorder. The apparent solution of partial problems has caused endless other problems in its wake.
3. The reason why the Chinese have goals that they do not necessarily achieve by implementing existing plans is that they seem to change the rules without apparent justification. A cursory view makes it appear to be lacking of principle and time-wasting, but it is actually the concept of OCT at work in the managerial behavior of the Chinese. The application of OCT can be rather difficult. If it is reasonably practiced, performance is good; if not, the result can be pretty miserable. The reason why Chinese history is full of both order and chaos is because sometimes OCT is properly practiced, and at other times it is not. Take Tai Chi boxing (太極拳) as a sporting metaphor. Some people practice it correctly and strengthen their bodies thereby; others go about it in a wrong way, causing themselves harm in the process. But we cannot say Tai Chi boxing is bad just because some people practicing about it the wrong way.

III.3. Characteristics of OCA Managerial Philosophy

There are also six major characteristics of OCA managerial philosophy:

1. Absolute obedience to orders from elders or superiors.
   
   Members of an organisation may hold strong personal views but when agreement is reached, and elders or superiors give their orders, all individuals' own opinions go by the board. They should obey absolutely the orders given and do their utmost to achieve the demands made by the organisation.

2. Internal union and fighting together against external competition.
   
   For the good of the company, members adopt a competitive spirit in the

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7 Japan and Germany can look to historical facts about absolute obedience. These historical stories showed that the results of doing things without question or reservation brought terrible consequences.
belief that the strong will prevail and the weak must fail. Internally, there is much emphasis on mutual help and assistance, i.e. united action (Pepels, 1984).

When it comes to dealing with foreign countries, the whole nation will act as one gigantic company (McMillan, 1984). At the local level corporations compete with each other but when one company gives a quotation to an overseas buyer, other companies will not present their quotes in competition. But on the domestic scene there is fierce, competitive bidding.

Competition against outsiders and internal unity are distinct features of OCA managerial philosophy. It is easy to keep the unique features of OCA and form a close group.

3. A high level of concern quells the psychological factors of restraining.

Members of an organisation feel they are treated as family members when they are seen as long-term partners at work, when lots of money are spent on their training and they receive good benefits and life-long care. Some companies set up a special room containing replicas of senior executives of the organisation. When the lower ranks are in a bad mood they can go to the room and vent their anger upon the dummies. Other Companies form labour unions that are largely symbolic and are usually not overconcerned in pursuing the workers' interests though they are supposedly there to fight for the workers.

To achieve lasting effects, OCA has to adopt policies that overtly care for organisation members. Powerful and oppressive measures are not permitted in OCA as they would inevitably arouse strong resistance. Then it would not be internal restraining but a fight with inevitably miserable consequences.

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8 There are two types of strong and powerful policies. One is reasonable decision-making which forces people to obey but arouses strong resistance. This resistance is against the means of implementation and not the decision itself. The other is incorrect decision-making which leads to intense resistance not only because of the processes of doing it but also because of the decision itself.
4. Placing great emphasis on the benefits of the entire group and on individual sacrifice.

In organisations embracing OCA a lot of care is taken to ensure the overall success of the company. Everything will be done to preserve its status because every individual within the organisation plans on long-term involvement and recognises the need to fight against outside competition. Thus individual sacrifice is taken for granted, without complaint.

Rewards and punishment come at group level only and are not visited upon individuals. Evaluations are done in groups, and promotions are given to all those who join the company in the same year.

Jobs are divided up on a group basis, too. Responsibilities between members of the same group are not clearly defined so the most capable people end up taking on the most work. Those who are less able are still involved throughout the whole process. Hence, the amount of time spent on work is stretched out longer. Nobody, however, would think of leaving before the allotted tasks are completed.

Collectivism dominates OCA. The power of collective groups is huge, and it is easy to engender a high team-work ethos.

5. Seeing all the accomplishments as fruits of collective efforts and not personal showing-off.

"Every nail that sticks out should be driven in." Stand-out performers

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9 Under Japanese management, after a long period of being evaluated, employees have the opportunity of being promoted. But the unit being evaluated is the group, not the individual. So people joining the company in the same year are promoted at the same time, thereby creating huge personnel expenses.

10 It is a popular word in Japanese industries. The purpose of it is to warn members against not concerning other people and caring only for their own performances because individual performances have negative impacts on collective actions.
are not welcome in an OCA organisation. Someone who prefers to work alone is seen as uncooperative and lacking respect for others. Evaluations and promotions are based on the length of time spent with the organisation. This deflects attention away from individual performance and improves organisational harmony. 11

6. People who participate in collective activities are protected, or they will lose many of their rights.

The notion of collective activity embraces working together, enjoying leisure time together, being trained together, sharing vacations and playing together. When people are closely involved together for a long period of time, it is easier for them to form common perceptions. This leads to consistent actions. 12

People who leave the organisation not only have problems in finding another job, but are also looked down upon by neighbours, family, relatives and former co-workers. Staffs who leave the headquarters and are sent to work at overseas offices are likely to be sent to work at different overseas locations one after another. Collective activities being favored by the organisation and individual actions firmly discouraged are strong OCA traits.

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11 The length of time of employees' service is important in Japanese style management. Regardless of whether a promotion or an increase in salary, is being considered, decisions are made according to the length of service.

12 The Japanese believe that only when there is consistency and harmony will there also be top performance. Their traditional life-style and systems were built upon this belief. When the Japanese went to the West, they found that say, where there were two persons of equal standing and in the same position, a small request made from one to the other was rejected. The Japanese were confused by what was happening in the West, because such behaviour was absolutely impossible in Japan. Ref. Nakane, A, 1983, Japanese Publication Corp.
III.4. Illustrations of TFO, OCA and OCT Managerial Philosophies

The author, in more than six hundred speeches on the comparison of Chinese, American and Japanese styles of management, has used TFO to represent the American style, OCT, the Chinese, and OCA, the Japanese. The audience reaction has been very enthusiastic. The three diagrams shown in Table 1.1 can accurately represent the three managerial modes.

American style management. Matching the characteristics of TFO philosophy contains the merits and drawbacks of TFO. Similarly, Chinese and Japanese styles reflect the plusses and minuses of OCT and OCA respectively. The three styles have their own strong and weak points according to different situations and conditions and to categorise one as superior to the other is thus not possible.

American style management is based on Individualism, a progression from "My Desire" to "My Achievement". The Japanese style is a process from "Life Together" to "Honour Sharing". The Chinese way is based on Mutualism, from "Cultivate Oneself" to "Setting Other People Down".

Because transportation systems were not well developed in the past, so information exchange was also fraught with difficulty. The Americans looked on TFO as the main-stream managerial mode; the Chinese, on OCT, and the Japanese, on OCA. Nowadays, with well developed transport and information systems, the Americans have both OCA and OCT concepts challenging their original TFO. Likewise the Japanese and Chinese have been exposed to the challenge of foreign concepts. Since the two super powers, the United States and Russia, ended the Cold War, the world has been freed from the struggle between democracy and dictatorship. From the original two power blocs the world has transformed to one of continuous regional disputes in individual areas. Rapid information exchange has lead to different ideas permeating into each area and internal confrontations. In the light of
such change the author believes it is no longer for TFO, OCA and OCT to separately belong to the American, Japanese or Chinese.

In terms of practical managerial behaviour, Japanese style management is much influenced by American ideas. Similarly, the Americans, with effort, have taken on board techniques from Japan, while the Chinese are continually sending people to learn the managerial methods of the United State of America and Japan. This cross-fertilisation causes a number of problems. The major goal of this paper is to seek to synthesise the three different kinds of managerial philosophy into different levels of an organisation to achieve closer harmony and more effective managerial performance.

Illustrations of TFO managerial philosophy can be represented by American style management (Figure 3.4)

![Diagram](My Desire -> My Doing)

**INDIVIDUALISM**

Figure 3.4 American-style Management is based on Individualism.

"My desire" means "This is what I am going to do." In concrete terms it is "Management By Objective" (MBO). "My doing" means "my achievement." It is "Management By Results" (MBR). The Americans, influenced by the Olympic spirit, put much emphasis on personal competition. The main poing of "My Desire" and "My Doing" is that "I," that is, individualism, fully expresses the characteristics of TFO. One unique feature of American organisations is that the personality of the CEO stands out. Personal Features are easily seen (Deal and Kennedy, 1982).
If the CEO is not pleased with a subordinate, rather than demote him he will fire him. To meet the company goals, subordinates concentrate on their jobs. American managers are used to seeing their employees as individuals who can achieve for them the things they want. Employees, under unceasing pressure and in mutual competition are driven to reach their expected goals (Pascale and Athos, 1981).

Examples of OCA managerial philosophy can be represented by Japanese style management (Figure 3.5).

"Life Together" means "family style Consensus". This Consensus leads the employer and employee to form a relationship of "life together". "Honour Sharing" means "they share the same honour". The Japanese once boasted of their idea of establishing "an Asian honour sharing circle". Now, in turn, all the industries in Japan share honour together from living together. Quality circles, which are very popular in industry, are the epitome of this working spirit. The foundation of living together and honour sharing lies in collectivism (Odaka, 1986), which runs contrary to individualism. The Japanese believe that the group is the most powerful unit and that the individual is an abstract concept. Everything about an individual should be decided by the group.

The Japanese see competition among companies as tests of team work spirit, not
personal shows of ability. The relationship between the senior and the junior in terms of length of service produces restraining forces that lead to cooperation between them. OCA best explains the root and branch of Japanese style management.

OCT managerial philosophy, on the other hand, is best exemplified by Chinese style management (Figure 3.6).

The Chinese favour neither individualism nor collectivism but rather stand against both doctrines. The Chinese have a deep understanding of the truth lying in between. The right things of individualism are the wrong of collectivism and vice versa. The Chinese cannot abide individualism because it asks for talks about equality for everything. On the other hand, the Chinese do not like to be friend to just a few people throughout a lifetime, living a collective life in which there is no freedom or autonomy.

The most important thing for the Chinese is ethics (Hsieh, 謝幼偉, 1967). The metaphysical foundation of Chinese style management is mutualism. Mutualism lies between individualism and collectivism and proposes that collectivism should dominate where appropriate and individualism should rule when the situation so demands. Mencius explained mutualism clearly. He said subordinates should have reasonable responses to their bosses' attitudes. If a boss treats an employee well,
there is no reason for the worker to repay good with evil. Equally, if a boss is bad to his employees it comes as no surprise if they fail to act well towards him. He said, “When the prince regards his ministers as his hands and feet, his ministers regard their prince as their belly and heart; when he regards them as his dog and horses, they regard him as any other man; when he regards them as the ground or as grass, they regard him as a robber and an enemy” (君之視臣如手足，則臣視君如腹心；君之視臣如犬馬，則臣視君如國人；君之視臣如土芥，則臣視君如寇讒)\(^\text{13}\). Confucius claimed that we should be good examples if we want other people to do justice. He said, “If you lead on the people with correctness, who will dare not to be correct?” (子帥以正，孰敢不正?)\(^\text{14}\) His thoughts encouraged people in authority to do a good job first, and then they were qualified to encourage their subordinates to act in like fashion.

A prerequisite to asking employees to do their jobs well is for managers to be good examples. Therefore, “Being well equipped in ethical aspects is a prerequisite of leadership” (政者正也)\(^\text{15}\) has become the definition of Chinese style management.

When they are in a stable situation, employees will automatically care about their jobs and think up ways to cope with changes, depending on the time, place and other variables. The defining characteristics of OCT managerial philosophy are fully developed by Chinese style management.

Chinese style management holds people and tasks to be equally important. People may or may not be flexible. Things might or might not change. Each person has his individual job, but he also bears joint responsibility. Though something may not fall within the ambit of one’s own job, one is nevertheless

\(^{11}\) The work of Mencius. Part II. Chap. III.
\(^{14}\) Confucian Analects, Yen Yuan Pien. (論語，學而篇)
\(^{15}\) Ibid.
involved and concerned about it. This Chinese ambiguity of power, responsibility and job division is a development of mutualism.

III. 5. Comments on TFO, OCT and OCA Managerial Philosophies

1. Six Merits of TFO Managerial Philosophy.

(1) It suits a stable environment. By understanding the demands of the environment, making advantageous planning, setting clear goals, stipulating reasonable procedures, and selecting effective methods, management using TFO can achieve their expected results.

(2) TFO has a fixed model or pattern. Because everything is transparent and systematic, members of an organisation know what and how to obey. They think things are fair within the organisation, and they have the possibilities of success if they work hard.

(3) Clarity of power and responsibility. Because everything is clear, power and duties are well defined. It is very easy to tell who bears which responsibilities and who must shoulder the blame should things go wrong.

(4) It is easy for people who lack experience to understand the rules that are simple and logical. As people learn with diligence, they can get the answers. Generally speaking, young people tend to prefer this type of managerial style.

(5) It facilitates learning and training. The procedures, methods and cautious structure make it easy for beginners to learn and easier for corporate training.

(6) Things are relatively simplified, professionalised, and scientific. It is easier to operate and to mobilise members of the organisation.

2. Six Drawbacks of TFO Managerial Philosophy.
(1) It lacks spontaneity. When everything is so specific and the over-riding demand is for people to comply with the rules, the system responds slowly to changes. Things are planned ahead of time, but there are many variables it cannot accurately foresee.

(2) It lacks creativity. People are used to obeying rules and do not use their brains creatively. As time goes on people are more occupied with observing and performing than thinking and so have less creativity.

(3) There is a lack of innovation. Most of the people become used to the traditional ways and feel uncomfortable with changes. They resist innovations and become unwilling to change.

(4) People are incapable of helping one another. They are used to minding their own business and lack the notion of mutual assistance. This creates employees who do not care about or understand their fellow workers. Coordination and communication can be relatively difficult in such an organisation.

(5) It increases paper work. Everyone is concerned with protecting his rights and defining his responsibilities. For the sake of precision and clarity they demand that their rights and duties be put in writing. This kind of mentality creates a mountain of paper work and much waste of time.

(6) It is not easy to make adjustments. For professionals, once their specialised knowledge and skills lose their use, they lose their jobs. When an organisation with clear goals and target markets loses its market niche, it has to close. The dilemma that faces an organisation that is fixed and steady is that it has less spontaneity in its response to changes in the environment.


(1) It suits a changing environment, being able to adjust its planning, procedures
and methodology according to the variables.

(2) It satisfies the desire for autonomy, the highest of human desires. If autonomy cannot be achieved, there is not enough human dignity. Managing people has become a hot topic in that autonomy meets needs of humanity.

(3) It cultivates creativity, the lack of clear rules and regulations means members of an organisation must use their brains to solve problems. Creativity is thereby fostered and the more often they engage in problem solving, the faster they become in solving problems.

(4) It leads to frequent innovation. When organisation members have creativity and spontaneity is encouraged, ceaseless innovation will become commonplace. It will not only reduce resistance to new ideas but also enable members to explore new things and make improvements. Everyone would like to be involved in innovation.

(5) It leads to people helping each other. Some members will be stronger or weaker than others and hold different opinions. The power of the whole organisation is strengthened when members lend each other a hand.

(6) It is easier to make adjustments as everything in the organisation can be flexible. Instant and effective adjustments can be made in response to external changes.

4. Six Drawbacks of OCT Managerial Philosophy.

(1) It is not easy to learn because of the lack of a fixed model or pattern. This makes the training of new comers difficult. It takes longer to gain experience and a deeper understanding.

(2) There is a sense of unfairness as many things are processed in the so called black box and are not transparent and above board.

(3) It is a complicated process and not very professional because things in the
system are changeable. A sense of doubt may be aroused because the system appears to be not very scientific or professional.

(4) It is unclear on rights and responsibilities. People value their rights and responsibilities highly, but it is unclear who should be held responsible for which goals. Once problems occur, it is hard to ascertain who should accept the consequences.

(5) It is not easy to make judgements. Because OCT stresses that organisations should be spontaneous and responsive to change, it lacks standards to judge right and wrong. It takes a comprehensive evaluation and investigation to reach any conclusions and thus makes it difficult to judge.

(6) It is not easy to fully trust one another. Because there is a heavy emphasis on being ruled by human being and not law, there is sometimes an over emphasis on human relationships. Corrupt practices or maladministration may be produced thereby and thus, there is less mutual trust.

From the above comparison and analysis, TFO and OCT have individual pros and cons. Generally, TFO is more appropriate to an environment of stability, while OCT is better for an environment of change. Taking it further, the view of Lao Tzu is that TFO exemplifies "Yiu" (有) - to have or to exist - while OCT emphasises "Wu" (無) - to have not or not being. These two principles - Yiu (being) and Wu (not being) -- represent two separate spirits or forces. We can say that the principle of Yiu (being) represents the spirit of the concrete and definite nature, i.e. obtrusive, effort filled, and making things happen. The principle of Wu (not being) is that of the abstract and indefinite, i.e. reticent, hidden, non-active

16 The Chinese character of "有", and Wu is "無".
and without effort, following nature's course. "Having analysed the above," said
the famous Chinese philosopher, Professor Chang in 1984, "we obviously find that
the principle of Wu (not being) is much better than that of Yiu (being)."

The reasons for this judgement he stated as follows:

(1) Metaphysically, Wu is more fundamental than Yiu, since it is only through Wu
that we are able to see the hidden essence of things.

(2) Wu keeps open the possibility of all kinds of developments, while Yiu is
moulded and defined. Thus Wu allows that things will be ready for anything
and suitable at any time, while Yiu allows only one set of specifics to be
suitable.

(3) In our behaviour, according to Yiu, we always want to demonstrate, to act, and
to do something. However we should realise that our effort is of a finite
quality, while things in the world are infinite. How can we impose on and
control the infinite with our poor finite efforts? On the other hand, according
to the spirit of Wu, we do not wish to show off, but to be retiring in manner.
We do not mean to slam our fist down and say "There, now stop," but rather we
wish to go with the flow of Nature that is the core viewpoint of Taoism.

Since Wu is the best principle, the Chinese usually practice it through their
lives and it also largely informs their actual managerial activities.

5. Six merits of OCA managerial philosophy:

(1) It is appropriate to a changing environment. Having such features as vague
job-division, not too strong professionalism, mutual help internally and a
strong sense of competition against outside forces, OCA organisations are
more willing to adapt to change.
(2) There is no resistance when implementation takes place. Due to the high level of obedience and lack of psychological obstacles against internal restraining forces, the implementation processes of projects can go quickly and smoothly.

(3) Decisions are reached after thorough communication wherein members exchange ideas, and the case is forwarded to superiors for them to review. The decision making process is slow, but there is room for everyone to discuss his views.

(4) Members cooperate without reservation. Because there are no clear cut rights and duties, with rewards for collective work and not individual performance, members have to be fully engaged and work closely together.

(5) The restraining power of the group is strong and there is no need for supervision. Members take self-discipline seriously and dare not breach the rules. Thus, they can do their jobs very well.

(6) Everything is done according to the rules. A crises is met by people, gathering together for group discussion and thus, thorough implementation of processes, a solution can be found.

6. Of course OCA has its drawbacks and what follow is a list of six of them:

(1) Wrong decision making leads to enormous damage. Because there is a high level of obedience, members also have great powers of implementation. Once a wrong decision is taken it is extremely difficult to remedy and will lead to extreme consequences.

(2) Great personal sacrifice: only collective activities count, and there is no room for a personal life. Even family life may be forsaken in the pursuit of the company career, and individuals give up many things at great
personal sacrifice.

(3) Pressure from the organisation is strong. Because of their long term dedication to the company, members have a high regard for its prosperity and status, an attitude that results in great psychological pressure.

(4) Individual autonomy is lost. As collectivism dominates, the organisation takes first priority in every situation. Individuals are not to be on their own, and after a long period of time personal autonomy disappears.

(5) Once they leave the organisation, the individual does not know what to do. While with the company, acting on their own is virtually an offence. Once they retire they are at a loss as to how to spend their free time. Consequently, the suicide rate is high. Once there is no organisation to depend on, it can become like living without a central meaning to hold onto people do not know when they belong or what they should do.

(6) It is not acceptable to the ordinary person, though “In Rome, do as the Romans do; in Asia do as the Japanese do” (Fukuda, 1988). The author asked many Chinese, Singapore and Malaysian people if they would willingly accept Japanese style management. The overwhelming view was that it would be hard work to comply with such a style, and most were unwilling.

Once, Japan sent a number of experts to participate in the 14th International History Conference held in Moscow. But although there was a large delegation, none of the Japanese delegates spoke at the conference, and their main reason for being in the Russian capital seemed to be the pursuit of tourism (Mineo, 1987). During their stay, some Japanese representatives identified serious defects in the conditions of Russian society and were highly critical. Yet on their return to Japan,
praise was heaped upon Russia in articles, reports and books written by these delegates, who failed to mention any ways in which Japan was, by comparison, a better place to be. This behaviour is an expression of OCA. Japanese group behaviour is well known throughout the world. When a Japanese introduces himself he first reveals the organisation he belongs to and then the kind of job he performs. He does not say “I am a print worker” or “I am a cook”, but rather “I am with publisher so-and-so” and “I work at the such-and-such restaurant.” He makes the listener aware of his relation to a group first; the job is secondary. Someone might introduce themselves as being with XYZ TV station, and people may think he is a director or camera-man when he is simply a driver.

The Japanese will often refer to the company, organisation, office or college he works for as “his family”. “Society” equates with “my” or “our” company. A group larger than the family is called “one family group and its retainers”. People are more concerned with the company than their own family and relatives, and indeed they have less social interaction with their brothers and sisters than the English (Nakane, 1983). Within the context of the OCT concept, the significance of “family” for the Japanese is far more complex than the notion of “household” or "family" for the English.
CHAPTER IV
THEORY AND PRACTICE OF THREE ORGANISATIONAL LEVELS

IV. 1. Three Ever-Changing Groups of People

Humans inhabit a world that is like a tower shaped organisation, a world of order, a hierarchy. Modern westerners consider the hierarchy a curse rather than a blessing. They equate it with the feudal society of the Middle Ages or of people being deprived of their freedom by political or religious authority, in direct opposition to the equality pursued by people today. The West is influenced by TFO into defining the individual as being one of two distinct types (Feng, 方東美, 1987).

1. The first is full of self-appreciation, self-appraisal, self-reliance, self-righteousness, self-will and self-assertion. To such people, the term individual is one of praise. This first sort of individual sees knowledge as power, to learn skills that knowledge brings and to further change theory to practical accomplishments. These people have a high opinion of themselves, rely on the assertion of power to demonstrate their superiority and attempt to conquer everything before them.

2. The other type is full of self-denial, self-surrender and self-deprecation. He is bound in a doctrine of original sin that makes the individual an object of condemnation or contempt. This sort of individual feels himself to be a product of original sin and an origin of sin himself. He is without pride and shows impotence all the time by subjugating his emotions and succumbing to some external spiritual power. He lives a life of regret hoping only through religious belief to obtain salvation.
Chinese philosophy takes the view that we should accept a human for the existing being he is, neither over praising nor down-grading his worth. It is important not to separate him into different categories. It is through self-knowledge that self-development is generated; and through development, self-discipline. Through discipline comes self-cultivation and the ideal self, and this process of self-realisation can create a natural person from an ideal humanity.

Chinese style management begins with the individual preparing to consider how best each person should manage himself before managing any other person, thing or object. However, natural capabilities differ in each individual and the Chinese believe we are all born unequal and may only attain equality through later effort. Confucius divided people into three groups—persons of foresight, the later enlightened and the unknowing. He said, “To those whose talents are above mediocrity, the highest subjects may be announced. To those who are below mediocrity, the highest subjects may not be announced.” Confucian Analects, Yung-Yeh Pien (論語，雍也篇), Chap. XIX.

Dr. Sun Yat-Sen, the Father of the Republic of China, pointed out further that these three groups of people should work together, those with foresight should use their intelligence and talent for invention to make contribution to society. Those who are later enlightened should do their best to market the inventions of the first group, promoting and making known the inventions’ applications and benefits. The unknowing ones do not know what is happening even when the others do. They should accept the explanations of the marketing people and make good use of

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1 Confucian Analects, Yung-Yeh Pien (論語，雍也篇), Chap. XIX.
themselves by becoming practitioners\(^2\).

Everyone serves others. Competent people should not be proud, nor look down on those less capable than themselves. They should not ask for greater rewards to mark their uniqueness but should do their best to serve their inferiors and help those who are less intelligent\(^3\).

All societies are a composite of these three types of people. People are born with differing levels of intellect. Generally speaking, Figure 4.1 represents a normal distribution curve.

![Figure 4.1 A Normal Distribution of the Three Groups of People.](image)

In 1994, Social critic Charles Murray and the late Richard Herrnstein, a psychologist, created a furor with a book “The Bell Curve”, claiming that genetically inherited intelligence is an overwhelmingly important determinant of economic success. It was a reference to the shape of the distribution of observed test scores on conventional IQ test, which show most people clustered near the middle of the distribution, with small minorities on either end.

\(^2\) Dr. Sun, Yat-Sen, the third section of the *Principles of the People’s Rights*.

\(^3\) Ibid.
Even though the United Kingdom believes in a democratic form of universal education, when we look at the phenomenon revealed by such a curve we see that British educational principles aimed at educating the top students are correct. As we have set our goal to serve, the more intelligent should of course receive better education so that they can make better inventions. Socialists have always wanted to change this type of view that does not seem fair. They think that privileges should not exist at all. According to the author’s observations and experience, privileges can be transferred or reduced but cannot totally be eliminated.

From the managerial viewpoint, when the scale of an organisation becomes too large and is beyond the control of the individual senior manager, more people must be recruited into the managerial team. At this time, their principles of recruitment will immediately become the origin of privileges. Eventually those newly recruited people will become subordinates trusted by the CEO or senior management. It seems no organisation can be immune from this phenomenon. The only difference is that the definitions of “trusted subordinates” and the processes that produce them may vary.

Drucker forecast that capitalism would die down in the 21st Century and information society would take its place. When management utilises information resources effectively, just as capitalists use capital, will intellectuals replace capitalists and become the new group of people to enjoy privileges?

The Chinese have learned that it is dangerous to have absolute faith in any system or institution – not because they are inherently faulty but because they are necessarily controlled by human beings who often are. The long history of China shows that when the emperor put his trust in one of his officials that person would

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become a privileged person able to do whatever he wanted. When an emperor trusted eunuchs, eunuchs created chaos. When an emperor trusted the queen's relatives, they created disaster and strife. The Chinese are clear on one thing: if they believe in something, it will be used by other people to mock them.

Managers should understand that numbers do not cheat, but people can make counterfeit numbers to cheat. Satellites do not cheat, but human beings may make fake images to cheat the world through satellite communication. In the world of the information explosion, there is a need for specialisation and professionalisation. However, if professionals use their specialised knowledge to cheat we will lose our confidence in them.

Education has become available to the public at large. However, even if all of us have become intellectuals, the levels of intelligence of each person are still different. An information society still needs organisations. To integrate the power and strength of the members in an organisation and to get everyone in step, there needs to be a division of levels. It is worthwhile looking at how best to arrange the three levels of people in an organisation.

IV. 2. Three Organisational Levels and Their Possible Coordination

Academicians in the managerial field think that when an organisation is small and does not have many employees, then managers have control of all the subordinates and there is no need to clearly divide the work and the relationships between the employees (Kakabadse, Ludlow and Vinnicombe, 1988). When an organisation reaches a certain scale and management does not have full control of members of the organisation, levels need to be formed in order to facilitate the effectiveness of work (Tannenbaum et al., 1974). Managerial style does not have to
stay unchanged; instead, it must make adjustments, depending on the qualifications and situations of individual organisations (Koontz and O’Donnell, 1964).

In a wider sense, the division of levels in an organisation is like the existence of a class structure. People are born into different backgrounds, some rich, some poor, and, broadly speaking, their backgrounds may be seen as a basis for the division of levels (Liang, 梁漱溟, 1998). In a narrower sense, the classes we usually refer to are formed on the basis of economics and politics.

Criteria other than these cannot be used in dividing levels in order to ensure fairness and reasonableness. From the economic point of view, if production technology had not advanced, production would have been scarce and it would be impossible not to have the formation of levels. To achieve an economic equality, productivity has to be raised, and man power has to be replaced by automation. All of our demands can then be satisfied—there is more space to receive higher education and our capabilities are alike. It is possible to be economically equal only when these conditions are satisfied.

In terms of politics, contemporary laws stipulate that human beings are born equal, and in this way modern nations avoid admitting the fact that different classes of people exist in their countries. However, we can still see that some classes are more dominant and powerful than others.

Raising the standards of higher education is the only way to get rid of the economic and political classes, but educational expenditure can be very high. Moreover, the inequality in intellectual levels will ultimately lead to unequal standing. So, before we enter the information society, intellectuals must hold a common perspective, to wit, that they are here to serve others. They must also understand

5 Before the law, contemporary nations do not admit the existence of levels.
clearly that the division of levels is solely for the sake of sharing responsibilities so that members in the organisation may do the right thing and do things right.

We really hope that all religions and moral codes in the world should not stay in the realms of theoretical ethics but should have practical applications to our lives. Believers should be able to love the brethren who are visible to prove their love for the Heavenly Father who is invisible. Since God created humanity in His image, it follows that everyone should be equal. Although there is an inequality in human wisdom, the principle of service can be used to make them equal.

Dr. Sun Yat-Sen advocated that everyone should make service their goal and should not grab from others. He divided individuals into three groups. The first group is the persons of foresight. The second group does not take the initiative to make things happen. The third group is those who are unaware of what is happening around them. The purpose of Dr. Sun’s advocacy was to point out that those three kinds of people must help one another in order to reach equal status. If they fight and compete with each other, equality becomes an impossibility. He thought that though the inequality of man’s wisdom was something that could not be changed, concepts however could be. When those of higher intelligence see clearly that they are naturally endowed with more gifts than others and enjoy more privileges, they should have more responsibilities and use their wisdom in their service. Thus humankind will be able to reach equality from inequality.

There are three major points in the service perspective:

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7 Dr. Sun Yat-Sen, the third section of the Principle of the People’s Rights.
1. The goal of life is to serve, not to grasp or to cause strife. When in the least desirable of situations, taking by force may temporarily become part of the process but should never be the objective office.

2. How we should serve and divide responsibilities depends on natural wisdom. The wise take on more duties and the quality and quantity of their responsibilities are greater. Those of average wisdom are given lighter responsibilities and the demanding nature, quality and quantity of their work are not as great as those of the wise.

3. The use of this kind of unequal service is to remedy the natural inequality of human wisdom.

In the coming information society, a service perspective seems to be of more importance. Whether a person has knowledge or not depends on whether he is able to serve society. Those who can serve society have knowledge. At the same time the depth and width of one’s knowledge partly depends on the contributions he or she can make to society. If a person can exercise his knowledge in practical ways, makes contributions to society and has a great impact on many people, he brings his skills and talents into full play and is thus very knowledgeable.

When we keep service in proper perspective, the hierarchy in an organisation merely facilitates the vertical division of jobs. Hierarchy is not opposed to levels. With the presence of a service ethic, the three groups of people in a society can correspond to the three levels in an organisation (Figure 4.2).

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9 Chiang, Kai-Shek (蔣介石), Being Determined to Study and Serve.
Figure 4.2 Matching the Three Organisational Levels with The Three Groups.

The three groups of people in society are actually general divisions, and the three levels of an organisation are also roughly divided. Generally speaking, the highest decision makers such as president and general manager are at the top of the managerial team. Operational staff and foremen on the floor are in the lower level of the organisation. Other staff can be categorised as the middle level. Thus, no matter how many levels exist, they can all be put into one of the three levels. In larger scale corporations, the president and senior executives make up the top echelon; shop floor staff are in the basic level; and the rest make up the middle level.

As we have mentioned before in chapter one, some organisations are small scale: there are stores in Taiwan that have only one employee. In such cases, that employee is the basic level, and the boss is the top or the middle. Whenever necessary, the boss’ spouse can come in and be the middle manager or the top decision maker. It is a flexible arrangement of human resources.

The three organisational levels have flexible applications. When three people are present, the one who takes the highest position is the top level; the one who takes the lowest position is the basic; and the other person takes the role of middle level. The roles of these three are not fixed, and they can change their roles to cooperate with one another at any time.

If the three people have equal positions, seniority, specialisation or experience can be used as criteria for division, depending on the needs at that particular time.
Appropriate criteria should be selected to determine the organisational levels and to help the work process go smoothly.

In principle, the first level is at the top of the organisational hierarchy; the second level is the middle; and the third level is the lowest. The first level should take the approach of speaking of things they know and not saying things they are ignorant of. When they do not know things they should take the initiative to change their level to the middle or the basic and ask those who truly have the professional knowledge.

People are divided into three groups; an organisation has three levels; and the universe comprises Heaven, Humanity and the Earth. Obviously “three” is a very important number. Table 4.1 shows how these three correspond with one another.

<table>
<thead>
<tr>
<th>Three Talents</th>
<th>Three Levels</th>
<th>Three Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heaven</td>
<td>Top</td>
<td>Men of Foresight</td>
</tr>
<tr>
<td>Humanity</td>
<td>Middle</td>
<td>Later-Enlightened</td>
</tr>
<tr>
<td>Earth</td>
<td>Basic</td>
<td>Unknowing</td>
</tr>
</tbody>
</table>

Table 4.1 The Three Levels Corresponding with The Three Talents.

In the previous chapter, we saw the corresponding characteristics of the three talents. Table 4.2 shows how the three levels coordinate with the characteristics of the three talents.

The top level keeps the principle of Heaven. All actions are undertaken according to Heaven. The middle level keeps the principles of Humanity and actions are taken accordingly. The basic level adopts the principles of Earth and acts accordingly.
<table>
<thead>
<tr>
<th>Three Levels</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Level</td>
<td>Changeableness; Emotion; Ruling; Forecasting; Emphasising Negative and Positive; Implicit Expressions.</td>
</tr>
<tr>
<td>Middle Level</td>
<td>Coping; Working; Rationality; Handling and Taking Care of The Present Moment; Emphasising Kindness and Righteousness; Both Implicit and Explicit Expressions.</td>
</tr>
<tr>
<td>Basic Level</td>
<td>Unchanging; Growing; Law Keeper; Continuity with The Past; Emphasising Strong and Gentle; Dominated by Explicit Expressions.</td>
</tr>
</tbody>
</table>

Table 4.2 Characteristics of The Three Levels.

Heaven is changeable, and likewise the seniors tend to change their minds. What they have said may sometimes not apply because they frequently change their thinking. They may rapidly alter what they have just decided or even cancel their decisions. Heaven does nothing. Top managers should not physically do things either. They should understand their subordinates and choose the right staff for the requisite jobs.

Heaven has emotions and does its best to take care of humanity. Senior managers should also take good care of organisation members and try to make them love their jobs and live a peaceful life. But when they encounter staff who are not attentive to their jobs, senior managers must have them leave the organisation if the uncaring staff will not heed advice or take assistance. Such measures are taken so that the majority of good staff will not be influenced by the bad minority. Time must be taken to explain to organisation members why such several steps must be taken so as to avoid opposition.
The weather needs to be forecasted. The primary responsibility of top managers is to make forecasts on how the future will unfold, to submit plans to respond accordingly, and to direct the organisation to pursue correct objectives. The ability to forecast is very important to senior managers. Changes to the negative and positive are important to heaven and similarly top managers often use facial expressions to implicitly direct their subordinates in how to think and make adjustments. This is why top managers do not admit they are unhappy when their facial expressions indicate they are.

Human beings cannot stay unchanged but must not change randomly. Staff in the middle level have to accept the changeability of the top class and adapt to the steadiness of the basic class staff. Thus the middle level has to make timely adjustments for themselves in order to respond to changes.

Human being should have work to do. Staff in the middle level work according to the ways of Humanity. They take orders from their superiors and give reasonable work for the staff at the basic level to perform. The middle level gives guidance and assistance to the staff in the lower level and therefore have to handle a wide variety of things.

Human beings should receive care and take orders from Heaven but should not be totally dependent. Neither should Humanity rashly resist the orders of Heaven. All things need to be done reasonably if they want to do a good job, whether it is easy to obey or oppose. Employees in the middle level are not to be left alone to follow their own course but neither should their hands be closely tied. They are to be trained, treated with respect and be well-taken care of.

Though humanity has to make forecasts and depends on past harvests to live, the most important issue is still to take hold of the present. Middle staff have to execute their current jobs to resolve the problems they encounter and to correct mistakes or
imbalances that have already occurred.

Individuals look up to kindness and righteousness and should respond to change rationally. Humanity should not be speculative. In addition to professional knowledge and practical experience, middle staff should also cultivate a good morality so that they may make reasonable judgements.

There are times when we should express clearly exactly what is on our minds. In other situations we should keep our mouths shut rather than put things in too blunt a way. So three are times to be frank and times to be reserved. The right course of action depends on the situation and what is the reasonable thing to do.

The Earth remains unchanged. Employees in the basic level must do their work according to the rules and regulations set up by the organisation. They should not change anything so as to ensure good quality. If those employees are allowed to make their own decisions and make whatever changes they will, the quality of the final product will become variable and a source of concern. The Earth grows all things. Products from a manufacturing plant are made by staff belonging to the basic class. These employees also provide services directly to customers. The lowest level is like the earth. They produce products and provide the customer with services uncomplainingly.

Whether it is digging, planting, watering or harvesting, all these things are the procedures. Staff on the basic should also follow the spirit of the Earth and obey the regulations of the law. As to reasonable command, they of course should obey. If their superiors make unreasonable demands they can make reasonable opposition to protect themselves. The use of the soil lies in the cultivating, plowing and sowing done in the past. Employees in the lower level must obey old working codes and regulations and execute them exactly. Past experiences are the foundation of present jobs.
The principle of the Earth lies in its strength and gentleness. The Earth shows clearly whether she can take pressure or not. The basic level should say things clearly. They should express with clarity whether or not they have the competence to complete their tasks. Thus staff in the middle level can make informed decisions as to whether they should increase their manpower, extend working schedules or consider other strategies.

Explicit expressions should be the primary method of communication for workers in the basic. If they do not express their opinions clearly, deadlines may have to be extended because of procrastination. If this is the case, losses will result, and the final products may even fail to pass specification and be turned down.

According to the inferences mentioned above, the three levels of an organisation should be able to cooperate if the three levels are coordinated according to the characteristics of the three talents and three groups of people in society.

The key points of the compliance of the three levels of an organisation shall be as follows:

1. The top level keeps the principle of Heaven and all actions are undertaken according to it. Managers may often change their decisions to adapt to changed circumstances. They should not physically do anything but know their subordinates and choose the right staff for the requisite jobs. Their primary responsibility is to make forecasts on how the future will unfold, to come up with plans to respond accordingly, and to direct the organisation to pursue the correct objectives.

2. The middle level keeps the principle of Humanity and acts accordingly. Middle staff have to accept the changeability of the top and adapt to the steadiness of the basic level workers. They take orders from the top and give reasonable work for basic level staff to undertake.
3. The basic level takes on the principle of Earth and behaves likewise. Basic level workers do their tasks according to rules and regulations set out by the organisation. They should not change anything so as to ensure quality remains constant.

IV. 3. The Importance of the Basic Level’s No Change

The requirements of the basic level employee are pretty much the same whatever the managerial style. However, the manners of communication and instruction differ slightly because of cultural and racial differences. The workers in the basic class should take on the role of the rock solid, low price, honest and orderly (Andre and Ward, 1984). See Figure 4.3

![Figure 4.3 Symbol Representing the Basic Level Employees.](image)

According to the principles of the Three Talents of *I-Ching*, employees in the basic level should imitate the spirit of the principles of the Earth, which is constant. Therefore this class of employees should above all do the following well:

1. They should obey the rules and not change the regulations themselves.

If the organisation wants its new staff to maintain the habit of keeping to the rules and regulations of the organisation then the new comers need to discuss their explanatory work booklets, performance standards, safety procedures, company regulations and polices, weekly work days, daily work hours, necessary training,
complaints procedure, appeals and suggestions after they have filled out job vacancy forms and understood the company's welfare booklet (Evered, 1987). New employees should understand the organisation regulations, study work codes and execute them exactly.

2. When faced with abnormal situations they should report to their superiors and not cover up the facts or attempt to handle matters on their own.

If basic level worker only knows he must follow the rules in every case, he will work without change and without engaging his brain. Not only will he become extremely bored but will fail to take action in exceptional circumstances such as an accident.

If doing everything by the rule book works, then do so. If it does not, perhaps middle level staff can come up with better ideas. If the untoward occurs the basic level worker is in an unusual situation, and his knowledge and experience will be insufficient to make decisions or adapt to new circumstances. If left to handle the situation on his own, potentially it would become a huge cause for concern. If they do not refer the matter to their superiors, then should the situation become worse or seriously deteriorate, the creation of large scale losses is likely. The best approach is for them to make adjustments within their own allowed parameters when unusual conditions are encountered. If measures are required which are clearly beyond their field of responsibility, they should report it immediately.

A basic level employee, on finding an unusual situation, should report to his superior and also give his own opinions on how best to jointly take action to deal with said situation. He may get valuable experience from the incident and it would be a pity if he did not contribute to the solution.

3. Suggestions and opinions should be submitted according to set procedures.

Normal situations should be handled according to the rules and superiors
consulted when unusual circumstances arise. These can then be resolved with the help of superiors, and the basic level employee can continue to do his own job well. But it is sometimes necessary, to accumulate important new experience and to share it with co-worker. New findings, after careful thought and empirical trials, should be sorted out and written down. It is tremendously fulfilling to give suggestions to the organisation via normal channels to bring about positive amendments in the work rules and share the benefit of the new work experience.

It is best for employees on the basic to see themselves as belonging to the third group of people – those who are unaware of things which others are well informed about. But they can strive to become people of the second group and learn after others have become knowledgeable. Eventually they may become people of the first group, the innovators who are the first to possess knowledge. This expectation matches our plans and hard work, keeping us growing and progressing.

Since basic level employees are of the third group, they should see themselves as practitioners. As such they need to fulfill their duties according to set rules, carry out tasks exactly and ensure the results of their work adhere to specific objectives (Schleh, 1961).

When it comes to managerial philosophies, basic level employees would do best to adopt the TFO standpoint, having a clear sense of right and wrong, making straightforward statements and being able to complete tasks within deadlines. If they are unable to do this, they must articulate their difficulties so that superiors can help with their resolution.

They should understand that they compete on a fair and equal basis so they may be self-motivated to aim for higher positions. There are good reasons for the rules of competition to be clearly set down. Employees should do their best to adapt to them and improve performance within them. When these workers have success they
should not boast too much, and when they find themselves constrained they should look upon it as necessary development while of course ensuring their rights are protected. They should aim for an excellence of performance that will elicit praise from superiors and open up opportunities for promotion. Above all they should carry out their duties according to the rules and regulations.

The basic level employee should have a sound understanding of the following concepts:

1. Be a good subordinate before being a good superior (Tseng, 1992).

Anyone who works hard will probably have opportunities of promotion to director or supervisor. But the prerequisite of being a good superior is to be a good subordinate first. By performing well as a subordinate and experiencing the true feelings of the role, the subordinate who then becomes a superior will not only genuinely know right from wrong but will be well versed in the qualities people should have to make truly good subordinates.

2. Understand that adjustments are made stage by stage.

The unchangeableness of basic level employees does not mean that no one will make changes. Different adjustments in our lives come at different stages. When in the lower part of an organisation our knowledge and experience are inadequate, and our status is not high enough. We do not have a long-term view so we remain unchanged in the beginning. With the advent of fuller understanding and experience comes higher positions. We cultivate a wider viewpoint and can see farther. In this situation we can surely make timely changes.

3. Accept changes introduced by superiors.

Changes are necessary for without them we cannot adapt to evolution in our environment. Sometimes we remain unchanged for the sake of safety and effectiveness. The junior employee should not blindly resist changes instigated by
superiors, but neither should we accepted them blindly. They should put such changes into practice, learn by experience the reasons for them and acknowledge the subsequent benefits that accrue from the changes being operated. They can enhance their abilities by treating change as a learning experience, an attitude that will make them better able to cope with change when promoted.

**IV. 4. The Importance of the Middle Level’s Change and No Change**

Employees in the middle rank of an organisation should understand that if all problems can be solved by keeping to the regulations then the junior employees can handle difficult situations perfectly well on their own and there is no need for middle employees. When the middle rank worker is called in, the problem is one that cannot be resolved simply by reference to the usual rules and so it is impossible not to change our ways.

A middle level employee should abandon the rigid adherence to regulations by first asking exactly why it is that the basic level workers cannot do the job within the rules. Is there really a special case here? If not, follow the regulations. If the situation is special and different action is needed, one should consider what exactly makes the case exceptional. If the middle level employee has the same “follow the rules” attitude as the junior worker, he may not only fail to solve the problem but also antagonise the customers or visitors as they would feel him lacks ability in dealing with the situation. Middle employees should look upon their role as that of a rocky wall. They should adjust their position and outlook to reflect the image projected by the top level (Fukuda, 1988). See Figure 4.4
According to the rationale of the three talents, middle employees should imitate the spirit of the principles of Humanity. A major feature of Humanity is his ability to cope with change. Thus middle employees should change or not change according to the situation at the time. Middle employees should perform the following three things well:

1. When dealing with top managers, middle employees should be thinking about the possibilities of change.

Middle rank workers should not complain about the changing attitudes of the decision makers. Rather they should take pleasure in following them in that they can adapt to changes in the environment by learning from their superiors. They should be quick to implement the top managers' intentions and plans. They can make adjustments or changes only when the top persons change their minds. When dealing with the top level, middle staff should direct their minds towards change as much as they can and not think of maintaining the status quo. When executing
orders from the top, the middle persons will experience the actual problems encountered by the basic level workers. At this stage the middle level can think about how to respond to and solve those problems. Middle employees do not need to oppose new orders from the top immediately. If they do, the top persons may feel the middle level does not want to cooperate with them and lacks the courage to change for the better.

2. When dealing with the basic level, the middle level should try to think towards no change.

The principle duty of middle staff is to assist junior employees in doing their jobs according to regulations and ensuring the work attains the designated goals. If middle level staff change their attitudes or policies when junior employees encounter difficulties, it is likely to encourage the basic level to look for excuses to change existing plans and rules. When basic level workers come to middle staff, the latter group know at once that the former have problems to be resolved. But it takes time and study to ascertain whether the junior workers have done all they can to remedy the situation themselves. So middle staff should not rush to accept the opinion of the basic level and change the original plans or rules. The middle staff must take the attitude that they are not going to change things and instead should seek a way through the problems that have arisen. It may be that they will change the methods of reaching their original goals. But whatever route is eventually chosen, to fit the essence of managing by objectives, the middle level must not abandon their original goals (Kota, 1988).

3. When dealing with employees on the same level, if their co-workers readily adjust themselves to changing situations, middle employees should take the initiative to cooperate with them.

The purpose of dividing work among employees is for cooperation. When
making adjustments in response to a changing situation, an organisation cannot rely solely on certain departments or individuals. The whole operation must work together to achieve the maximum effect. If individualism exists among co-workers it is not easy for them to cooperate with each other. So middle employees must be willing to support other units and do their best to fall into step with others, thus gaining the full effectivencess of integrated change.

It is best for middle employees to see themselves as belonging to the second group. On the one hand they should do their utmost in promoting the innovations of their superiors and introducing them to the basic level. On the other hand, they should also ensure the junior employees obey the workers' handbook detailing the use and maintenance of new products so that there will be a successful transition.

Since they belong to the second group, they should take orders from the top level and inspire the basic level. They must understand exactly their superiors' intentions, translate them into practical projects and get their subordinates to correctly execute them.

Innovators (Top level, with foresight, the first group) can often change direction and invent new products but those not clever enough to be knowledgeable after innovation are used to old products and their old uses. Those who are sandwiched between the first group and the third should have a clear understanding of new products and also the ability to introduce and explain them, in an acceptable fashion, to the third group. It is for the second group to select the most appropriate way of achieving this. It is called leadership by situation, and as a method is both flexible and reasonable.

Of the managerial philosophies, the middle level should adopt absolutely their superiors' commandments. The basic level will come to middle staff with their problems, but it is not for them to change the orders of the top level. Rather, they
should report any difficulties emanating from the basic level to the top management, whose role it is to amend or change policy or direction.

The middle level should have a competitive attitude towards outsiders and help members in their own organisation, seeking to eliminate any signs of negative mentality with genuine concern and regard for the junior employees. In this way the junior employees will be encouraged to do their best within the rules of the organisation.

The middle employees must take particular care about their own individual devotion towards the well being of the organisation and not be preoccupied with their own personal gains or losses. They should see accomplishment as the result of team work and not take personal credit for achievements so as to ensure the continuing enthusiasm of their subordinates. By behaving modestly and eschewing personal praise, the middle workers ensure that those working for them will have a greater sense of fulfillment. Middle employees must protect those who participate in group activities. To this end the middle level must reduce, purposely or by seeming accident, the responsibilities and rights of those workers who are selfish or uncaring of others.

Middle workers should have a clear understanding of the following three perspectives:

1. They should know that they are like the body with the top level as the head and the basic level as the feet. The head decides which direction to go, and the body has to cooperate. If the head wants to go East, but the body wants to go West, then problems are pretty likely. The middle level must coordinate with the intentions of the top level and not oppose their strategies. But in doing this the body still needs the feet to move to achieve concrete effects. So the body is responsible for both controlling of the feet and coordinating with the intentions of the head. But should
the feet step on sticky or muddy soil or encounter obstacles, the body will communicate these problems to the head for it to rethink and adjust direction. It is the responsibility of middle staff to convey the difficulties of the basic level and provide accurate information to help the top level make correct decisions.

2. When an object is thrown at the head, the head will shy away from it to avoid being hurt. When there is no way to avoid it, the head will order the whole body to resist it. Middle staff should not push responsibilities back to the top level; rather they should try to undertake the top level’s duties, keeping the top echelon from harm so that it may protect the body. Especially capable staff are like the hands of the body. They must understand that only the hands have opportunities to hit the head; the feet pose no danger. It is generally believed that when employees are not satisfied with their boss, the middle staff have to take on most of the responsibilities. If middle staff wish to protect the top level and keep them from misunderstanding and complaints from the basic level, they must be good communicators of information between the top and basic levels.

3. When the head feels faint or the brain is hurt, the body will take the dominating role to stabilise the situation, allowing the head to rest and recover. When the top level makes mistakes or inappropriate decisions, the middle level must not make a great show of opposition. Instead they should remain calm, seem to obey the top level decisions, and yet actually put them off. This will allow the top level to think again and revise their decisions to find the correct policy.

Top level managers already at the peak enjoy the total view and farsightedness that makes them more clear about the future perspective. In order to comply with the external environment and be able to predict future developments, they should adjust their directions at all times to be able to change their decisions flexibly. But the change the top manager instigates should be in response to the integral, systematic
and comprehensive demands that arise from his grasp of the total picture without overdue emphasis on part of the situation alone.

In Taiwan, comprehensive management is often pursued or so it is claimed. True comprehensive management should be like the Eight Diagrams in considering all aspects of a situation without specialising in a specific aspect.

The most important thing for top managers is to understand that one does not belong to a specific department and cannot think over things with a specialised viewpoint if one wants to avoid a partial view. A general manager is so called because he is general, comprehensive and makes integral judgments by integrating the judgments of different departments.

IV. 5. The Importance of the Top Level’s Change

Top managers should take on the role of the Eight Diagrams, be able to control a situation systematically, harmonise the roles of each department and be in a position to forward looking perspectives (Figure 4.5).

Figure 4.5 Symbol Representing the Higher Level Managers.

The first characteristic of the Eight diagrams is its comprehensiveness. From a macro viewpoint, it seeks to study and control the characteristics of Heaven, Humanity and Earth. From the micro standpoint it has a concrete understanding of
should be cognizant of the characteristics of junior employees, middle staff and
themselves, and be aware that each person functions in accordance with their
characteristics. At the same time they must fully comprehend natural and social
phenomena in the external environment in order to establish policies and principles.

The second characteristic of the Eight Diagrams is union. The Eight Diagrams
integrate condition and opposition and keep them from conflict and separation (Kuo,
高懷民, 1978). When there is no contradiction in an organisation there is no change.
Without change there will be no progress. People at the top have no need for
contradiction, but they should not allow contradiction to become conflict. They can
resolve contradictions and unite them together. There are two types of opposition.
No matter which type management faces it should not lead to separation.
Management should use its inclusive power to unite them and produce collective
strength.

The third characteristic of the Eight Diagrams is to be forward looking.
Forward looking predicts the future and obtains information about changes (Shao, 邵
偉華, 1991). The important duties of top management lie in deciding the direction
of the institution and establishing policies. Thus predicting the future is of great
importance. According to the principles of the three talents of I-Ching, top
management should imitate the spirit of the principles of Heaven, which is the ability
to change.

Thus top managers should look to excel in the following three things:
1. They understand the purpose of institutional policies is to ensure reasonable
guidance to thinking. They should establish policies to reach expected objectives
(Klein and Murphy, 1973). The establishment of objectives has to take into
consideration national welfare, societal benefits, and advantages to businesses and
personal gain. The ability to take all these relevant factors into account is one of the qualifications a top manager should possess.

2. Middle managers can set up partial policies in such areas as manufacturing, marketing, managerial accounting, general management and personnel (Broom, 1969). Their policies have to be synthesised by top managers before the policies become consistent. Then management can unite separate strengths and form collective power. In other words, superiors in the middle level should take the goals of the top level as their own. The ability of the middle level to do so, however, depends on the top level giving them correct guidance. So the top level should have uniform policies.

3. They know that research and development is a vital facet in the continuing operations of an organisation (OCED, 1974). But the direction of R & D must mirror future changes in order to fit in with the trends of the new generation. To ensure that R & D are carried out effectively, top managers must base their forecasts of future changes on the correct perception of changes to the internal and external environment.

4. Since the top managers are inventors who are in the know well before others, they must surely accept social responsibility and keep the Code of Conduct for Executives (Austin, 1961) in seeking social welfare and benefits for society.

Of the managerial philosophies, top executives should adopt the perspectives of OCT. They may have their own views as to what constitutes right and wrong, but they should not express their opinion immediately so as not to influence the judgments of middle executives. The best executives make vague statements up to the last minute so as to gauge middle staff reaction, and then make firm decisions and judgments. Mutual assistance and helping the less capable means that top executives
can use their own way to obtain full development and all round strength. Top executives do not advocate explicit restraining measures, for this avoids employees turning against the management and bringing about conflict. Top managers should resolve conflicts without being noticed. When individuals care about their responsibilities and duties and do their best to complete their tasks well, they will be able to take the initiative in conducting research and development in tune with future changes. Top executives who are good at hiding their strength can provide their staff with more freedom to operate. Only when steps are taken consistent with the particular time, place and situation will a rational match and expected effects come about.

The responsibilities of the top executives lie in the following three major areas:

1. To build up good atmosphere, which allows people in the three levels to play successfully their roles with confidence and cooperation.

2. One concrete accomplishment of the good top executive is his ability to keep the personnel in the basic level. Thus the functions of the middle staff must be emphasised and protected so that the middle staff may successfully communicate the missions given them by the top level.

3. To train themselves to be forward looking they must watch over current situations to make correct judgments on future trends. Thus they must be ever aware of ways to improve their judgment of information and their ability to make inferences from it.

People are divided into three groups, Table 4.3 shows an organisation has three levels and each level has its own role symbol.

Management is a result of the three levels of an organisation being allowed to
play their individual roles for mutual compliance. If the three levels play their roles correctly and comply properly, managerial performance is assured.

<table>
<thead>
<tr>
<th>Three Levels</th>
<th>Three Groups</th>
<th>Three Role Symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>Man of Foresight</td>
<td>Eight Diagrams</td>
</tr>
<tr>
<td>Middle</td>
<td>Later Enlightened</td>
<td>Rocky Wall</td>
</tr>
<tr>
<td>Basic</td>
<td>Unknowing</td>
<td>Solid Rock</td>
</tr>
</tbody>
</table>

Table 4.3 Different Role Symbols for the Three Levels.

A basic level worker is certainly not totally lacking in knowledge, but it is better that he does not perform too well and so cause others to worry and fear. This is the largest difference between Oriental and Western managerial philosophy. The Western worker is urged to perform to the limit of his capabilities while the Chinese believe that it is more fitting to perform well within the clearly defined boundaries of the basic level role.

Top managers are not necessarily all people of foresight who do not cause problems. If there are good key employees on the staff they can provide considerable assistance to compensate for any insufficiency in a boss. Chinese key staff often sacrifice themselves and leave the glory and honor of their work for the boss to take, making him look like a man of foresight.

The most important thing for a middle level staff member is to play a good later-enlightened role. In doing so he must be neither too capable nor too lacking in ability; he cannot be without specialisation nor too specialised, he cannot stay unchanged, nor ever changing. Middle level staff are the absolute key characters in Chinese style management.
IV. 6. Study of a Practical Case and Its Evaluation

When we climb a mountain, we start out on a level plain and gradually get half-way up the mountain slope. From the plain, we merely see the land close around us. As we ascend towards the peak we see an ever wider vista until, on reaching the top, we can see the whole view spread out below us. The division of an organisation into levels is not unlike mountain climbing. The top level managers can control the whole situation since they command the peak; middle level staff have climbed halfway and have only a limited view while the basic level workers walk the plain and are able to see only what immediately surrounds them.

Chinese style management, in accordance with this principle, divides an organisation into three levels. The junior staff have to walk along the plain of regulations and are allowed no flexibility in their actions. Middle staff have climbed halfway up the mountain and perceive the sight of the land to some degree. They may be given some room to manoeuvre and to some extent be allowed to instigate change procedures. Top level managers stand at the peak, able to see the whole view, and they are given the greatest flexibility and freedom to instigate change.

Although a junior employee acts in accordance with the rules, a top manager may tell him to forget regulations in order to help a particular customer, adding it is a singular response to suit an exceptional situation. But if the junior worker were to take it into his head to provide similar help to other customers his boss would punish him for not following regulations. Only a top level manager has the authority to make exceptions; junior workers follow the rules unless the boss says otherwise.

Some Chinese philosophers, according to the Western view, think this way of doing things is like “only letting the high rank officials light a fire but not allowing civilians to light a lamp.” (只許州官放火，不許百姓點燈). This is because they do
not understand the Three-Talent Principle. Because a top manager has greater experience and better judgement, he decides which people and times shall be deemed exceptional. This is far less likely to lead to an error of judgement than of a basic level employee was required to make these decisions. If a junior worker is allowed to choose what constitutes an exception, then regulations will exist in name only and things may easily become chaotic. A junior employee should act in accordance with the rules, and when he comes across something outside the regulatory framework he must seek help from a top manager who will advise him on his proper course of action.

A middle level employee, given instruction on exceptions from a top manager, can learn judgement principles and may then attempt to deal with strange cases. If he meets the manager's expectations, the middle worker will be allowed an increasing remit to deal with exceptional cases. If not, the load will revert back to the top manager.

A basic level staff member can be taught the principles applying to exceptional cases but as long as he remains at the basic level he may not actually apply this knowledge. If he ever does take such a decision himself he should be duly disciplined to prevent any recurrence of such an event. If a junior worker will not accept action taken on an exceptional case or has some complaint about it, he would normally remain at his level and be denied any possible promotion to the middle level. The worker who can act on instructions from a superior and deals with the exceptional case without argument has the possibility of promotion. A newly promoted middle employee cannot take these decisions on exceptions by himself but can only give his opinions about cases for his superior to refer to. After the superior is satisfied that this case judgement is sound he will allow him to act on such cases. A senior middle level staff member will normally be allowed more flexibility than a junior.
The Chinese have different attitudes towards each individual and give them varying degrees of flexibility depending on their background and experience. That is to say, they are given different responsibilities with the more reliable assuming the greater power. The Chinese believe treating everyone differently is as fair a method as treating every individual the same.

The functions and positions of American style management are set up so that different rights and responsibilities are given to each individual in accordance with his job description. But such rights and responsibilities are unified. An individual will possess due rights and responsibilities specific to his corresponding position. If the individual does not perform well, he will be replaced, otherwise the responsibilities of his position cannot be carried out properly.

The rights and responsibilities of Chinese style management can be unified or separated. Someone who performs well can have unified rights and responsibilities, but one who fails to perform well will have rights and responsibilities taken away from his position. In this way, an individual can be replaced or not replaced. If one is given an empty position in which he is not allowed to carry out his due functions, he will naturally resign. At this juncture, should his boss be kind enough to invite him to stay, he will leave his position even faster. The Chinese do not dismiss employees, but an employee would feel ashamed if he stayed on and so he resigns. This is an application of the separation of rights and responsibilities with position.

In Chinese society, a person who performs well in work seldom complains of having no power. But none will actually say that he is entitled to possess such power. Anyone who did would have power taken from him. A Chinese will say only that he has responsibilities and not that he has power. Therefore, many foreigners believe the Chinese do not know how to empower or structure responsibility. In China, only the one who does not work well can complain of a lack of power or the right to take
action. But this dissatisfaction soon comes to the notice of his superior who become even less willing to cede responsibilities to him. Ultimately his power effectively decrease.

Let us study a practical case:

Board Chairperson Lee of Company A, due to a heavy work load and reluctance to have his time interrupted by unexpected visitors, sets up a firm business rule; that any visitor to see him must leave his name and phone number and make an appointment. In this way he hopes to save time and energy by filtering out unnecessary visitors. If a visitor has the TFO managerial philosophy, he will apply TFO attitudes by choosing either to leave his details or leave no such information, as shown in Figure 4.6. He reacts favourably to the rule, and the one implementing it feels it to be easy and convenient, too.

![Figure 4.6 TFO Visitor](image)

If the visitor possesses an OCT understanding he will, in most cases, act in accordance with his identity, position and purpose of visit: If he is wary of upsetting the Chairman and dose not wish to endanger the possibility of a meeting, he will happily leave his details and politely ask the receptionist to pass them on. If the
visitor thinks it unimportant or is upset by the request he will decline to leave information and leave less than happy.

Most people will, however, test the situation by telling the receptionist not to bother as he may have to return for a meeting. They will ask the receptionist to deliver their card immediately, saying they are sure the chairperson will want to see them right away. If the Board Chairperson takes his card but still will not see him, the visitor surmises that even if a future meeting is arranged it will not be fruitful. If a visitor sees that the receptionist refuses to pass on his card, he knows the rule applies to all without exception. The visitor will generally then choose to leave his details. But if he feels he is a special case, he will tell the receptionist; “On second thought, I do not need to see the chairperson, but allow me to have a word with your immediate superior for a moment.” On seeing the superior he will again present his request to see Chairperson Lee. That superior then decides whether an exception should be made.

The above analysis shows us that in Chinese society people adopt different methods of response to any particular rule. This reality is usually cited by scholars as evidence of the Chinese not obeying rules and lacking discipline. However, it can be analysed in this way:

A youngster just starting out in a career, unless he has special connections, has to play according to the rules. If the visitor is simply making a courtesy call or is someone with special connections, he will arrive in a happy mood but leave in a bad mood. Such a person will ridicule the grandiose bureaucratic style of Chairperson Lee whenever he has a chance and make fun of his self-important manner. If, by chance, the specially connected person and Chairperson Lee happen to meet at this moment, the chairperson will almost certainly invite him into the office and explain that such a rule was not his idea. He has asked his personal assistant to cancel it
several times, but they have insisted it should be kept. He realises it causes
cinconvenience, and he is sorry. However, his personal assistant was acting from the
best of motives and cannot be blamed too much. It is very lucky, the chairperson
will add, that he saw him by chance, or he would have felt terrible about it. He may
even say that the rule is for ordinary people, and not for such an honoured guest.
Hence, a Chinese boss will often shift the responsibility to his staff, not because of
dissatisfaction with them, but to make his visitor feel highly regarded. It increases
the personal bonding between visitor and boss and smoothes the way for future
cooperation.

In testing the rule in this way, the visitor is ensuring that it is put into actual
practice. If one tries to circumvent it and is successful, one is glad. If his
manoeuvre dose not work, at least he knows the rule applies to all. But at this stage,
there is another practical step one may take. After trying to see Chairperson Lee via
the basic level staff, and failing it is then acceptable to try the middle level staff. If
that dose not work, it proves that the rule is not open to exceptions. If the visitor still
wishes to see Chairperson Lee, he must find some other way, which if successful,
proves his standing is high.

The Chinese do not disobey rules but know that in most cases there are
exceptions to them. If one is not open to finding these exceptions they are not really
operating properly. Therefore, when encountering a problem, a Chinese will look
for ways to get around it. If the possibility of an alternative exists the Chinese will
not give up, but if there is no such chance then they will adhere to the regulations.
But in taking action by the rules they will still be alert to the possibility of another
way of doing things. If we look at the Chinese in this way it makes it easier to
understand them.

This rule is easier to carry out for a TFO person: if he agrees, he acts according
to the rules; if not, he says so and discussions and negotiations can take place. It is best to reach an understanding by mutual consent.

For the OCT person the situation is more complex and can generally be classified into six types:

1. Follow the rules at first and then bring about change.
2. Do not follow the rules and concentrate all one's efforts on bringing about change without compromise.
3. Take action within the rules, but ask for advance action to facilitate the situation, for example, arranging a meeting for a specific time.
4. Take action according to regulations but pressure the receptionist in the hope her superior will come out and be able to help.
5. Take the initiative of asking to meet the superior to ask if there is an alternative.
6. Take action according to the rules.

In general, of the six alternatives proposed above, the one who simply follows the rules is considered to lack initiative and adaptability, and, understandably, his career prospects are not bright. The Chinese are good at taking complementary steps. Therefore, in a time of environmental change, OCT managerial philosophy comes to the fore and becomes the main-stream of contemporary thought.

How can we Evaluate the Case?

The attitude of TFO is to select one of two mutually exclusive answers. This attitude can be applicable to a society in its general treatment of the people where, since there are no exceptions, no one is treated in an unfair way. But in reality, there is privilege in any society. Privileges can be transferred but cannot be eliminated. The interests of management often lie with privilege. For example, useful special connections with a government authority, recommendations of VIP in the political
field, commercial interests with large advertising budgets to place, etc., are all specific aspects of privilege. A TFO visitor, with his two options of leaving or not leaving his details, gives up all possible privileges, and his competitive edge is blunted in doing so.

The OCT person has an opinion but does not insist on it. For example, the Chinese ethical concept of an orderly seniority is often superior to personal opinions. But the application of such precepts is done much more flexibly by the Chinese people. For instance, the Chinese are not so concerned in the order of experience, rank, etc., limiting it to certain activities and occasions. The Chinese excel at adjusting, sometimes in line with performance or service length, the closeness of connections. They apply different standards and yardsticks to meet differing needs.

The Chinese do propose “in royal service, never serve a second master,” but they also advocate “timely withdrawal” to avoid helping an unseemly master or being drawn into giving aid to evil. The Chinese may well form such a life long affiliation but will also leave if it does not appeal to him, similar in style to the American way.

A Chinese considers the factory his family but will reflect on how well the family head treats his employees before giving him his total loyalty. Sometimes he will carry out the head’s wishes even if it means sacrificing his life. But if the employee is unimpressed with the surrogate family head, his exhortation to “do this for me” will be to no avail.

In Chapter two, we also saw that OCT proceeds in various ways between the scope allowed by two options. Taking the above case of leaving or not leaving information, OCT considers leaving details or not as the upper and lower bounds of quality control. Between the two limits, there are several options, as shown in Figure 4.7.
This kind of Two Combine One (二合ー) mode allows each sort of Chinese principle to generate many different changes. Sometimes these variations differ greatly from the original principle, making foreigners believe the Chinese lack principles. The Chinese and American styles of management are all concerned with setting the rules of the game, but differ in their ideas of what those rules are and how they should be applied. These cultural differences have in the past resulted in misunderstandings in the field of international relations.

**Information Left**

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**Upper Bound**

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**Lower Bound**

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**No Information is Left**

Figure 4.7 OCT with Scope for Various Options Between the Upper and Lower Bounds of Quality Control.

There are three major pillars of Western culture: science, law, and religion (Wu, 吳森, 1979). Scientific activity is concerned with clear definition, obedience to regulations and the establishment of evidence. The most famous Constitutional books in Western history are all concerned with the clear definition of the basic concept of laws. Modern Western nations are concerned with due process in all things and the confirmation of witnesses. Viewed from the standpoint of Chinese culture, Western religion is also controlled by the scientific spirit. The goal of science is the pursuit of truth and Western religion, particularly the Jewish and Christian faiths, also seek after truth (Wu, 吳森, 1979).

Management is both science and art yet Western management, a product of its
culture, undoubtedly leans more towards the discipline of science. The moral life of the Chinese, compared to the West, is obviously more artistic. The main method of art is not to follow some rule but the simulation of typical works. Confucius, in the Chinese mind, has the position of a religious leader but he never says anything akin to the Ten Commandments of Moses. The saint of China does not propose any disciplinary rules but only leaves many norms of behaviour for later generations to be attracted by and follow. From the position of the culture of art, rules, laws, discipline, etc., are cold concepts that cannot produce anything at any level. There is no way inherent in the Tee Whe method. Only the saints and heroes of history can move the public to recognise Tee Whe. They infiltrate the hearts of all people and become the guiding masters of our moral standards (Wu, 吳森 1979). Management is both science and art, but Oriental management is influenced by its culture and inclines more to the aspect of art. During the last one hundred years Western culture has been in the ascendant, and its influence has spread world-wide. Oriental management has improved by absorbing the positive aspects of Western management science. Is it possible for Western management to take on board the positive points that Oriental management philosophy has to offer?
CHAPTER V
THEORY OF CHANGE AND NO CHANGE IN PRACTICE: PLANNING

V. 1. "Settling Other People Down" is the "No Change" in the Chinese Style Management

Chinese people had developed their own style of management based on the "principles of constancy and contingency". As described above, the metaphysical basis of the Chinese style management is derived from I-Ching. But how can these principles be put into practice? What is "Change" and "No Change" in business affairs? From the history of Chinese society and economics in modern Taiwan and Mainland China, we can find the solutions of the problems.

In the Chinese style management, the meaning of management is "the process of cultivating oneself and giving peace to other people". We should cultivate ourselves, and then we should give peace to other people. This is the Chinese managerial concept. Chinese regard harmony as the most important thing. Every managerial activities must be harmonious. So the harmonious attitude is the part of the process of the management.

In the theory of "Change and No Change" of management is the norm of management and the principle of change.

The management of individuals, families, institutes, countries, even the whole world, settling other people down is the basic achievement. We use "No Change" to represent the unchanged basic principle, for "the classics" means "the norms". Although Chinese saints in ancient time were positive that "the universe is mobile",
they considered the mobile is foundational and practical but messy. In other words, 
the change is in principle and regulated. The unchangeable principle for change is 
"the norm". The "change" itself is the unchangeable of the change. Therefore, it is 
a "norm" too.

"Change" means "to changeable", relating to "No Change" or "the norm". 
"No Change" and "the norm" "can not be changed". (It is not "without change" but 
"the unchangeable" of "the change" i.e. "the change" of the "norms".) It belongs to the necessary exception.

"No Change" of management is "to settle other people down". It should 
consider the ever changing for correlated conditions, adjusting them timely so that 
real peace comes. Chinese usually misunderstand the reason of "changing until unchangeable, working out when changed" in the dictionary. Actually, the thought 
disobeys the basic spirit of the truth of change.

To reach the goal of efficient and suitable goal, "No Change" of "the 
unchangeable" must be used to be the standard of judgement, and "Change" of "the 
changeable", the accomplishment of the most suitable decision. This is the way 
coordinating the spirit of "change easily". What Kao Hwai-Ming (Kao, 1978) points out three meanings of  I-Ching (易) does not mean that there are three 
features presented by an objective matter of changing approach. He says, "the 
changing approach is 'changing easily'(簡易), 'the changeable'(變易), and 'the 
unchangeable'(不易). For 'changing easily', 'changing easily' is the changing 
approach. For 'the changeable', 'the changeable' is the changing approach. For 
'the unchangeable', 'the unchangeable' is the changing approach." As we 
mentioned above, the management is with the circle of continuousness.

To "settle other people down" is in the first level of the aim of Chinese style 
management. To "be steady" and to make "progression" are in the second level;
while "efficiency", "benefit", "task" and "safety" are in the third.

Management is the procedure of educating oneself and settling other people down. "Settling other people down" means "to make the one who contacts me obtain peace". Managers take "settling other people down" as the final goal, and so as the employees. It not only meets the basic requirement, but also reached the same goal for both managers and employees. There would not be conflicts between team goal and individual goal.

The requirement of the organisation towards the employees is nothing but "loyalty" and "working hard". "Loyalty" includes achieving the same goal, enforcing towards the same goal, confirming the confidence, and keeping loyalty.

To analysing it, there are four responses:

1. Working for the organisation concentratedly: do not wander in opinions, noticing if there is better position or salary and ready to change job any time. Don't look for part-time job everywhere or develop self's career. On the contrary, one should think about the organisation and work for the organisation with all his heart.

2. Working for the organisation at ease: without worrying about something, one does not have to worry about suffering accidental rejection or unfair treatment. Without worry, one does not have to worry about being fired by the organisation any time. Without fear, one does not have to fear about being betrayed to death by the organisation not knowing why or when.

3. Working for the organisation without bothers: Trust the leaders. Trust them that they would not be jealous about the subordinates. The subordinate can do his job as well as he can. Trust the colleagues that they will help each other. No one would carry on unwarranted charges unconsciously by hurting or damaging.

4. Working for the organisation with true heart: Chinese realise what so called organisation is just an empty noun. Once the leader changed, it becomes totally
different. (It is not concerned with rule-government, because the best system needs a wise leader. Therefore, one of the features of Chinese management is to grant the leader as the centre.) What Chinese employees are more concerned with is if the manager treats him honestly or not, if he undertakes the duty in an emergency or on demand at important time, and if he gives rights and not pushes away duty. If the answers are all positive, the employee will present firmly and loyally.

As to working hard, it includes enforcing ability, promoting the power of the group, producing cooperatively, and expanding potentials. The employee should have responses as follows:

1. Enforcing his own ability continuously: as the knowledge evolves nowadays, the environment changes rapidly. No progression means regression. The first condition for the employee to work hard willingly is that he is capable. That he can do the job well does not mean that he can do it forever. Therefore, he must accept training continuously, granting the education for his whole life as a goal. Training and training continuously is the only way to maintain his earned ability.

2. Promoting working efficiency continuously: although the employee is willing to work hard, he should notice efficiency too. Otherwise, the whole organisation would be trapped in unsettled situation. The ability should be more trained. If one researches in effort and delicately, there must be higher efficiency.

3. Increasing strong interests in working: it may not last long just because he is able to and willing to do the job, or only bases on familiarity, because in the industry time, it is very hard to gain achievement by specialty and cooperation. On the contrary, one becomes bored monotonous, and becomes hating the job when time passed. Therefore, the employee should raise strong interests in work and become a work-lover so that he can spontaneously improve himself.
4. Expanding the power of the group with honest cooperation: Chinese only specialise but are lack of cooperation. If there is only specialisation without cooperation, egoism occurs. The result is that the strengths of everyone is offset. Everyone tries hard but to no effect. Cooperation needs to raise everybody’s cooperation. Never be nobody who “makes no order and accepts no orders” (既不能令, 又不受命). The concrete affection of management is to ask for “the whole is bigger than the total of parts”. That is, the cooperation by ten persons can expand the power as 15, 20, even 100 persons'. However, the unchangeable truth is to expand the power of the group by sincere cooperation.

Taking enterprise management as an example to explain what kind of conduct the managers should have as follows:

1. Practically achieving personnel aspect about promotion, demotion, reward, punishment, education, pay raise, aging, and death affairs. Being the first one, the promotion is obviously the most important. The manager must possess an openmind in managing people, trusting that there are men of more talent than himself, assigning the one who dares to provide opposite opinions in an emergency, without being jealous and arrogant, nor being stubborn and selfish. The employees will surely take it easy in seeing this. The first step of selecting the clever and assigning the able is to know him. It is very difficult to know people. Therefore, it is wisdom to do that.

To reward or to punish someone must be fair in one way, and to drill and select for obtaining excellent experience in other way. To educate and raise someone so that he makes progress continuously in stable surroundings. The aged employees work devotedly for the company, they should be arranged well after retirement, we can not fire them cruelly when they are at the retiring age. To show courtesy to the death can settle down people who are alive. We should hold true heart in these actions.
Do not pretend, and pay lip service to take the advantage of employees on purpose.

2. Paying reasonable salary and treatment to employees. The employees are not working for money only. However, he can not live without money either. Reasonable salary and treatment not only make him settles his family, raises his children, saves money for emergency without panic, provides proper care for his own health, and keeps progression by learning after work, but also establishes his own self-respect and promotes working efficiency. The salary is the aspect of material, including money, labor payment, subsidy, welfare, insurance, bonus, and so on. It is based on the ability and the peace of the enterprise reasonably in the principle of the degree of his working duty, of the degree of his task, and of the quantity of his achievement. It should be considered on one’s education and experience. It should confer to the living index number and the standard of the same company. It should also confer to the dangerous degree of his work. The treatment is the requirement of both spirit and materials. We should pay attention to the entertainment, training, trust, giving rights, promotion, and so on.

3. Assigning suitable work for employees. Assigning easy work to the talented and difficult work to the plain bound to unsettle people and individuals. It should be avoided as much as possible. Assigning suitable people for suitable work should be made flexible too. Owing to the changes of environment, the features of the work change too. Therefore, excepting abundant work and challenged duty, there must be training or adjustment timely in order to require suitable people for suitable work in suitable position and time so that the employees are settled down with no basic worries.

4. Giving suitable concerns to the employees. The reason why the majority of employees are not satisfied with the leaders is, “they do not care about my personal goal at all. What he cares about is work, not people.” Or, “they treat us just like
tools and never care about the ones who fight for him.” If the employees feel like this, the morale must be low. If the leaders give suitable concern to the employees, the situation is reversed very soon. If the leaders regard people as themselves and concern about the employees, the employees will in turn concern about the leaders too. Furthermore, it leads to confidence, caring and loyalty.

5. Respecting the employees suitably. People wish to be respected by others, not despised. The employees care especially about the respect shown on their positions and opinions. Through all the enterprises, it is necessary to require communication, especially the one in high level, working for long time, and in aged. If we ask their opinions before making important decisions and assignments, they must feel special respect. There must be assistance for promoting work and increasing efficiency. Moreover, to respect is to be respected. The managers who wish the subordinates to respect them should first respect the subordinates by themselves.

6. Offering the employees security. There is the security for long distance assignment. The managers never fire someone easily. The employees who wish to live steadily based on secured job only. For settling down other people and making them concentrated on work, the enterprise surely offer suitable job security. This is the main reason why the relationship between Chinese managers and labors is good and without striking.

7. Helping the employees who wish to create their own business. The enterprise surely would not encourage employees to create their own business. It provides the chance of promotion in order to make the employees expand themselves suitably. However, if few talented persons with ambitions are willing to create their own careers, the enterprise is no harm to offer suitable assistance, for raising close relationship of the common occupation. It is not a bad idea either.

The wishes of the employees include a pleasant working environment, a suitable
job, the leaders’ positive, the chance to promotion, relaxed relationship among colleagues, reasonable treatment, better welfare, security, reliable retired system, and humanised management. The aim of settling other people down is based on the wishes of the employees, offering reasonable satisfaction as possible as it can be. By this, we know the service action of settling other people down can attract the employees towards efficient responses.

All managerial activities, including planning, organising, leading, control, and training should be discussed deeply and considered in detail, pointing out “Change” and “No Change” separately. The models of the management mentioned above in Chinese style management will be proposed in the next two chapters.

V. 2. How “Change” and “No Change” Coordinate Closely

Chinese pay attention to “Change not leaving No Change”. Therefore, in one way, we want to “change easily”, in the meantime, we keep the spirit of “the unchangeable”. Otherwise, “the opposition of Change and No Change” means abnormal. This is the main difference between “Change” and “the opposition”. How to “change with the expedience” but “abnormal”? The author considers that there are three principles for “changing easily”, explains it as follows:

1. Change without giving up the base.

The aim of the organisation is the base. According to the base to set rules in need of reality and to ask the employees obey in common are the ways fair and reasonable. Therefore, the managers, according to the laws and rules, are no harm to explain reasonably, never disobeying the laws. Otherwise, they betray the aim of the organisation, i.e. giving up the base. If the rules themselves seem to be unreasonable
and not match to the reality by means of the change of time or sources from inside or outside, they are to change by rules, never giving up or exceeding them at will. Or else, it is illegal. Moreover, people would think that they could change things at will this time and surely can do so next time. People would also think that this affair is accommodated and surely is so for other affairs. Things like these can never be admired sincerely. Therefore, people lose confidence to the rules. Furthermore, the change of the rules can not disobey the final aim. Or else, the base is given up. At the beginning of setting rules, the managers must consider cautiously; do not do anything randomly. When the rules are settled, the managers should check them from time to time, adjusting the rules by procedures actively. However, when carrying out the rules, the managers should require the rights without against the rules and the rights without leaving the base.

2. Change without damaging the people.

To change by expedience is the approach that everyone accepts. However, in fact, it suffers obstacles usually. The reason is that when the expedience occurs, it becomes “some cheer and some sad” situation very easily. Those who gain benefit will support it; while those who lose their benefit surely bother it as they can be. This is normal for people. We can not blame them. Therefore, it is called suitable when Change without damaging people. If Change damage people, the people would protect themselves, even fight for themselves. Chinese manager realised the reason that he can not care about all people and know all things in detail and judge all goodness and badness. When there are important changes, he hopes the related units combine together and communicate directly. He stays on the position of compromise. When all units agree to process, he begins to adjust rules. Otherwise, he asks for double discussion and requires to find a common opinion. Chinese realise that although compromise takes time and manpower, trying to get rid of the
damage caused by non-compromise takes more time and manpower. Meanwhile, for the Chinese, on the common requirement of harmony, all conflicts and arguments will finally result in a compromise. The manager remembers never to show off authority and interfere randomly, as it would complicate the problems and would wake the effects linger. In Chinese society, if the managers compromises without achieving the same goal, the management of the organisation is dying. The managers use their rights to damage people, though not purposely, it is an innocent damage.

3. Do not change too much.

It is not necessary that everyone hold same opinions toward same things. “Everyone declares that he or she is right.” It is difficult for the one who judges the situation to do the job perfectly fair so that many unsatisfactory doubts may occur. If the managers mistreat one purposely, tiny problems would become disasters. Although the managers have rights to change, they should not use them easily. It is better for the managers to establish good situation for the feeling of the subordinates before and after the expedient change, for making the members understand the truth and gaining the forgiveness. Many managers think if they do the right thing, they do not have to care about the responses of the members. But, if think harder, it is not difficult to know that it is alright to deal with private affairs in this manner, as it does not matter too much to gain one more friend or lose one; however, dealing with public affairs in the same manners will affect the morale of all employees. The managers are still not taking the ultimate responsibilities for the problems, have no control on the overall situation, therefore, and the members would not be tractable. If the rights for changes are too much, the normal rules would be affected seriously and break out the levels of the organisation, everyone would break the system and require the assistance from the highest level manager by any reason in order to obtain some special accommodations. The employees who obey the rules honestly would lose
their faith in the rules and be encouraged to learn the commonly illegal but direct way to solve problems. If the manager makes any decision by himself, the basic level employees would not respond to him surely. They would push the duty up to the leaders level by level. The phenomena of what R. A. Mackenzie called “giving rights in revert” would happen everywhere. (Mackenzie, 1977) The subordinates would require decision from the leaders for every tiny thing and become giving rights in revert. Moreover, the rights are coordinated to the approach of “change easily” if not used much.

V. 3 The Planning in the Chinese Style Management

V. 3. 1 Model of the Planning in the Chinese Style Management

The model of the planning in the Chinese style management can be concluded into three types: the “Tang style” (唐式), the “Song style” (宋式) and the “Ming style” (明式). The three types are named after the dynasties in which they are originated.

1. The Tang style is shown as figure 5.1.

The process starts with an issue which comes to the attention of the managers, or from the suggestion of the labours, or from the outside pressure, or from the analysis of the experts. Anyway, whether an issue is urgent or not is confirmed by the manager. After the confirmation of the manager, he will find out the man who is good at solving this problem. The manager will consult this problem with the expert to draw up the plans. The manager will approve the plans proposed from the experts. So the manager should take the responsibility. After the approvememt, the plans will be executed by the executive department.
1. Find out the matter

2. Experts draw up the plans

3. Manager approves the plans

4. Plans are delivered to executive department

Figure 5.1 Planning in the "Tang Style"

2. The Song style is shown as figure 5.2.

1. Find out the matter

2. Experts ask for instruction

3. Manager states principles

4. Experts draw up the plans based on the principles

5. Manager approves the plans

6. Plans are delivered to executive department

Figure 5.2 Planning in the "Song Style"

The manager will define the principles of the plans. The experts have to obey the principles set up by the manager when drawing up the plans.
3. The Ming style is shown as figure 5.3.

![Diagram](image)

**Figure 5.3 Planning in the “Ming Style”**

The manager draws up the plans on his own.

All the three styles mentioned above are not ideal for planning in management. The common disadvantages of this three styles are that there are unable to canvass various opinions and benefit from the group, and communicate between the department of operation and the plan maker. Thus carrying out the plans will often be troublesome. To rectify the shortcomings, each of the planning types is modified as below:

1. The normal style, modifying the Tang style, is used in normal period, the setting of general plans. The manager refrain from presenting his opinions as best as he can. Let the relevant members research and discuss the plans. When everyone agrees with each other, a decision will be required by the manager. The good point in this is the way of training the ability of the subordinates to make plans spontaneously, discovering problems by themselves, and solving problems by themselves.

   The normal style is with the spirit of democracy. The members who are trained well should complete “independent plans” spontaneously. The procedure
is more complicated and takes longer time. If the members lack sincerity, the plans may be delayed and delayed, never to the day of accomplishment. However, the plan is made with the opinions of all members. As long as it is decided, the efficiency during the procedure should be as expected.

2. The special style A, modifying the Song style, is used in special period; i.e. the researching and the setting of important plans. Because the influence is big, the manager must provide the structure and push the plan for completion in time.

   In striving for efficiency and expanding the opinions of the manager in higher position, the special style A is of more benefits. However, if it is adopted too often, the manager would be too tired and would not have consideration about every question.

3. The special style B, modifying the Ming style, is used in special conditions, such as in the period of creating business and in an emergency. Moreover, the manager in the higher level possesses special ability to survey chances and reveal orders directly for matching the reality.

   In fighting for efficiency, expanding the opinions of the manager, and keeping the secrets it is more effective than the special style A. During the period of creating business or in an emergency, it is half the effort and double the results in collecting manpower and time by using the special style B. However, if the style B is usually adopted in the condition of every important affairs, the errors would occur, for no one is perfect.

IV. 3.2 The No Change of Planning

   A good plan is just like a clever key, that helps us to open the door towards success. A plan is fully researched and in vista before action in order to do a whole
prediction for the future so that we find an approach for the future action. No matter what kind of enterprise, administration or army institute it is, if it wishes to take efficient advantage of the manpower, materials, and financing, the basic skill is P-D-S (Plan-Do-See) which means a "Management Know How" system of "plan-practice-control". Therefore, the Chinese management is based on the plan.

The "No Change" of the plan is explained as follows:

1. The goal is fair and honest. An institute usually faces changeable environments daily. It needs to be more cautious to set its goal. The goal for the plan should be clear, definite and concrete in order not to become a sloth plan. To set a plan, it is better to plan towards a long range goal. Then, the long range goal is divided into several mid-range goals. The long range goal means the whole plan, the accomplished period is 10-15 years usually. The mid-range plan means an individual plan, its period is 4-6 years. The mid-range plan can be divided into short range plans in details, i.e. yearly plans; the period is one year. Any goal must be impartial so that all members cooperate together and produce endless power.

2. Simple and easily understood. Excepting the whole, individual, and yearly plans mentioned above, the categories of the plans include the plan of improvement, the plan of widespread, the plan of special cases, the plan of training, the plan of financial readjustment, and the plan of preparation. All plans should be understood by every member. Or else, everything is just like writing game, trapping into complication and waste. The plans that are not necessary should be cut down; while necessary plans should be simplified and easy to understand. The terms are avoided as much as possible. If necessary, they should be explained additionally.

3. Forecasting. Forecasting is not necessarily reliable and quite often is wrong.
However, it is also dangerous not to predict like a blind man riding a blind horse. We usually warn ourselves by the past errors. This is a good habit. But, it is a very dangerous mistake to take the past to be the future all the way. Owing to the speedy changes, the one who makes plans must see far and predict the future harder. The establishment of information system is to compile the corresponding past, modern and future information of internal and external affairs in order to be the basis of making wise decision. In fact, the ones who are familiar with planning by predicting future are not willing to make neater prediction, as one or two success would bring greater pressure, people would expect them to predict correctly every time in the future; otherwise, they are thought to damage the organisation on purpose. Ancient Chinese philosophers taught and advised us to be definitely sincere again and again. In one way, the one who predicts has to be definitely sincere so as to predict the future. In other way, the manager and the ones who carry out the plans must be definitely sincere too so as to read the prediction and carry it out seriously.

4. Balance the budget. Any plan can not do well to neglect the financial aspect. Although the organisation can borrow funds if required in an emergency, the planner should not forget that the interest would drive one to death. The budget is a control skill, but the plan and the control are two aspects of one thing. Therefore, the plan should be pointed on the budget, granted the budget as a tool for plans, because it supports the base of correct actions. According to general researches, if all plans connect to the budget, the correctness of the plans is higher than that without budget usually. (Hodgetts, 1981) Moreover, to harmonise detail plans of all departments, the budget is a good approach. For example, the business policy in enterprises is the basic business philosophy for enterprises, reflecting the policy of achieving their goals. The business plan is the long-distance (the whole), the
mid-distance (individual), or the short-distance (yearly) plans for carrying out the business policy. The profit planning is to analyse the balance point of losses and benefits, for combining the relevant fees, incomes, profits, and costs to a better situation. The system of budget is accomplished with technical method by basing on the business policy, business plan, profit planning. The settled budget is a part of the plan, used to guide, and compromise business activities of every department.

5. From top to down. If the manager at the higher level does not provide the policy in the first place, all departments would arrange the system of budget in a narrow-minded manner. It becomes very difficult to compromise the self-contradiction and argument. Adopting the approach "from top to down", the managers should set arrangement policy and announce it in every department so that the budget is arranged reasonably and efficiently. (Yoshida Yayo, 吉田彌雄, 1974) When William M. Zani designed the information system, he claimed to remember the philosophy of "from top to down". He says, "if the managers design the information system beginning from the highest level of concept and from the highest management level, they could avoid the worse design of 'from the low up' as in the past time. They also could expand the real efficiency of the information system in management to become a tool of modern management." (Hodgetts, 1981)

We mentioned above that Chinese plans are mostly projected by managers and combined in detail by subordinates. The way of "from top to down" presents the boss a sense of mission and responsibility. When the boss provides some ideas, he may be not able to state the reasons; however, he certainly has a reason, that is his wisdom, his foresight. If the managers show no opinion, the subordinates can not possibly make any plan. They may always wonder what kind of plan they should make? To plan without basis is mostly impractical, and it only ends up wasting time and manpower.
6. Do not afraid of failure. Chinese always ask only for success but failure. It makes everyone dare not handle affairs. The plan also set ambiguously unclear. Everyone is afraid of troubles in case of mistakes occurred by writing the plan too clear and definite. The Jewish concept of “do not be afraid of failure” is worth learning. It does not mean failure if we learn lesson from mistakes. Besides, we can do it again and again till succeed. There must be one or two successes out of ten attempts. In fact, Chinese ancient philosophers told us that it is for man to try and for Heaven to determine the outcome. Success occurs only when God admits. To fail is not terrible, but to fail without knowing why is extremely bad. Therefore, we should pay attention to planning and consider in details; even in failure, we would know why. Meanwhile, we have to admit our failure. Do not hide or push the responsibility to other people. The most important thing is to face the failure and find the solution. Do not run away. Do not manage one self and others by repeated mistakes. When making some plan, we need proceed bravely, for the prediction can not be proven till afterward. However, we should make any further improvement with care. It is a good idea to first pilot the plan, if any mistake does occur, then it can be admitted and corrected in time.

7. Alternative. According to the goal set by the managers, it should include at least two approaches to achieve. The single approach is not necessarily the truth. However, the plan which Chinese employees compile together usually leads the manager to the situation with no choice. For they know if they list several approaches, the manager must choose the cheapest one. But, they also know the cheapest plan is not necessarily the best. The employees try to make the manager believe that this single plan has been considered carefully. They only show its good points and hide the drawbacks. They try to avoid for the manager to send back and require them to rewrite the plan for getting rid of all drawbacks. One
more situation is that there may be too many approaches available, no one is willing
to take the responsibility of making therefore no plan is provided. We think that
there is no perfect plan in the world. Even if there is, it does not necessarily fit to
our society and needs. All we can do is to ask for more profits and less damages
when choosing plans. Therefore, when choosing approaches, one should honestly
list out the good points and the drawbacks of each option; and the manager who is
making a decision should take the responsibility too, do not choose a plan only in
the direction of costs.

8. Flexibility. After choosing approaches to make a plan, they should be carried out
firmly. At the beginning, we may meet a great deal of difficulties. However,
since the procedure of making plan is very cautious and tried many times, we should
never doubt about it and should insist to the end. Surely, the outside environments
still keep changing. Although some problems are predicted and occurred
according to the plan, some happen suddenly beyond any prediction. Therefore, it
is very important that conditions for a plan can be adjusted flexibly and changed
expeditiously. The prediction of the efficiency is the most difficult task. While we
ask for certain predictions during plans making, we should prepare for suitable
adjustment to achieve the expected goal. For example, the budget, of course,
needs to be changed; otherwise, it matches no need in reality. Usually, we regulate
that the budget can not be changed. The result is that a company only has
sufficient fund to buy an equipment without accessories and the bought equipment
is not working fully. When they get the budget next year to buy the accessories,
they have either changed types or out of stock. Even if the equipment is complete,
due to the changes in personnel, the situation of no one using it occurs. All these
are unreasonable. Basically, the budget should not be changed; however, it should
be adjustable when necessary in reality. This is the principle of reasonable
flexibility. The whole plan should be flexible so that it would not be stuck when carrying out and would be used vitally to expand to its utmost effect.

9. Research and development. A plan is harder to be made by the complication of problems, especially under the circumstances of lacking information; not able to compare with others easily and difficult to predict the security. It needs to be done more cautiously. Therefore, the plan itself should be listed in the important items of research and development. In addition to its feasibility, its creativity, its suitability, we have to take into consideration of its consistence to achieve the function of continuity. As to the planning ability of the members, any institute must pay more attention to train and promote timely. Although the plan is from top to down, everyone can not help to be involved in plans making at the end of the day, only that the scale of his plan may be small and is guided by his manager. He may take the indication of the manager as a basis to do his plan. We should research well and take advantage of the steps and the points of the plan, the meaning and the features of the PERT, the establishment and usage of the MIS, any kind of plan tool such as Gantt Chart, Man-Machine Chart or Load Chart, and so on.

Drawing a beautiful scenery is the first step of a plan. (Ueno Ichiro, 1972) Only beautiful scenery can draw out the power of the members. The plan which everyone understands easily and knows how to do would bring the institute power. The drawing a of beautiful scenery is better to base on the prediction so that it does not become a dream. If there is no budget set, the need of members, expenditures, and equipment would increase to become a large waste. The manager in high level should provide ideas as to how the budget would co-ordinate with the beautiful scenery. The plan must be from top to down. The manager must hold the mood for not being afraid of failure. On the contrary, they should carefully distinguish between right and wrong, and make a flexible plan. Of course, these
basic principles need to be researched and developed continuously in order to reach a better state.

V. 3. 3 The Change of the Planning

Planning relies on the prediction, but the prediction usually has errors. For example, whenever someone predicts the economic growth is going to be high, the other would predict it low, but both sides would argue it by using serious theories to support their predictions. We find several huge projects that are very different from reality after the first year of operation and they must be corrected a lot. As the result, some people began to think that it is a waste of time to make plan since it cannot succeed the goal. But this is a wrong concept because the project always has some errors due to some limitations of human beings. It would be a miracle if it doesn’t have any errors. Once anyone has drawn up a plan, he can know it and understand the differences between goal and reality at once, if he finds errors. This feedback is one of the important purposes of planning.

We can take proper steps for these differences, as it’s a plan’s expedient. The methods are as follows:

1. “Change” is inseparable from “No Change”

Vista of a long term plan as drawn and presented is “No Change” throughout the plan. Without the vista, the financial, the material, and the personnel programs could not be developed within principles. So that they can not be matched entirely. Any flexibility in plan should adhere to its “No Change” principle in order to achieve some “Change”.

2. Environmental factors

The change of plan is usually influenced by the environment, especially the
education factors, social culture factors, politics and law factors, economic factors, technical factors, energy factors etc. They are stated as follows (Chen, 陈光华, 1981):

(1) Education: The suitability of the project planner is largely dependent on their education. A talent who is needed in the plan is influencely by education factors. Therefore, sometimes it is necessary to increase a company's financial burden in order to educate and train personnel to do the job. Educational factors lead to the change of social structure or consumer trends. They will retard the implementation of the original plan, so it certainly is altered. Even this factor is helpful for implementing the plan smoothly; and it should also be adjusted at the right time in order to be more effective.

(2) Social culture: The viewpoint of the public towards managers, rights and responsibilities, life styles, labour-capital relations, individual developments, the spirit of the enterprise and a sense of fulfillment may affect the implementation of the plan. When we find serious change in any aspect, we have to adopt proper methods to adjust plan so that it can be completed smoothly.

(3) Politics and law: Government often establishes or adjusts every kinds of law and rules that are based on the needs of internal affairs, diplomacy and national defense. Examples are company law, law of negotiable instruments, trademark law and patent law. If the standard or method changes, original plan has likewise has to adjust and then it would smoothly match law's requirement.

(4) Economy: A stable and growing economic environment is helpful for the implementation of the plan. The increasing cost of marketing and competition becomes intensive. Profits, at the moment, drastically decrease, therefore the plan should be adjusted or changed carefully.

(5) Techniques: As far as the enterprise is concerned, technological innovation
improves a department's capability and is beneficial in maintaining a position of
advantage in the market place. But technical innovation also brings changes, for
instance, it shortens market or products life cycle and increase the uncertainty of
the plan. If the original plan faces important challenge of technical innovation, it
has to change rapidly, or if the technical development is limited, it will reduce its
competitiveness.

(6)Energy: Nowadays the crisis of energy is all over the world. The energy often
becomes the limiting factor in the industry. So economising is important in
planning.

3. Internal ability

If the limiting factors within an organisation such as formation, people,
technology, finance, information, market position etc. changed, then the original
plan would also have to be adjusted. (Chen, 1981)

(1) Formation

Modern organisation is a system of interaction. It affects external
environment and vice versa. Once social culture, politics and law, economy and
technical change influence formation seriously, some activities of formation will
go smoothly, and the others will meet with difficulty. The formation has to be
regulated the plan, should also be changed in order to match reality.

(2) People

All plans are promoted by people. If there is sudden change on personnel,
for example, a good general manager suffers from an accident or the key technical
talent resigns which cause the problem of making it difficult to carry out the
original plan and accomplish on time or failing to achieve its goal at all. The
plans should be adjusted to solve this problem.

(3) Technology
Owing the several causes, original technology which depends on import may not be available and affect the fulfillment of the plan. Employees turnover or equipment depreciation, many unexpectedly affect existing technology. These technical limitations may become serious obstacles to the original plan. So, the plan has to be changed.

(4) Finance

At the beginning of setting up the plan, we may take into consideration the financial market situation to estimate the funds we need and planned carefully regarding the resources collecting, functioning and distributing of the capital. But, in the real active process difficulties may without fail arise. We may try to solve these problems as much as we could, without changing the plan, if it does not work, then we still have to adjust our plan accordingly.

(5) Information

The information required for the plan is never perfect. We should analyse it carefully and move ahead with understanding of its reality so as to take proper methods to change plan appropriately.

(6) Market position

An enterprise’s market position is usually indicated by the market share of its products and business reputation; as these are the best tools to help a company to evaluate the success rate of their plan implementation. A manager must evaluate customers' response and market share situation regularly, systematically and objectively in order to adjust plan properly.
CHAPTER VI

THEORY OF CHANGE AND NO CHANGE IN PRACTICE: ORGANISATION AND LEADING

VI. 1 Organisation in the Chinese Style Management

VI. 1. 1 Model of Organisation in the Chinese Style Management

Because Mencius' "five ethics" (五倫) are revived in the Song (宋) dynasty, thriving in Ming (明) and Ching (清) so that the five ethics (affections between father and son, righteousness between king and courts, difference between husband and wife, order between the elder and the younger, trust each others among friends), the "five supreme relationships" (五道) (king and courts, father and son, husband and wife, brothers, friends), and the "three supreme morals" (三德) (wisdom, kindness, courage) construct the essence of the Chinese traditional morality. With these concepts widespread, the Confucian idealism of managing by morality is carried out in families, governments, and the society. It expands the function of stabilising the whole society in one or other way.

Nevertheless, the society changes, the people change, and even some moral concepts changes gradually, maybe the name remains only. To revived the Chinese culture, the most important thing is to preserve the ethics, as that is one feature of the Chinese traditional civilisation. If they rearrange the "five ethics" as follows:

"there is affection between parents and children; difference between husband and wife; order between the elder and the younger; trust between friends; righteousness between government and people," then it is not only entirely fit in with the modern life, it also matches the characteristics of Chinese people.
For a long time, the Confucianism is the representative of the Chinese fundamental idealism. As every spirit and science of Confucianism is guided by ethics, and Chinese ethics is developed from the system of “the head of the family,” (Tsai, 蔡元培, 1956) therefore we can see the development of consistency in Chinese civilisation. Before Chinese was united as a country, they organised the society by adopting “the head of the family” system. Gradually, it changed to feudal system and administrative district organisations. However, the spirit of “the head of the family” system never changes. As it is called “the head of the family” system is to practice the morals of obeying elders, and respecting elders, and beginning from families to all organisations.

Unfortunately, since ancient time in China, whenever a system is corrupted, they provided another to defend it, therefore some systems became worse, the more systems there are, and the more restrictions people would suffered. (Chen, 錢穆, 1991) Taking the official correspondence system as an example, the numerous levels and transferences make people feeling trapped. Further more, by catching up with fashion and democracy, nothing can be decided until consulted by all members, so everyone has meeting to attend too. In present situation, everyone is too busy in passing documents and having meetings to expand their talents. (Chen, 錢穆, 1991) Especially in the Song, Ming, and Ching dynasties, centralisation of the government was emphasised gradually. With this influence, managers in high level were exhausted by doing everything themselves. A serious egoism generates problems such as the control between levels and the restricted communications between colleagues. Figure 6.1 shows that they lost the spirit of the Chinese traditional organisation.
In fact, according to the Chinese traditional spirit, the inner levels of an organisation should look like a "tree", as shown figure 6.2. Explanation as follows:

1. The levels of decision-making and management are the foundation of an organisation. It is like the root of a tree. It should be very strong and tough in order to support the whole organisation.

2. The level of carrying out orders is on the first line. Facing the customers, it is like the leaves of a tree to have contact with air and clouds, they are vital and vivid.

3. A tree would change its form according to different surroundings, not so monotonous as what western called "Invested Pyramid Structure". Each department develops by chance of real need. The developments do not have to be on the same scale, just like the nature growth of a tree, they fit the changing circumstances.

4. Employees are more important. Managers support them fully and let them be what they are. This shows not only the spirit of democracy but also the way to make employees do their best. Each manager in different levels encourages his members to present themselves is the spirit of the traditional Chinese management. Of course, the manager in high level also supports the manager in the next level to present himself fully.
Modern organisation is quite easy to be adjusted as the Chinese style organisation. The most important thing is the change of the spirit, because the presentation of all organisations is tightly concerned to the people, not with the structure itself.

However, the organisations in the Chinese society are usually the form of "brotherhood organisation" (兄弟會). Examples are explained as follows:

A. The period of creation: the leader brother is the centre of all in the organisation, shown as figure 6.3. There is no division of specialty yet. On the one hand, they try to understand the business affairs and require experience; on the other hand, they observe members' characteristics and expertise from activities, and train them practically.
B. The period of small scale: the leader brother is still the centre in it. But specialty is shown (each unit is represents a group rather than individuals, even if there is only one person in that group). All groups interlink with each other. The leader brother is gradually retired to the compromise position as the centre of compromise, shown as figure 6.4.

C. The period of middle scale: staff groups are gradually established. They support each working group. The compromise centre is one of the groups too.

D. The period of large scale: a brotherhood organisation which could adopt the system of working department; or which could adopt the system of functionalised department.
Chinese think that brothers are born by the same parents, thus, all brothers are branches of the parents, coming from the same bone and blood. Their relationship is like the hands and feet of a man so that we call brothers in blood as "limbs" (手足). The members of the brotherhood organisation are not brothers in blood, but their spirits, as mentioned above, are. They treat each other as real brothers, loving each other, helping each other, encouraging each other, just like brothers in blood. They indicate that a brotherhood organisation as a circle. Firstly, because a circle is most flexible; it can change to become square, rhombus, triangle, and so on, matching the demand of free form. Secondly, there is no up or down in a circle; everyone has different job but all in equal position, they support each other closely without restriction from any level. Thirdly, any place for a circle is no problem. There is no problem in big or small for it is mobile all the time. Everyone’s duty is to keep the balance in a mobile state. No one can destroy the orders in groups, for once
losing control, falling down to the sea, no one would survive. This awakes all members’ disaster consciousness. The balance in a mobile state for a circle is steady. The central groups are with heavy duty, so the Chinese style management takes “leading” as the centre, “organisation” as the tool, and “control” as the root.

In the period of creation, everything is beginning with “training”. The central person is more important and tends to centralise the central power. If all members are excellent and familiar with developments in business affairs, it is no harm for completely democracy.

In the period of small and middle scale, the members gradually understand business and each kind of activities. Their mutual reliance network is constructed. The leading task of the central group is taken over by compromise. The people in the central group are raised in real demand. But it is just a working group with compromise function, and it cannot be arrogant.

There are brothers responsible for each group. In compromise group, we call them the chief or managers; in other groups, leaders. The leader in each group functions as a compromiser too. He lets his members expand their potentials and allow them chances to present themselves, just like what managers do to every leaders. Managers would not use their rights unless something urgent or leaders can not handle the matter themselves.

The organisation with large scale must have a very solid foundation, due to a large number of members and affairs, no matter what kind of form it is, the organisation is bound in an atmosphere between father and son. This is really close to the organisation of the Chinese court. Although each unit is a small group, it does its best to keep the spirit of brotherhood. In the one way, the organisation can stand still like a big tree. In the other way, members are trained to help each other to get rid of egoism.
In short, an organisation is just a tool. The spirit of the Chinese style organisation depends on the Chinese leading style. Hence, changing forms does not mean to change quality. Only when the reality changes, we see the real effect.

VI. 1.2 The No Change of Organisation

Chinese is not without organisation, because any institute takes organisation as a tool to mobilise and collect manpower, finance and material strength. But in many cases, Chinese have poor ability to organise. The bigger the scale is, the more loose it is. That is why Chinese enterprises always stand on the small-to-middle level. When the scale of an enterprise is getting bigger, there appears countless mistakes to weaken the whole institute.

A Chinese style Organisation should improve the ability of organisation. It should deem the training of “consciousness of organisation” as a special point, because a complete structure is counting on the accomplishment by people, not on the perfect structure of the organisation itself. Generally, Chinese lack of team consciousness. To break through this situation, we have to emphasise the “No Change” of organisation. They are as follows:

A. Free Form. After 1970s, the westerners deeply feel that no matter where the changes are from, an organisation should possess the ability to adjust itself in order to meet the needs. Many large enterprises, such as polaroid Corporation, IMC, Insurance Company of North America, and so on, are adopting the Free-Form Structure Organisation. Basically, the Free-Form Organisation Structure does not have to be a certain form; it is not limited by different departments and job description. Full freewill should be granted for the employees in respect of the jobs they do. Among colleagues, a synergism is born on the mutual reliance and
harmony. The free-form proves that the effect of team work is bigger than the totals of various single works. (Hodgetts, 1981) This structure completely matched the “flattened” type of organisation in the modern time. In fact, it is “the brothers union” that Chinese often compose. In Japanese, the Maegawa manufacture Limited Company, their 800 members are grouped as one hundred independent teams. It depends on the real need of task to decide how many members each group consists of; there could be one to ten persons. Each group chooses its leader to take care of responsibility. These leaders, like brothers, accept their eldest brother, the manager, as compromises in works and guide them towards the united destination. They work as free as they can.

B. Essential and efficiency. The most important feature of the brotherhood organisation is essential and efficiency. Mr. Drucker pointed out again and again that the simplest organisation structure is the best organisation. As mentioned above, in the Maegawa manufacture Ltd. Co., the “A” group is responsible for “A” product. The leader is “A”. At first, there are only eight members in this group. With the development of skills, customers orders increase so that the supply cannot meet the demand. Thus, “A” group considers that it is necessary to produce another new product. They divided into “A” group and “A1” group. The original “A” group produces “A” product as usual, while “A1” group produces “A1” goods. A leader for “A1” group is selected from the members of “A” group. If there is shortage of members after dividing into two groups, they recruit new workers. With this kind of real necessity development, “A2” group, “A3” group, etc. are gradually generated. As they all originated from the same “A” group, there would not be problem to cooperate as a team. We take the eight members in “A” group as brothers with the same devotion in creating a new business. After gradual development, all these brothers become leaders; they enlist new brothers
in order to expand the business. The organisation structure remains the simplest
form so as to get rid of the drawback of the stratum form. Of course, at the first
beginning, they can also adopt the style of “father-and-son organisation”. The
father administers the business and teach his sons how to do so. When sons are old
enough to run the business, the father is retired to being a counselor. It becomes
“brotherhood organisation” again. Although those members are not brothers in
blood, for establishing the close relationship as in one family.

C. To be worthy of one’s name. The organisation of brotherhood is not definite on
the name of brothers or on the form of being brothers. Its spirit is the brotherhood
among colleagues. The colleagues are just friends, classmates, or even strangers
originally. Since they work with the name of brothers, they should be worthy of
the name. Elder brothers should take care of younger brothers, while younger
brothers should respect and trust their elder ones. Furthermore, immersing in
warm and reliable atmospheres, everyone accomplishes himself freely and towards
the same glory goal.

D. Mutual reliance. The basic of mutual reliance builds on working together and
taking the same responsibility. The western organisation emphasises “system” all
the time. Whenever the failure occurs, they know who are to take the
responsibility. We approve to set apart the responsibility adequately to avoid the
“chaotism” fashion. The assignment of responsibility does not deem individual
as a unit, for Chinese consider that individuals cannot do whole things well but
team-work. Hence, setting apart of responsibility fits most adequately to what we
called “group” above. The most important thing is to emphasise the sympathetic
understanding of each dependants in the way of ethics. If everyone realises the
principle of “benefit by cooperation, deficit by separation”, and the eldest brother
(the manager) deems compromise as the first principle, then all the members with
free ambition can strive forward to the same goal and cooperate with each other closely in order to reach mutual reliance.

E. Building points. The transference of organisation is supposed to possess clear task, or the organisation for handling work would become a system which is useless and lacking truly working ability. For example, "A1", "A2", "A3" groups, etc. are generated for the necessity of manufacturing new products; that is, there is certain magnificence for each group. In other word, every member realises what kind of task he is responsible for. They can compromise and encourage each other mutually.

F. Division of specialty. In addition to setting apart groups for different products, they still can distinguish themselves according to skills, areas, processes or activities. One of the purposes is to assign suitable job to each group. The other purpose is to accomplish the whole effect of working compromise and synthesis after setting apart members. In order that such specialty is able to push groups working hard and toward the same goal, it is an effective organisation activity. The distinguished standard of specialty is in proportion to the difference between products, skills, areas, processes, and activities as we mentioned above; meanwhile, according to the changes of real situation, the specialty is adjusted or changed timely, for getting rid of impasse. Once specialty is stabilised, the adjustment and changes of organisation would be seriously obstructed. This is a common failing for general organisations, which should be avoided if possible at all costs. A truly effective organisation never stops changing. Due to the constant contacts with government institutes outside pressure groups, the competitors of the same profession, suppliers, employees, and customers, an organisation obviously cannot survive passively, it must renew itself frequently and keep in mobile balance so that the organisation has ability to respond to the changing situation.
G. Independence. In Chinese traditional way, the employee who is able to be a boss is advised to be independent and to create his own business timely. Therefore, a good relationship between members of the same profession is built. On the contrary, nowadays the employers dislike and distract their employees to have their own business as possible as they could. It pushes the employees to compete business with their ex-boss. The previous affection between the boss and subordinates does not work any more. The brotherhood organisation tries to train one who has special talents on purpose and let him be familiar with the whole business. After getting the experience, the organisation helps him to be independent. On the one hand, the gifted young brother expands his managing ability. On the other hand, they compose of powerfully mutual assistance for mutual success. It is good for both organisation and individual. Why should we give it up? Taking Japanese Gen Ltd. Co. as an example. It projects a seven-year training system to make a boss. The company selects young staffs to experience “current duty” and “the first line” work, to take part in personnel and financial management. One who performs excellent ability is assigned to be responsible for running and serving management. If he is still qualified, he is promoted to manage resources. When the time is right, he will be assigned as a manager to related enterprise or a newly established related enterprise. In Taiwan, there are a few enterprises adopting the style and function well.

H. Sacrifice completeness in favor of discrimination. The brotherhood organisation is organised by the brothers with common devotion in order to build occupations, enlarge their scale gradually and enlist new brothers timely. They have to remember the principle of “sacrifice completeness in favor of discrimination”. What an organisation needs is neither the one who “loses self-respect” and is at one’s back and call, nor the technical personnel who is high pay enlisted as he is
worthy and when he is worthless they send him away. Moreover, an organisation does not need the temporary employees who are used to meet an emergency. An organisation needs members like brothers in blood. They can share together afflictions and stand together through thick and thin. How could this be randomly treated without asking for endless problems in future? That is why the Japanese Matsusida Company emphasizes over and over again that selecting newcomers is the most cautious stuff. For brotherhood organisation, admitting a new member is to add one brother. It of course is an important event.

I. Concrete practice group. For the aim of the brotherhood organisation is upright that everyone could cooperate well. However, the aim is not to talk about empty theory but to do something, to be a hundred percent concretely practical group. The organisation separates and sets up all necessary activities reasonably to make them reach the organisation's goal. With the power of activities, the organisation lives. Could an organisation expand its power? Does it have the spirit of concrete practice? These are all relying upon suitable guidance. Therefore, a good organisation relies on smart leaders, just like an excellent car needs expert driving skill to work perfect. None of each could be short of.

The brotherhood organisation fits any scale of enterprises. In Japan, the quality management circles are the spirit of this organisation. We always scold at the form of family organisation. Actually, the most criticised drawback of the family company is that no matter what abilities the family members have, they occupy an important position in the company so that the job cannot be effectively finished on time. At the same time, family members do not argue to each other or fire someone. Thus, the one who is qualified to the job is no way to be promoted. The company is full of employees feeling depressed and lost, gifted employees wait for opportunities to change their employment. However, if the families are qualified, they are more
able and responsible. In other countries, many father-and-son and brothers companies develop pretty well. We do not have to deny its worth entirely. Frankly speaking, if a family organisation is worthy of its name, the outfit just like real families to trust each other, care about each other, consider each other, aim at the upright and bright minded goal, they can establish one simple but effective network. Everyone fits his own duty and specialty. If not, they could sincerely select the talented with respect, treating him better than brothers in blood, composing of a concretely practical and smart group. What could be better? I am afraid that it is very difficult for Chinese to believe outsiders rather than relatives. If we believe that the "systemisation" can manage Chinese well and make Chinese trust each other, the "system" would not be a western system. It is probably the "Golden Mean" in Confucianism. Therefore, any organisation engaged in producing its own power should depend on each member to "cultivate himself". This is the basis of organisation power.

VI. 1.3 The Change of Organisation

Any organisation is composed of many sources. These sources are matched closely to reach a common goal. The model of their relationship becomes the feature of the organisation. Because the organisation model of an institute confirms its working quality, regulates its procedure of management affairs, and gives each department (group) responsibility. That is, organisation model restricts every procession of activities in the institute. The accomplishment of each activity is controlled by the institute.

The sources of organisation can be inducted as "the relationship between persons and persons" and "the relationship between persons and objects". The former is
called "managerial organisation", regulating the task of a manager and the relationship between managers. The latter is called "work organisation", regulating the task of direct working labours and the relationship between labours and working machines (equipment, materials, tools, etc.). No matter what the relationship is between persons and persons, or between persons and objects, it is always changeable. Once the market or technique changes, the organisation should adjust itself as well. Meanwhile, the leader of an institute, with his own philosophy, often changes the activities. His affections, prejudice, destination, value, ability, and so on, directly influence the organisation system to mobilise. That is the reason why an organisation is usually adaptable to changing circumstances. We discuss it in the following:

A. Adopting different organisation forms to meet the needs. For example, there are three common forms for an enterprise:

a. Public enterprise: the funds are supplied by the government; the ownership belongs to the government: the revenue is enlisted to the incomes of the national treasury; the business risk is borne by the government, including public, nation-and-province, province, public-and-private forms.

b. Private enterprise: the funds are supplied by individuals, overseas Chinese, foreigners, or Chinese-and-foreigners; the ownership, revenue, and business risk are borne by private organisations, including individual enterprise (at sole costs), partnership enterprise (two or more persons based on the contract, fund together, and take the responsibility for unlimited debt repayment, private company (unlimited cooperation, combination, limited cooperation), limited cooperation (stock officially-quoted, or not officially-quoted) forms.

c. Cooperative society: some weaker economic groups combine together based on their common needs.
According to the following principles, enterprises can choose suitable forms: (Peng, 彭作舟, 1973)

1. That enterprise requires little funds which the individual can afford by himself is better to choose the sole ownership or partnership form.

2. That the manager limits in and concentrates on only one business, and wishes to manage it by himself is better to choose the sole ownership or partnership form.

3. If the business risk is big is better to operate as a company organisation; if the business risk is small, it is better to choose the sole ownership or partnership form.

4. That the surplus is large to offer expanding future business opportunity, is better to choose the sole ownership or partnership form; if not, company form is better.

5. If the survival period of the business is short, is better to choose the sole ownership or partnership form.

6. That the company form is more suitable for the monopolistic business because the benefit could be shared by lots of people.

7. That the business with big scale and long term production project is better to adopt the form of a company organisation.

8. That the ones who share and improve the common equipment is better to operate as a cooperative organisation.

9. That the public utility business needs bigger and steadier equipment is better to adopt the company organisation form.

B. Adopting different organisation systems to meet the needs. For example, there
are three possible systems for an enterprise: (Chiou, 邱康夫, 1975)

a. Line type: Taylor called it “army organisation”. Adopting Fayol’s (費堯) “level principle”, all the orders and directions are passed down from one manager to the next below him in the line to the lowest position, shown as figure 6.5.

![Figure 6.5 Line Type Organisation](image)

The strong point of a line type organisation is that the single source of command; however the drawback is hard to carry out reasonable management when the scale is too big.

b. Functionalised type: the functionalised organisation which Taylor promoted is not adopted yet because there are difficulties to make one single worker accept all orders coming from every positions. The modern functionalised organisation is set apart according to the function of management of productivity, sales, budget, and so on.

The strong point of Functionalised organisation is to reach effect of specialty in proportion of suitably separating duty and right by functional feature. The drawback is some what difficult in mutual compromise.

c. Line-staff type: the word “staff” is from Prussian army and gradually used by other
countries from the late of 18th to the beginning of 19th century. Since then, it is used by general administration and enterprises. Staff are composed of specialists of expert function, divided into general staff and special staff. The former staff through planning, control function, etc., to provide suggestions, explanations, and clarifications, to help their line supervisors handling problems, while the latter staff support the personnel and financial knowledge. The line members accomplish their goal by assigning works and inspection; while the staff members affect work indirectly by accepting suggestions, propositions and advices. The system is shown in figure 6.6.

![Figure 6.6 Line-Staff Type Organisation](image)

Modern enterprises are with huge scale. Moreover, they separate many departments by means of goods, areas, and markets. Every department takes its own duty to carry out dividing competence, formed as "divisionalised organisation".

Though line-staff organisation can make up the drawbacks of line organisation and functionalised organisation, and be mostly widespread in enterprise field; the management was the tendency move towards high level of specialisation, it is unavoidable that some difficulties in carrying out duties and rights could occur.
When an enterprise considers its changes, it can consider the following principles:

1. Line organization is suitable for a small scale operation; whilst line staff is more appropriate for a big scale enterprise.

2. When the factories locations are spread out in different places, there is difficulty for an enterprise to carry out line organization. It should adopt line-staff type.

3. When an enterprise’s products are standardised, and varieties are limited, it is better to choose to operate as a line organization. If the planning, compromise, check, and skill are especially important, the enterprise should adopt the style of line-staff organization. If majority of the employees need high level knowledge and techniques, and its production is in automation, the enterprise needs functionalised organization.

4. When the working affairs need time efficiency, it is better to adopt decentralised line organization.

5. When general employees are with high knowledge standard and morale, the option of functionalised organization works better; otherwise line organization is more suitable.

Each organization style in modern enterprises can be adjusted to the Chinese style brotherhood organization.

C. Depending on real situation to decide centralisation or decentralisation, or to adjust them when necessary. The main problem of centralisation or decentralisation is on the distribution of power, not the variety. It is impossible to have absolutely decentralised organisation. If it does, the manager is no longer needed. However, the absolute centralisation is impossible either, for no single
manager can make all the decisions. The following principles provide us with reference to help determine the degree of centralisation or otherwise: (Chiou, 1975)

a. Any big decisions that can influence the reputation, competing ability or the morale of employees should be centralised as much as possible; the less important decisions, therefore should be decentralised.

b. Centralisation makes the quality, price, reputation, delivery, and service become consistency; while affairs that need not to be united, decentralisation would be a better choice.

c. Centralisation works better in small scale; while decentralisation is more effective in big scale.

d. In the period of creating business or emergency, centralisation helps to fight for time efficiency. In general period, decentralisation would provide better chance to train people and discover the talented.

e. Where as the works involved a lot of changes, it better to decentralise; otherwise, centralise.

f. When managers are not enough in number or in ability to make decision well, decentralisation would not be a good idea.

g. When the control technique is unable to understand whether each unit is efficient enough to reach integration, decentralisation should not be adopted. For decentralisation loses its control, the enterprise would disintegrate.

h. The influence from outside circumstances, such as the control of government, labour association, rent tax policy, law, etc., should be considered to decide on centralisation or decentralisation.

D. Depending on real situation to decide employees' organisation and position, and
to adjust them when necessary. An organisation should take the assigned members as a premise to suit their talent and characteristics. In general, organisations have their permanence, but the assigned members are in and out all the time, and their abilities are widely different. For matching the changes of people, the organisation should adjust itself with the following principles to keep mobile balance:

a. Adjusting the staff level between different departments timely to balance workload in each department.

b. Adjusting the work duties of members timely and suitably in each department in order to match the expertise and characteristics of the members.

c. When members are changed, the entire adjustment about work should be considered.

d. If there is no suitable member to takeover the job from the person who resigned, then it is better to readjust and reassign the work for the original team members with better pay as compensation than just find someone to fill in the position.

e. Raise the team spirit as much as possible. Although every one has his own job to attend to, one still could watch each other and support each other when necessary.

E. Take good advantage of informal organisation. At least in Chinese, wherever people are, different school of thought are there. It is impossible and not necessary to take away with informal organisation completely. According to the researchs done by the behaviour scientists, they prove that five members would be the best scale to group a team, because it can generate the biggest coagulation. A smaller group can not offer enough response to generate coagulation; while a bigger group could be easily divided into tiny groups or parties. If we consider and merge the spirit of Chinese brotherhood
organisation with the idea of informal organisation, the number of the team members could be raised to eight. By the communication of affections, the degree of the central ability in Chinese team could be bigger. But, it is impossible to limit every department (group) with eight or less staff, as it is not practical in reality. That is why informal organisations still exist. We could take advantage of it by the principles below:

a. It is better to meet the needs of informal organisation to group members with common devotion in the same team.
b. If possible, assign the leader of the informal organisation to be that of the formal group, for it is good for leading.
c. Exchange opinions and gain true messages through informal organisations.
d. Before making decisions, an enterprise could conjecture response through informal organisations for reference.
e. Take good advantage of informal organisation in order to settle down the organisation and improve members' confidence and reliance.
f. Some affairs would get better results, if the compromise stage can be reached through informal organisations in advance and then process by the formal organisation. The golden rule of this principle is honesty. Do not use others at their expense, or it hurts others and themselves. Moreover, the whole organisation would be seriously damaged.

VI. 2. Leading in the Chinese Style Management

VI. 2. 1 Model of Leading in the Chinese Style Management

The Chinese style leading is group type, rather than hero type. The Chinese leaders do not like the American “competing boating” style. All players are sitting
back towards the front. They cannot see the front way and cannot see where the boat will go. It is the captain's responsibility. What they want to do is to concentrate on rowing. As to the direction and cheering up their movement is the responsibility of the leader. He has to perform his strong leading power and to eliminate the members who are short of efficiency without reservation. (Wu, 吳守璞, 1973) We think that it is very dangerous to have the boat in the only leader's hand. The relationship between the leader and the subordinates in China is flexible. It can be changed in time and space by playing the roles of "assignment centre", "control centre", and "compromise centre", as shown in figure 6.7.

The leader of the "assignment centre" style pays attention to directing. He adopts the attitude of single-way communication towards his subordinates, tends to the lead in a forced style. The leader of the "control centre" style pays attention to control. He adopts two-way communication approach, but does not encourage the contact between them. The leader of the "compromise centre" pays attention to compromise. His leading is totally spontaneous style. No matter what kind of leaders, they act as the eldest brother in the Chinese brotherhood organisation. They usually are good at training talents, forgiving people, being the most frank and earnest, and being not selfish and obdurate. They are not heroes but the ones who are never jealous and arrogant. At the beginning of the creation of the institute, the one who fulfils the creating spirit and leading ability is selected by the people. When the scale is bigger, more leaders are needed. New leaders are selected by compromise between employers and employees. In Japan, the main chief of the Maegawa Ltd. Co. calls himself as "more like a traditional group leader. What he acts is like a group compromiser. Just like the lubricating oil used within parts in one machine." He also explains that the majority of the members of the group A1 are from the group
A, and the leader of group A1 is the one who has the most technical knowledge and with best leading ability selected from the group A."

As to the Chinese leading style, it can be divided into five types: the normal model, the special model, the busy model, the solving problems model, and the entertainment model, shown as follows:

1. The normal model. Shown as figure 6.7, the leader should act the serving player of assignment centre, the control centre and the compromise centre by observing
the background of his subordinates; that is, the leader should lead his members to be self-motivated at work through gradual training. If we look at the organisation as a "tree", each manager at each level should fully support his subordinates, including the managers in the next levels. It is what we called endeavoring everyone as what he can be.

2. The special model. According to the exceptional principle, the leader must stand on the first line at the critical point. No matter what kind of situation the organisation is, once in the period of emergency, the leader should be the "assignment centre" himself, facing to the difficulty in reality bravely and solving it appropriately. At this moment, the leader definitely cannot evade the duties down to his subordinates or having meeting every time to obligate everyone sharing the duties. The "tree-like" organisation should be operated upside-down now, just like figure 6.8.

![Figure 6.8 The Special Model of Leading in the Chinese Style Management](image)

The spirit is the most cherished and the greatest point of Chinese leading. The leader is definite not naive nor unable, otherwise, it would be a great danger
to be led by a naive and unable person, especially in case of emergency. However, for training his employees, the leader never dispossesses their chances to try and experience, and never takes away employees' achievement by caring about his own achievement. Therefore, he would rather inspire employees to be more wise and capable by acting naive and unable, inducing employees to do something by doing nothing. The leader has a generous character to forgive people. He admires employees' performance without jealousy. He holds the manners of "yes and no", never fusses about every details on the standard of benefit and damage. Therefore, he allows meaningless mistakes occasionally. Everyone is encouraged and dares to do something. He knows everything but pretending to know nothing. Daily, he only asks for compromise to make his members renew themselves and try for the best in harmony. In case of emergency, he takes all the responsibilities undoubtedly. Meanwhile, he surveys hard daily and is acquainted to everything about business affairs and situations. Once sending orders, there is no way to be like an outsider. Chinese always say "the wisest is like a fool" (大智若愚). It is based on the manner of "magnanimity is great" (有容乃大).

3. Busy model. The assignment of work is in the principle of the balance between work and rest. This is an ideal, not necessarily a fact. For example, the production department gets work done faster and works overtime. Does the accounting department should help out too? When customers visit the factory, the public relation department becomes the busiest; other departments probably not able to help at all. Since there is difference between smart and stupid men, people who are willing to work and able to work is naturally busier. There is no absolute equality under the sun. Therefore, be it a seasonal, business-orientated, or special affair, there are always some departments busier than others in the
organisation. At this moment, the principle that a leader should hold on is that he should show himself in the busiest department. It is said that he is not necessarily helpful, in any practical way, but he encourages them spiritually. He makes them understand that the leader is positive toward their contribution, shown as figure 6.9 and figure 6.10.

In figure 6.9, the leader was in his compromise centre. Now the group 1 and 2 are busier. The position of the leader is moved between the compromise centre and group 1 and 2. That is, he spends more time and spirit to concern about and support group 1 and 2.

The figure 6.10 shows the movement of the leader in "tree-like" organisation. He stays closer to the busier departments as much as he can, for encouraging the members spiritually and making sure they work in harmonic atmosphere.

Figure 6.9 The Busy Model of Leading in the Chinese Style Management
Figure 6.10 Another Busy Model of Leading in the Chinese Style Management

However, the more important thing is that the leader does not inspect their work, giving them pressure. Besides the busy workload, the members are threatened by stressful pressure. We sometimes find that many leaders can not realise the true spirit of the busy model, they oversee what the members are doing. They not only tired themselves out, also make the busy departments very nervous.

4. Solving problems model. It is unavoidable that there are arguments or problems, even conflicts, among members or group from time to time. The leader must remember not to become a judge to make the two confront each other just for knowing what is going on. Otherwise, even if he judged the event, enemities are created, more disturbances will occur in the future. When the parties concerned can solve the problem themselves, let them handle the matter as best as they can. If the problem cannot be resolved, then the leader can act as a mediator from an
objective standpoint. Unless it is a very serious event, or a big damage, do not use statutes and regulations easily. We deeply believe that the majority of the arguments can be resolved by compromise, as long as the leader solves problems with a fair and objective manner, everything would be all right. This kind of leading model is shown as figure 6.11 and figure 6.12. The leader puts himself in objective position from the arguing groups. Let them compromise with each other and solve the problem peacefully. He provides opinions only when necessary. He intervenes, but not sentences the case.

Surely, the conducts against the laws are not to be argued. However, when handling the illegal conducts or solving arguments, the leaders of the problem groups should present themselves alongside their members. Unless the leaders are embroiled or under great suspicion, they should not avert from the members and handle problems directly, as it might cause unnecessary misunderstanding.

![Diagram](image)

Figure 6.11 The Solving Problem Model of Leading in the Chinese Style Management
Figure 6.12 Another Solving Problem Model of Leading in the Chinese Style Management

5. Entertainment model. One of the conditions to settle people down is to keep the members healthy both physically and mentally. Therefore, after working, it is necessary to have some proper leisured activities, such as hiking, traveling, sightseeing, and various kinds of entertainment evening parties. Although the leaders try to be close to the employees at work, under the limitation of time, they can not be with their members all the time. Besides, there are differences in their duty levels, which put distance between the leaders and their members. Entertainment activities provide good opportunities for the leaders to have fun with the members. At this moment, it is better for the leaders not to be leaders again to give remarks, make awards, or on a different standpoint. On the contrary, they should choose an entertainment leader, and let him manages the activity. The leaders showed join the crowd, and enjoy it whenever they can. This will make everyone understand that it is necessary to cooperate with each
other in daily work. Once, it is time for entertainment, everyone should merge with each other, creating harmonic spirit as in team. In figure 6.13, except an entertainment leader, everyone is equal.

![Figure 6.13 The Entertainment Model of Leading in the Chinese Style Management](image)

VI. 2.2. The No Change of Leading

The Chinese style management, in fact, is a task to reflect other peoples' mind. The Chinese leading action, in one way, hopes to obtain loyal staff in brotherhood to establish foundational group, so that they construct a group centre of leaders. In the other way, the action asks employees to treat the company as their home, shouting out "I love my company" from one's heart.

As described in chapter three, the American enterprise management is based on Individualism. Everything is pointed on self-present, emphasising "self-present" and "self-satisfaction". The Japanese enterprise management is based on the collectivism. All approaches ask for centralisation. They deem everyone as a part of the group. Their reputation is counting on the group. Therefore, they can expand complete
loyalty. Chinese do not emphasise “Individualism”, nor the consciousness of “Collectivism”. Some people think that the Japanese consideration about collectivism is influenced by Chinese, even learned from Chinese, which is really a misunderstanding. What Chinese practice is neither close to egoism, nor to centralised “mutualism”. Chinese always say “to love mutually” and are full of equal and benefit to help each other in mutually. Confucius explained that relationship between the king and his ministers should be “the king should command the ministers within the rule and the ministers should serve the king with loyalty”\(^1\). This kind of spirit which does not claim one-sided morality makes Chinese individual when yielded and centralised when processed. It entirely depends on the presentation of the leaders. The Chinese concept of “mutualism” is the foundation of the Chinese style leading. The “No Change” described in the following paragraphs, in fact, is the extension of this concept.

1. Replacing leading with service. The Chinese style management is a procedure of training oneself and settling down people. It claims to train oneself for settling other people, especially the idea of self training. The managers correct and improve themselves first and then act as the “servers” accordingly in the changing environment. The highest function of the managers is presented on the ability to improve the environment in order to make a better difference, for which is also beneficial for the employees. What he asks for is the service on “managing the affairs of people”, but the power on “managing the people”. After all, if there is real strength, even without the power, the authority can still be generated. Power can be produced artificially, but authority can only be generated naturally from the internal institute. Chinese realise that leading is

\(^1\) Confucian Analects. Pa Yih. Pien. (論語, 八佾篇) Chap. III.

182
not by using the power but the authority. An excellent leader not only employs
democratic manners to complete the work, but also serves. Instead of words or
orders, the leader's behaviour wins him admired by the admiration from the
employees.

2. Leading is based on getting the employees' heart. A leading begins when
employees are with higher morale and higher efficiency easily, meanwhile, it can
reduce the conflicts between the employees, and the problem of personnel flow.
The leader should try to understand the employees, care about them, sympathise
with them, and help them; however, never try to spoil them, as this would not
help to "settle other people down" but interfere with the accomplishment of
management; it is also against the principle of mutualism. Leading is concerned
with controlling other people's minds. It should take care of the employees'
needs in both spiritual and material sides, on the one hand, to correct their minds,
and in the other hand, to improve their health. Harmonising their spirits and
bodies would gain a normal development. The reason for an employee to join
the company is to work; to help him settling in and enjoying his work would be
the real meaning of "leading".

3. Whenever promised, never fail it. "Having trust between friends" in the five
ethics in the Chinese culture is the principle for employees to get together with
each other in every groups. The manager should keep his words to the members
within the institute. Moreover, he should keep his words to the outside people
in the society so that he can establish personal and institute's reputation. To
obey this principle seriously, he must not make any promise easily in the first
place; that is to say "no" under the right circumstances, learning the art of refusal.
Because promising too easily, then breaking the words is disadvantageous to
oneself and other people. The Chinese traditional virtues in enterprises are "true
to its worth” and “do not cheat on anyone”. Those businessmen who cherish their reputations and respect their customers are appraised by people all the time.

4. Explaining the causes to the subordinates timely. Confucius said that “the people’s knowledge is little, what a leader can do is to tell them how to do the job and make them do so; it is impossible to make them understand why”. As education was not common at that time, many fellow people never had any education but with little common sense, which is not enough for them to understand difficult truth; therefore, all they could do is to carry out the orders, it is impossible to make them understand all the stories. Nowadays, as education is widely available, the education level of the employees is highly increased. According to Confucius, “the plain talented people can be trained to be highly talented” we should explain to the employees the reason “why do this and that” timely. Hopefully, this understanding would stimulate the spirit of their self-motivation.

5. Selecting employees with their expertise and giving them authority. The ancients often said that “Trust the man and you give him the authority”. If we select someone with no trust, one can not does his best with his loyalty, wisdom, and his expertise. We assigned someone because of his expertise; but if we do not give him the authority to do the job, then the whole thing is in vain. Most of the Chinese people are glad to have “special authority”. At the same time, two of the important duties of managers are to give authority adequately and to train the talented. If problems occurred within the organisation soon after the manager retired or left, then it shows that he had failed his managerial duties; furthermore, it would be a huge loss for the organisation if the talented staff left;

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2 Confucian Analects. Tae Pih. Pien. (論語. 泰伯篇) Chap. VIII.
3 Confucian Analects. Yung Yay. Pien. (論語. 雍也篇) Chap. VI.
in some ways these people left because their desire for "special authority" cannot be satisfied, on the other way, they do not possess enough authority to expand their talents.

6. Treating subordinates with the utmost honesty. What we called "the utmost honesty" is no cheating at all. Confucius said: "there are five ways in life for human to go through and three tools available for them to use. The king and court, father and son, husband and wife, brothers, and friends are the five ways for all the people; wisdom, kindness, and courage are the three moralities all the people should possess; but the only way to practice them is with 'honesty'." He also said: "there are nine unchangeable principles to manage a country. The only way to carry them out is with 'honesty'." We usually encourage each other by "having a frank and straight talk". Because of treating people honestly, people would treat oneself so in return; treating people deceivingly, people would treat oneself so. This is the principle what Confucius claimed as "treatment theory". To treat subordinates honestly, one must first possess the loyal and fair skill of "no hypocrisy and no cheating", then he could feel at ease when listens to advices and does the right thing. This is the presentation of honesty.

7. Recognising staff's talents. The proverb says: "it does not matter to know no word. The most grief is not recognising people with talents." Chinese ancient philosophers claimed that recognising people is wisdom. The success or failure of leading is depends on recognising peoples' abilities. The ways of recognising talented people that Chinese ancestor taught are plentiful and skillful. The managers must understand their subordinates really well in order to take good advantage of their strong points.

4 The Doctorine of The Mean. (中庸) Chap. XX.
5 The Doctorine of The Mean. (中庸) Chap. XX.
8. Allowing mistakes by subordinates. Everyone blames that most employees nowadays hold the wrong concept of "the more you do, the more wrong you are in; doing less, the fewer mistakes; doing nothing, no mistakes made at all." To ask them to abolish the concept is very difficult, as this is from their personal painful experiences. At least, the leaders should have the correct concept of "wrong costs", considering the costs raised from the mistakes by the subordinates. Do not deem it wasted and scorn at occasional mistakes. The leaders should build up the confidence in subordinates and believe that no one would make mistakes on purpose, for nobody is perfect, every one makes mistakes from time to time. If they can learn the valuable experience from the mistakes and improve themselves, then all that time and money spent is still worthy. Of course, the turning point is still resting on the leaders' courages to take up the responsibilities. If the leaders try to protect their own position only, and push the responsibilities to the subordinates when mistakes occur, who dares to believe the thought of "doing more, no error; doing less, few errors occurred; doing nothing, big mistake"? Therefore, allowing mistakes by subordinates, believing them did it unintentionally, and forgiving the occasional mistakes are the correct approaches to encourage everyone to do his work.

9. Consistency in knowledge and action. The first of the three pleasures in the Confucian is "learned and review". Many people explain it as "reviewing learned knowledge from time to time". Asking for knowledge is to ask for wisdom. (Chen, 1973) Reviewing knowledge is also at the level of wisdom. It is not matched to the Confucian claim. Confucius was a person of practicality. He advised us "learned and carrying out at any chance. After long, custom becomes nature." It is a joyful affair. The leaders should carry these points out in effort when they learned and understood.
VI. 2.3. The Change of Leading

Most of scholars in management admit that leading is “a process”, the factors of “leaders”, “followers”, and “situations”. Their relationship is described as below:

Leading efficiency = f (leaders, followers, situations)

An excellent leader is not satisfied with only accomplishing the needs of his subordinates. He has to unite the needs of the subordinators to reach the goal of settling other people down. He has to adjust his manners and deeds with the changes of the subordinates and situations. Sometimes, the definition of “suitable leading” is to keep quiet and listen to sincere opinions from his subordinates, or to “do nothing temporarily, await for a better timing”.

Chinese know that only when the whole universe is completely mechanical and controlled by people, so that the western theory of “believing oneself to achieve whatever one’s desired” can be established. Chinese know that the universe is not entirely as what they think. Thus, the thoughts are not necessarily corresponded with the facts. (Chang, 張起鈞, 1964)

Chinese do not agree on bumbledom nor approve to abandon oneself to a dissipated life. Chinese usually talk about “the truth”, in fact, it is the principle of the universe. There would be harmony among human beings and accomplishment in matters by following the truth to master the world. Expedient changes by the leaders must follow the truth and carry out humanely. The explanation is as follows:

1. From compulsion to self-motivation. There are usually two kinds of leading: external leading and internal leading. The former is the leading of compulsion, the leader uses certain psychic power to push the actions of the staff. This kind of leading is only supported by certain power, once the power disappears, the
leading status is weak. The latter is the leading of self-motivation; the leader does his best not to let the staff feel threatened. They self-motivate the willingness to work unconsciously and spontaneously. The leader only provides the conditions for activities. As to the setting of the activities, the leader actively asks for the opinions from the led in order to stimulate their self-motivation, joining the activities willingly. (Jenn and Chang, 1962) The two mentioned above represent two ends of concept. There are still many different levels of composite situations exist in modern leading. We would first suggest the leaders to fully understand the education background of the subordinates, habits and working specialty; then measure the reality carefully, and find a suitable composite degree between compulsion and self-motivation. However, after a period of time, the chosen composite form must be adjusted with the changes of employees’ mind so that it can be suitable. Generally speaking, the leader modifies his method from compulsion to self-motivation to meet the needs of subordinates.

2. The boundary between forgiveness and prohibition. The important staff member has excellent performance in each aspect, but often being late for work even when attending the meeting which is held by the boss. A technician who is good in every way, but drink a lot and gets drunk every time. As to these situations, should the leader forgive them kindly or forbid them seriously? If forgive them all, it would lead to more problems in the future and becomes a group without disciplines. If the leader forgives someone and forbid another, the special rights happens. If to prohibit straightly, the leader would lose main goal because small gains, or push the talented away only for some minor details? All the problems would lead to many unimaginable negative effect, if the leader can not adjust them well. It will influence the normal activities too. It is better for the leaders to
establish the standard by settling other people down. The problems such as being late, getting drunk, etc. would cause damages to the peace in group or to settle people should be forbidden seriously. If someone loses his tender qualification by being late; loses the chances to explain or ask for something by being late; breaks contract by being late to damage the reputation built by all members of the organisation for years; leads to dangerous events by drinking; disturbs public affairs or damages the normal process of work so as to make the group suffers huge loss, and so on, the leader should forbid him seriously. Otherwise, the leader should judges the reality to decide either warn him or forgive him. However, these problems are very difficult to be corrected after getting into habits. If one hopes no mistakes would happen in the special period, he has to establish good habits in daily life. Therefore, the leader should try to change employees’ behaviours through forgiveness. At the same time, he should also consider to assign work according to everyone’s good points and drawbacks, or even have a reshuffle of the members when necessary.

3. The adjustment between talking and keeping quiet. The leader can not keep quiet in the communication process. However, it does come a time that language is not enough to explain things clearly, therefore, it is an art to be able to communicate properly. How to confirm the principle of “not a word more than what should be said, and not a word less than what should not be said” is depending on the time spent with the employees daily and the working relationship between them! There is another relationship between Chinese employees and the leader’s silence. When the leader becomes quiet or blameless on someone who he always scolded previously, or the leader becomes talkative to someone who he usually respected would cause everyone’s jealousy immediately. Everyone would think that there must be something weird and watch for the result
closely. The party concerned would feel threatened, even make other plans for
himself in advance and does something with no benefit to anyone. Therefore,
the manner of the leader can not be changed for no reason; he must does it
reasonably to avoid misunderstanding. Causing misunderstanding is nothing
major, while producing huge damage is serious.

4. Be responsible timely. Usually, the leader is also the follower. The result of
acting two roles at once often leads to survey carelessly, do adjustment too late, or
do adjustment too fast. It causes things become too extreme for him to adopt,
other people see flaws too and have bad impression. For example, when
someone is shouting about how he pays attention to something, and he would not
forgive such mistake; at this moment, if his leader appears suddenly, he either
becomes peaceful immediately and swallows the next coming words; or, he scorns
straightly, evading all duties to his subordinates then says: “I warned you over and
over again not to do this, and still the mistake happened. I cannot stand it!” He
does all these just for telling his leader that the error is not his fault. The two
instances above are not matched with his “role expectation”. This expedient
change is not working. We think that it is better for him not to shout about
seriously, however, human has emotions, sometimes we just can not control
ourselves. Since going into action, in the condition of leader’s appearance, he
should explain why he was mad and should charge the responsibility bravely.
Confessing to be not thoughtful enough, he makes his leader understands the
details and judge the whole thing accordingly. This kind of expediency is then
matched with his double roles. Of course, the prime condition is that his leader
must be a reasonable man so that other people present reasonable conducts.

5. Assigning suitable man to suitable job. When the leader realises the background
of his subordinates, he should assign them to suitable jobs. Everyone has his
own specialty and drawbacks. No one is perfect. In a democratic group, we do not force to achieve orderliness; on the contrary, cooperation between different characteristics is more like an intimate family. After knowing people, the leader should assign them with suitable works. Assigning talented people can for simple work is not good, while simple man for difficult work is worse. However, people can change their characteristics and abilities by reading or experience. The leader should observe his subordinates at all time; in the one way, he can encourage them progressing, in the other way, he makes them train themselves in every aspect. The more important thing is to adjust their tasks by their abilities timely.

6. Clear distinction between reward and punishment, and carry it out fairly, reasonably, and suitably. People generally reward the ones who are close to them first and then others. We saw that there is no regulation in reward and punishment; that is, it is hard to set certain standard. Only by the objective condition of time and place, we obtain suitable coordination, and this would be the suitable expedience. In general, we have to consider both special achievement and daily toils, because special achievement is easily visible whilst daily toils which stabilise the foundation are common, quiet and easily neglected by people.

7. Adjusting the leading style timely by distinguishing situation clearly. There are goodness and badness in every leading style. If can adopt the situation and expedient timely, we gain double the efficiency by half of the work. For example, in daily discentralisation, everyone has his own rights and duty. In emergency, we can not fix ourselves in discentralisation system, a temporary plan for centralisation in everything should be in place to fight for the time. At the beginning of an enterprise, the founder is always creative and tends to be dictatorial. When the scale of the company gets bigger, he should discentralise
the power and authority. He also should concentrate on compromising the
different leading levels with adequate degrees of authority. However, too much
compromise leads to the formalism of politician style. We have to readjust the
organisation style by injecting the spirit of brotherhood into it in order to fulfil the
atmosphere of fighting together.

8. Adequate expedience when the subordinates refuse to accept orders. Working
orders are not entirely the opinions of the leader, not necessarily the decision by
the leaders either. However, when a formal order is decided, the leader has the
duty to promote it as much as he can. Even with a self-motivated group, the
phenomenon of few members can not accept the order would probably happen; in
this case, the leader has to do something to resolve the problem, and he must not
handle it carelessly or unsettled. The leader must be cautious not to issue order
as often as he likes and then changes his mind all the time, as it will affect
people's confidence.

The expedience of leading is taking the attitude of "yes or no", matching time
and place to change vitally. At this moment, the leader has to hold the foundamental
aim to settle people. Then, the concrete test is the acceptance by the employees. If
no one agrees with the expedience of the leader, people are unsettled. If everyone
thinks the expedience is excellent and suitable, people are settled. Therefore, the
methods are always changeable with only one goal.
CHAPTER VII

THEORY OF CHANGE AND NO CHANGE IN PRACTICE: CONTROL AND TRAINING

VII. 1. Control in the Chinese Style Management

VII. 1. 1. Model of Control in the Chinese Style Management

The Confucian control model is “following Chou’s ceremonies and rectify the name”. We explain the main spirit in the following paragraphs:

1. Set a concrete and workable system to be obeyed by all members. Confucius said: “I am too old to dream about Chou master!” The greatest dream for Confucius was to see “peace in the whole world”, therefore, he often thought about the peaceful time in Chou and dreamed of Chou master from time to time. We can see that when Confucius was at his old age, he still could not forget the system that Chou master established could bring the world to peace and prosperity.

2. The system must be modernised. Confucius is the offspring of “Yin (殷) people”, therefore “Yin ceremonies” (殷禮) exists in his concept naturally. However, every time he mentioned about systems, he worshiped Chou ceremonies greatly. It is because “the literature in Chou dynasty, comparing with Hsia (夏) and Yin dynasties, is obviously bounteous!” Therefore, he “followed Chou” (從周). Confucius said: “I may describe the ceremonies of the Hsia dynasty, but Chi (杞) cannot sufficiently attest my words. I have

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1 Confucian Analects. Shuh Urh. Pien. (論語. 述而篇) Chap. VII.
learned the ceremonies of the Yin dynasty, and in Sang (末) they still continue. I have learned the ceremonies of Chou, which are now used, and I follow Chou.” Confucius claimed that the system has to be modernised, because “one who lives in the present world wants to recover ancient deeds insistently must cause damage to himself.” Of course, what the modernisation that Confucius claimed is to be suited with Chinese environmental needs.

3. “Rectify the name” (正名) is the necessary condition for all control. When Confucius mentioned “rectify the name”, it is to adjust the rights and obligation of each member by system. In general meaning, there should be standards for every person and matters; then, actually according to the standards to reach the goal, making them justify their reputation. What we usually said the three control levels are: to set the standards first, then to evaluate and finally to correct the differences. In fact, it means to rectify the name first, to investigate the difference between the name and the reputation, and last, to try to correct the errors, for justifying the name to match the reputation.

4. To rectify the name must be in accordance with the standard of a concrete system. What Confucius based on was the standard of Chou’s system, therefore, “to rectify the name” is to “follow Chou’s ceremonies”. “Follow Chou’s ceremonies” is the starting point of “rectifying the name”. Many people think Confucius claimed controlling things by people not policy, think that he did not pay much attention to systems either. In fact he emphasised over and over again: all members in the organisation are responsible for the duties should do on their proper positions. They should concentrate themselves on their own jobs.

3 The Doctorine of The Mean. (中庸) Chap. XXVIII.
However, to take responsibility by following the name must rely on a concrete systems.

The Chinese style control, according to Confucius's claim, is just like modern control. There are four consecutive steps:

The first step is to set working standard (S), that is to "rectify the name".

The second step is to record the working reality which is equal to the standard (A), in other words, it is to investigate the "truth".

The third step is to compare A with S, which means to compare "name" with "truth", and to decide the difference between them (V), therefore V=S-A. V means the gap between the name and the truth.

The fourth step is to either adopt suitable managing action in the principle of V, or not to take any action because there is nothing happened or no suitable changing method has found yet. The last step is the real practice, and yet it is often neglected by people. The control is not efficient if one is satisfied with investigating the difference only. The control procedure is shown as figure 7.1:

The control for objects is simpler, for there is no psychological reaction. It is easier to evaluate and judge objectively, it is also easier to be corrected speedily.

In setting the standard, we must base it on the original plan. Use this idea, at the point of every business activity, making various standards for physic, costs, funds, or benefit by the need in reality and use them as the foundation of surveying and evaluation.

The investigation of the reality should be done in a fair and objective manner. It is better to use technical machines for reducing man-made portion. To evaluate the difference means to compare the difference between the reality and the standards. When the reality exceed the standard, it means the increase of business effect, or else, the decrease of business. It is necessary to analyse the causes in time in order to
locate the responsibility.

\[
\begin{align*}
\text{deciding standard } S \\
\rightarrow \\
\text{recording reality } A \\
\rightarrow \\
\text{comparing } A \text{ with } S \\
\rightarrow \\
\text{calculating difference } V=S-A \\
\rightarrow \\
\text{ADOPTING SUITABLE CORRECTION}
\end{align*}
\]

Figure 7.1 Control Procedures in the Chinese Style Management

The reason of control for differences is to avoid any future re-occurrence. However, if the standard was unreasonable (at the beginning of setting the standard, it was set on the 100% in theory or on supposition. Through many reviews by reality, it becomes reasonable), we should remake the standard in the original plan to accomplish business affairs.

Any one who finds man-made errors can report to the leader either verbally by writing, individually or unitedly. The leader should keep the report source confidential, otherwise, the one who made the mistake would complain or take revenge on the person who reported it and cause disturbance in the group.

The way to understand the truth is to investigate on the spot, visit, or consult to the papers by the leader himself or entrusting suitable staff to deal with. However, it is necessary to be fair, just and objective. Although how to handle the investigation result is another matter, we must employ for cautious and reasonable procedure of survey to judge who should take the responsibility.

196
When the responsible person is found, the most important thing for the leader is to control his own emotion. Do not decide over his mistake immediately because of impulsion or previous prejudice. The best method is to talk to him face to face, person to person. Never fear for getting troubles or embroiling into the problems, inviting all the concerned units just like in the court. Respect the man as he is just a suspect, not a criminal. Even the worst subordinate has his good points too. It is no harm to praise him and take care of his honor.

The leader should take responsibility for sharing subordinate’s duty. Some people said: since the leader gave the authority to his subordinates, he does not have to share the responsibility; otherwise, who dares to give out the authority? This really is a wrong concept. Giving the authority does not mean to divide the authority. Because the authority of the leader can not be divided, and he still is responsible for the authority distributed. Therefore, he needs to supervise closely, at least, to understand fully and gains the feedback anytime. To forgive does not mean that the leader shelters the subordinates regardlessly. On the contrary, the leader gives them chances to explain the whole story, listens to the reasons patiently, and exchanges opinions to reach a concrete improvement.

Recording is a very important but easily forgotten step. No record would lead to confusion in right and wrong because the event is history or the memory is vague. In the one way, a detail record impresses everyone, if there is an argument, one can check the record anytime. In the other way, it acts as a kind of restriction for the one who made mistake, leading him to make up early and not to make the same mistake again for long.

Making up one’s mistake is one of special spirit in the Chinese style management. Confucius said: “if one does not make up for his mistake, he is bad,”
and "do not fear for correcting one's mistake." He praised Yen yuan (顏回) and said: "He never makes the same mistake twice." Common people are not saints. How could them be perfect? Only if they can confess their errors bravely, correct the mistake willingly, and do not evade duty to others, they are the educated people. We do not agree to what common people said "making up mistake with achievement" (將功補過), because it is unnatural to achieve something obligatorily. We do not disapprove of making up errors with achievement, but one should achieve something with the natural principle. After all it is nice to achieve something. In fact, by acknowledging the mistakes, confessing mistakes, and not making the same error again, and doing the job one should do in position clearly are as equal as achievement and making up.

Surely, we should give the employees chances to make up when they knew errors. However, we must investigate truly. When he presents good, we should give him adequate encouragement. In following up with no mistakes again, we have found the best way of correction.

The procedure of correcting people must begin with understanding the truth. For example, A works hard in common days with high responsibility and good morality. Lately, he becomes bad in spirit, unable to concentrate, arrive at work late, leaving early, and evading duties. By investigation, we knew his father has been sick for months, the family financial situation becomes difficult; he has to do another job in the nighttime and take care of his father in the daytime. When be realises the situation, the leader should not blame him but give some advice and help solving the problem. (Peng, 1973)

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5 Confucian Analects. Yung Yay. Pien. (論語, 雍也篇) Chap. VI.
The unit leader and his subordinates often can not compromise with each other when dealing with business affairs so as to complain each other and finally to be inborn hostility. Chinese are not used to speak out different opinions in the same unit, and yet not everyone has the same viewpoint on things; therefore, everyone is too busy to guess what is on other people's mind, and no one can be in peace.

The work required by the direct higher level leader should be dealt with immediately if there is nothing illegal and have been promised to one's face.

Handling the work required by the indirect high level leader, including the boss of them or the leaders of other units, causes misunderstanding easily without asking for the advice from the direct high level leader.

If the direct high level leader has to break through the former examples, he should made the messages known in advance or to provide compromise actively. Otherwise, there is no fault of the subordinates who do the job in accordance with previous examples. They are not to be blamed.

This control model can also be use as the standard of personnel investigation. No mistake means achievement. If there is an error, we find it concretely without argument and confusion.

VII. 1.2. The No Change of Control

The Chinese control spirit was very positive. The manager established a good working environment, through the self-control of the employees, to make them finishing the expected work voluntarily. It is a very humane control. But later, due to the lost of honest mind and misunderstanding, the real meaning of ethics become an empty form. At last, control became negative restriction, and could not match what people need.
Both traditional and modern styles Chinese managers pay attention to the control of people. In the one way, they complain about its difficulty and disturbance. In the other way, they cannot stop doing it. All managers not only wish that the employees can be loyal to the organisation but also to themselves. They even think the loyalty to them is that to the organisation. The fact is hard to replaced by the judgement of worthiness. We do not deny the importance and necessity of controlling people, because controlling people well means better controlling in materials, production, and products. Even “unmanned” factory needs to provide a few members there. At this time, the control of these members seems to be much more important. It is what we called more quality and less quantity. The loyalty is like this too. When the members are fewer, the organisation is more likely to ask for absolute loyalty. This is the truth that never changes.

With the development of science, the control of people, affairs and things is technicalised. It despises the self-respect of people. People’s worthiness falls down to the ground. That managers treat men like objects, becomes common. Chinese always view ourselves as manly man. In this situation, we, of course, find it impossible to enjoy working and it is hard to settle people down! We suggest that scientific equipment and methods are best adopted to control affairs and things. To control people, we suggest to consider the respecting of the members; let them be happy to accept advice. To accomplish this point, we should at least master the following “No Change” of control:

1. Both prevention and correction are important. Emphasising the approach of prevention gradually in order to reach the goal of control is important. Prevention, on the one hand, dissolves the differences, as it allows us to consider possible mistakes regarding controlling people, affairs, and things in advance.
On the other hand, prevention saves the people, material, and time in correcting the differences, therefore it reduces costs. Furthermore, no one makes mistakes so that no one would argue for the sake of saving one’s face. Apparently, they seem to control differences; in fact, more disputes are created. Therefore, it is quite impossible to have any lingering effect left after problems been resolved, that probably is one of the reasons why Confucius and Lao Tz’e claimed “managing invisibly”. A good prevention avoid differences occured between you and me. We do not laugh at each other or evade duties.

2. The correction on affairs and things should be quick. No matter how well done the preventive control is, there is exception. Thus, it is necessary to carry out the measures of prevention. Prevention for affairs and things, but not for people, generally speaking is easier. So long as understanding the difference and finding the cause, the leaders should adjust the whole situation as soon as possible under the condition of possible control by people, in order to reduce the losses. If it is mostly involving in controlling people, and being too serious to be delayed, it is better for the leaders to invite relevant members to explain and adopt the style of “special model” leading. At first, suitable adjustment is necessary. After that, they must appease the psycho of the relevant members to avoid unhappiness. As a matter of fact, many leaders lose the loyalty of their subordinates who were loyal before. It occurred mainly because of neglecting mental development before and after the event.

3. The correction regarding people should be mild. Of course, people are limited by job, as there are lots of people looking for jobs. However, too much mobility in personnel means plenty of time and money are wasted on recruiting people, training newcomers, rearrangement, changing information, and so on. Moreover, the members are unsettle, the employers are not necessarily relaxed. This would
influence their morales. Since one person is selected, the employer hopes that he could work hard and work for the company for many years to come. The experience he accumulates is the treasure of the organisation. Therefore, we cannot be too careful in correcting people’s wrong, for avoiding meaningless harm. The leaders should understand the motive of producing differences and one’s situation first. Then they should consider if they were under the same circumstances, what would they do. Even if people do make mistakes, the leaders are supposed to listen to the excuses and feelings. Meanwhile, do not embarrass him in front of other people. If the managers are only interested in protecting themselves, all the employees will do the same thing when they know the truth. About correcting people, general people claim “change one’s concept first”. What a difficulty it is to change someone’s concept. Maybe we should try to change the surroundings first, and then make him change his behaviour to fit in; at the same time, beginning from both concept and behaviour, by making them emphasise each other mutually would be more effective.

4. Making the suitable control in proportion to project. Control and project are two aspects of one object. Control must be in agreement with project. No project means no control. In fact, owing to the lacking of complete project, we do not know how to control matters but turning to control people; this makes us think that controlling people means controlling everything. If we have an excellent project and have considered every related affairs, we can compare and analyse the differences on the authority of clear and objective standard in the project. After that, we can make suitable adjustment. The numbers and the reports the control used has to be compared with the demanded standard, for looking for the causes to the differences in order to make progress.

5. Everyone should cooperate with the organisation to ask for uniformity of duty and
right. Urwick pointed out the Principle of Uniformity (Jenn and Chang, 1962) in control is that the numbers or the reports that the control used must fully and obviously show the activities of every unit in organisation. We can not take any number which cannot be influented by the person to represent his accomplishment. In other word, we should match one’s duty with responsive figure. Chinese people claim to give both right and duty to the unit group (it would still be seen as an unit even there is only one person in the unit); therefore when it comes to control, it is also more adequate to concentrate on each unit group.

6. Watching the time effect of control. The Principle of Utility (Jenn and Chang, 1962) said that the period of control, such as week, month, period, year, etc., should be clear and fit, and furthermore, easy to check on; because the span of control is quite different, sometimes, daily is too long, and other times yearly control period is too short. Meanwhile, there is different effect by excellent use of the correctness of the reports. The relationship between “period and correctness” needs to be compared and conveyed neatly. For those lose their effects because of over-long period, the period needs to be shortened; while something is becoming more important to prolong time, the control period needs to be prolonged.

7. Control should be beneficial to decision-making. If the managers check all the control numbers or reports in details, they waste plenty of time and energy. As a matter of fact, it is impossible either. However, when the managers make a decision, they must check upon the true conditions. They also have to realise what those reports of control are. Urwick provided “Exception Principle” that the reports should be checked by the staff first and that the staff distinguish the extra-excellent and the extra-worse from the normal things. Then, those
exceptional things would be sent to the managers so that they can understand the whole situation in the organisation in a very short time. This is good for decision-making.

8. The control system should be simple and easily understood. Many control methods deduced by mathematical formula are more precise and clear, but they may be too complicated to be understood for the managers. Even if the managers can understand, they need to spend a lot of time to read or research them in advance, otherwise, knowing half of the fact is more dangerous than knowing nothing. (Peng, 彭作舟, 1973) This kind of control system loses its effect and becomes useless theory easily. We must consider to modify the system to make it simple and easy to accept by average managers.

9. The control system should indicate correction timely. A good control system not only discovers differences, but also finds the causes. It helps the managers to adopt adequate correction policy. For example, the differences between labours can be divided into time difference and salary difference. Once the costs on labours is different from predicted standard, the manager finds causes and adjusts it. (Peng, 彭作舟, 1973) At the same time, for correctness, the standard which is numberised can be evaluated by using percentage. Besides, setting up a suitable convey system to produce difference sign is good for correction timely. It is better to forward to auto-control gradually.

10. The control system must fit within the economic principle. We usually consider the control system at the point of “preventing errors”. Hence we think the denser the internal control is, the better is the control system. However, a complicated control system, relatively, needs more costs to settle and maintain. Therefore, when a control system is established, we have to compare the costs with the efficiency. We choose one of the fittest economic principles to be the control
system at the present time. Surely, it is very complicated and difficult to survey the necessity and efficiency about control. But any plan or control, basically, should first be tested for its effect and to be compared with the costs in advance, for the standard of give-and-take.

In short, an excellent control must conform to the humane demand. It should be easily understood and take care of pride of relevant members. Moreover, it should be consistent in rights and duty, matching to the original system of the organisation. The system not only can follow up where the differences happened, judging the responsibilities, indicate the causes of differences, but also adopt suitable correction timely. Besides, a suitable control is a good control; otherwise, it brings unnecessary waste. In the principle of being economic, choosing points and efficiently control depend on the speedy and correct conveying system. It conveys the information about differences to the managers so that they can do necessary correction right away. But, we still think that controlling affairs and things should be as scientifically as possible; controlling people can be done in a more artistic manner. And, the speedier the correction for affairs and things is, the less loss is; while the milder the correction for people, the better.

Meanwhile, in proportion of "increasing benefits" and "preventing errors", the managers should adjust carefully to make it reasonable. "Preventing errors" is very important. But, if the costs are mounting up too much just for "preventing errors", even damaged to "increasing benefits", we should do an objective evaluation between these two to obtain more benefit and fewer errors. We can not sacrifice "increasing benefits" only for "preventing errors". In other words, at the same time of controlling the costs, we have to calculate it too. Surely, considering "increasing benefits" and "preventing errors" in the necessity of settling other people down, one
can discriminate the standard of benefits and errors. Therefore, settling other people down is also the highest standard when judging control.

VII. 1. 3. The Change of Control

A suitable control means to use suitable money, people and materials on suitable matters. Meanwhile, the control must face the unprecedented things, including the changes of environment and projects, by a way of flexible handling. Therefore, the control never means to be fixed, but means of a changeable method on the principle of "humanisation, economisation, clarification, organisation, flexisation" in reality.

The "Change" of control is explained as follows:

1. Adopting simpler method timely, and fitting the demand of humanisation as much as it can be. There are many methods usually used in control: (Chiou, 邱康夫, 1975)

a. Budget: the widest used approach. It presents the project in certain period in future by numbers and controls in the principle of concrete budget.

b. Statistical Data: for business affairs, carrying out the statistical data to obtain related information is an effective approach of control. If shown by figures, we gain more efficiency.

c. Special Reports and Analyses: we give special reports and analyses for special problems. It means that excepting regular statistical analyses, to make further reports and analyses on special problems which are not quite understood.
Figure 7.2 Break Even Point Analysis

d. Break-Even Point Analysis: break-even point figure shows the sales amount, and related benefit and the standard of fees. It clearly shows the break-even point. Although figure 7.2 shows benefit proportion as a point and neglect the influence of fixed fees, it presents an efficient control approach in beneficial decision.

e. A control according to organisation and procedure. The organisation is the active standard for the server of business affairs; while the procedure regulates the methods and orders of business activities. Therefore, control according to organisation and procedure means control according to business activities by
standards. It is an efficient approach too.

f. Internal audit: it is good to base on the internal audit which is made by the supervisors in the organisation. It helps us not to waste or lose resources, and to reduce risks.

g. External audit: asking accountants to carry out external audit.

h. Personal Observation: surveying people directly makes up for the short-comings of the control method which relies on numbers only.

All these methods can be divided into four levels: survey, report, analysis, and correction. In addition to the action in each step, the methods should be simplified as much as possible, to make the members understand them, and the managers should do suitable adjustment to make it economically effective and acceptance by the members.

2. Adjusting standard adequately to promote controlling action. Control should be based upon the principle of the standards set up previously, including the following five types (Chiou, 邱康夫, 1975):

a. Physical Standard: the foundation level of business activities. It can be used to test labour, production, and the quantity of materials. For example, the man-hour of each production unit, the consumption of each horsepower, the ton-mile of each lorry, the production of each machine time, all belong to physical standard.

b. Cost Standard: the foundation level of business activities too. It is used to calculate the costs on carrying out plans. For example, the direct costs and indirect costs of production for each unit, the labour costs of production for each unit, and the costs of sales amount for each sales unit, and so on.

c. Capital Standard: often used in the matters of capital investment. The most common one is the profit ratio of capital. Additionally, there are the flow ratio,
fixed ratio, liability ratio, and stock ratio standards, etc.

d. Revenue Standard: related to sales amount. It is presented by the ratio of the benefit of sales amount for each unit, the average sales amount of each customer, the individual sales amount in each area, and so on.

e. Intangible Standard: used in the area that cannot be measured by quantity. It is often seen at the stage of the managerial activities in the enterprise, or in the scope of closely relating to the resource of people relationship. They can not be quantified. Therefore, a formless standard is needed.

No matter what kind of standards, it is better to keep them suitably steady. However, in the beginning, we should measure the reality to set the standard. If there is serious change from outside world, the standard should be followed up to make suitable adjustment.

3. Choosing a suitable control system to suit the technical style in the internal organisation. The manager can choose among the following in accordance with the production procedure in the technical department.

a. The produce to order procedure. From aircraft carrier, nuclear power plant, skyscraper, traditional residence, to printing occupations, they all belong to produce to order style. It is for workers to expand individual thought, concept and creativity. They are not controlled by technical system. On the contrary, they control the progress of their work. Therefore, they pay attention to human control. That is, they depend on the self-control of employees and supervise with a detail plan. Only few are controlled by machines.

b. Mass production procedure. The production of cars, motorcycles, and baby foods which are produced by assembly lines belong to the mass production style. The feature is that they are divided into extreme details, set very strict working methods, and control the progress of work by the speed of assembly lines. The work is
duplicated, it is impossible to be creative; time and speed are fixed, the labours are controlled by severe restraint and domination. It is easy to bring about labours' boredom and isolation by entirely mechanic control. Therefore, the procedure must match with the man-made regulation to obtain efficiency by control and encouragement.

c. Continuous production procedure. The majority of chemical industries become a continuous flow system. Its feature is continuous production activity. Continuous investing brings continuous production. The actual activity is operated by machines entirely. The labours do not operate the material itself but supervise the production procedure by operating the switches and analysing the work. Each group of members are responsible for a part of expensive chemical equipment. They do not feel to be controlled by the machines, or belong to the rotation of the machines; they feel that they are in control of the equipment. With this type of production procedure, labours obtain satisfaction easily. It is based on non-human mechanic control.

4. Making use of the informal organisation to compensate the short-coming of the formal organisation. Surely, the control is progressive with the organisation system. Otherwise, they become disjointed and inconsistent between rights and duty, and difficult to be corrected. If the formal organisation is short of something, it is necessary to use the power of informal organisation suitably. Especially in the aspect of correcting people, if they can be encouraged through the colleagues or the elders of the concerned party, it would be half the effort and double the results. No matter how it is, in the end it should be done according to the method of the formal organisation, adopting suitable approaches is the way of clarifying public and private.

5. Suitable encouragement to control the costs. According to the reality to set...
reasonable system of encouragement by salary. It is closely related to control labour costs. In addition to basic salary, the labours would work very hard to increase production in order to gain some bonus which comes from the over-target production. And the bonus comes from only a part of the benefit by over-target production. All surpluses belong to the company, because the result of increasing production not only reduced the costs for labours in each production unit, but also the indirect costs in each production unit relatively. Even the costs for supervisors is saved. This is a double advantage. However, it is necessary to prevent bad quality of the goods when setting up the incentive system. Do not neglect the quality by getting work done faster.

6. Training the employees suitably and timely to enforce the personnel control. The Chinese style management hopes to pay attention to personal dignity and the promotion of personal reputation and worthiness. Therefore, for people, it is better to emphasise training in order to make them self-control completely. For promoting efficiency, the organisation needs to control the unsteadiness, changes, and self-motivation of individual behaviours. In the great principle of settling people, only by training employees suitably and timely, can the organisation control unnecessary changes, enforce reasonable self-motivation, and insist on the principle of “the rights never leave the classics” in unsteady situation.

7. Adopting suitable control approach to match the outside changes. Generally speaking, it is easier to control the changes within the organisation; while the changes from outside is more difficult to deal with. Besides, there are many outside conditions in an unknown and unstable situations, and that increase the difficulty of control. For reducing the pressure from outside, the enterprise usually adopts two methods. Let us take a look at the following explanation (Peng, 彭作舟, 1973):
a. Insurance. For example, the fire insurance for factory building and materials, the water insurance in the carriage of goods, the war insurance, the credit insurance for payments, etc., are planned for the future of accidents in case.

b. Prediction. It is a work of doing the best and facing the fate. That is, predicting the possible changes as best as we can in order to adopt suitable handling approaches.

8. Compromise timely to dissolve the problems coming from the control. Compromise is the main condition to make the control successful. If all departments connect to each other closely, the common goal is easily accomplished. Or else, the working efficiency is possibly influenced by different policies and opinions. (Peng, 彭作舟, 1973) Chinese pay attention to harmony specially. Any manager must be engaged in the compromise among departments so that he obtains better control. How to reach the goal is based on the suitable expedience. He can not reach the goal without considering many sources carefully, for example, the valuation of the members, the structure of the organisation, the system of the rights, the unsure degree of risks, and so on.

VII. 2. Training in the Chinese Style Management

VII. 2.1. Model of Training in the Chinese Style Management

The Chinese management sees training as an important tool. The goal is to train the employees to be “ethical man” who can meet the requirement. When he acts as a “server”, for getting concrete, effective and welcomed service performance, he has to notice his own education, fulfil his own learning and skills, improve his own managerial ability, and maintain balanced development in both physical and psychological aspects. When he acts as a “receiver”, for increasing his own reaction
and presentation, he must be willing to accept related personality, professional, physique, and managerial trainings.

The manager at the highest level must provide his expectation towards the whole institute; that is to establish overall goals as the “No Change” of the development of the institute. The goals are written down to be the direction for all members. These are also the long term goals for all trainings.

The training are most effective when begin with newcomers. Anyone who wishes to enter the institute and work in effort must first understand the goals of the institute, the standard of requirement, the environment and the salary it offers. If he thinks these are reasonable or satisfactory, he is welcomed to join in; otherwise, he is better off to find a job somewhere else. Chinese claim that “fit to stay, unfit to go”. One who looks for a job must understand the environment, conditions, and the goals first in order to make a decision. Confucius said: “if the goals are different, people can not work together.”\textsuperscript{6} The institute which is looking for employees definitely should not be deceitful, it should recruit people who are with the same goals honestly and frankly. This is the basis of all trainings.

The trainings are better handled by the training committee. This way, the training programmes can be long term plans to process continuously, furthermore, the practical evaluations and effective usage can be generated.

The members of the training committee should consist of the staff who carry out the actual trainings in each department, or the ones who have deep understanding about every department well and have time to assist the trainings. The main function of training committee is to push any kind of training in the institute, in order to make the training projective, continuous, and efficient.

\textsuperscript{6} Confucian Analects. Wei Ling Kung. Pien. (論語, 衛靈公篇) Chap. XV.
There are usually five training principles available as in the following (Tam, 謝, 1976):

1. The tool principle: the training itself is not the goal but a tool to develop manpower. The function of training is to make people obtain or increase their working skills, knowledge and manners, moreover, to promote normal development in physical and psychology aspects and increase their managerial abilities. Any problems occurred through the lack of personality, professional skills, physical or managerial knowledge of the members are able to be solved by the tool of "training".

2. The marketing principle: the willingness to be trained is the important principle to hold training. The quantity and the quality of the training should meet the real necessity of manpower in order to avoid supply not meeting the demand or vice versa. The training committee should investigate the true necessity first and announce it to make the members understand, stimulate and adjust their willingness to be trained.

3. The overall principle: all members should accept training. The training committee must have an overall project, using different methods continuously or discontinuously to train the members in different levels. At the same time, the contents of the training should include personality, professional, physical, and management in order to accomplish a whole development.

4. The economic principle: the effect of the training is not necessarily meet the costs of manpower, finance, and time. As far as training is concerned, we should notice the training costs. We must try to use the most economic manpower, materials and energy to reach the most efficient result. Training is a long term investment, however, we should evaluate the benefits that the training would bring, and compare them to the costs. Otherwise, the disappointment caused by
the blind investment would create doubt towards the training function, and
becomes the obstacle for promoting training.

5. The managerial goal principle: there must be pre-set goal for training. If the
training result cannot reach the predicted goal, the training is in vain and causes
the waste of manpower, materials and time. However, it is not necessary to do
much more than the goal. Therefore, holding a training must first establish the
goal and set project to carry out. In the whole process of training, the leaders,
the teachers and the trainees can work together and achieve the same goal.

The necessity of training must be based on the employees' willingness to be
trained. Factors such as the standards, the course contents, the training needs and the
environment should be considered together. We do wish to decide the need of
training from the organisational viewpoint in order to avoid the problems of egoism
and incomplete training. However, it is necessary for the organisation to provide its
employees with the information about the necessity and future development of the
organisation in order to encourage their training willingness. We advise that the
training is held only when the employees are willing to accept it. This is the way to
obtain efficient education by self-motivation. Moreover, we hope that when the
employees are not interested in the necessary training which the organisation holds,
we must investigate the reason and communicate to each other patiently. A better
compromise project may occur.

Training requires a long term projects and then be divided into annual plan,
including setting training goals, raising training budget, designing training courses,
drawing up training procedures, setting training time, selecting trainees, and deciding
training approaches.

The plan should be carried out practically. The arrangement of the training
place, the preparation of teaching equipment, the distribution of teaching materials, and the supply of suitable teachers are all need to be coordinated to the real necessity so that we can carry out training activities smoothly.

Because the Chinese style management claims to point on in the four aspects, the personality, professional, physique, and management, the main items for reviewing the result of training are the above four too. For widening the training result, we hope the trained broadcast and pass the information to the un-trained. We include the trainees into the reviewing process for further encouragement.

There are three aspects in evaluating training accomplishment:

1. Self-evaluations of the trainees: good reaction of the learners is not necessarily prove effective learning. For helping the learners to self-evaluate, it is better to design a suitable self-evaluation sheet, which allow them evaluate the training effect at the end of the training.

2. Unit-evaluations of the trainees: the training unit usually adopts “the measurement of accomplishment in the classroom”, “written test”, and “progress records” to evaluate the trainees. The learning effect about “method” is measured easily. For example, the training of “working method, working simplification, visiting skills, presentation skills, reading improvement” can be demonstrated by the way of acting, individual practice, roll play and discussion to measure the learning effect of the trainees. The progressing situation of learners in the framing course can be evaluated by comparing the result before and after the training by the way of “measurement of accomplishment in the classroom”. If the content of the training are many theory and principle, then the evaluation is better done by “written test”. For example, tests before the classes, the mid-term test and the end of term test are used to measure the learning result. “Progress record” is mainly used in operation training.
3. The evaluations from the direct high level manager in the working unit. Knowing the method and principle is not necessarily able to use it. Except to evaluate knowing or not, the accomplishment of the training should include measuring the application. Therefore, the point of the evaluation for the former manager in the working unit is to measure the trainees’ working performance after the training in certain period, to see if there is improvement by training and how much they improved.

To integrate the three evaluations, the personnel unit can put the information in good use. There are five ways that the information can be used:

a. Selection: employ the one who passes the qualified training by his specialty.

b. Promotion: if a person who is qualified to be promote passes the training, his salary should be increased, or he should be promoted first. However, his duty should be increased to match the specialty too.

c. Changing position: the trainee applies training for certain specialty. If there is a position to match his specialty after training, he can be assigned to it by his training scores, in order to suit his with and promote working achievement.

d. Back to work: generally, the trainees who come back to work after the training; they should be encouraged to use what they have learned and make some progression.

e. Store: the stored talents are trained to wait for assignment. However, we should keep in touch with them and renew their personnel information periodically. Whenever it is vacancy, they can be assigned straight away.

To the institute or individuals, the training never stops. The institute should hold various kinds of training to fulfill the needs of its employees, also, it should keep on
following up and investigating, or carrying out review practices. The individuals need to accept relevant trainings for personal progression. Only "with the attitude of never too old to learn" can one develop and advance to a higher level.

According to the reality, institutes tend to pay more attention to specialisational training and managerial training in general, and get better results. The physical training usually follows a negative method, for example, carrying out clinical tests, or more checks on the workers in special departments in order to discover sickness and cure it; holding hiking, travelling activities or sport competition. However, the end result is far from ideal. Positive physical training is needed, but it must be suitably advised by doctors according to different physical situations and working background of different members. Then, the result should be arranged well with real situation. Owing to many reasons, there is almost no personality training. However, the abuses and drawbacks in an organisation are hardly occur without relating to personalities of the members. It reminds us how important the personality training is and we must pay special attention to it.

VII. 2. 2. The No Change of Training

The Chinese believe that through suitable and strict training, the weak can be tougher and tougher. Confucius said: "if a man teaches his people for seven years, he can make them serve army and protect the country."\textsuperscript{7} They all confirm the effect of the training. Confucius also said: "let the untrained people fight with the enemy is to sacrifice them."\textsuperscript{8} It tells us once again the necessity of training.

\textsuperscript{7} Confucian Analects. Tsze Loo. Pien. (論語, 子路篇) Chap. XIII.
\textsuperscript{8} Confucian Analects. Tsze Loo. Pien. (論語, 子路篇) Chap. XIII.
The Chinese style management has its excellent feature and complete structure. Unfortunately, for a long time it suffers from the conflict between the western world and the damages coming from itself. It is seriously losing control and showing lots of drawbacks. The modernisation of the Chinese style management means to restart from the very beginning, creating our own way. Therefore, the Chinese style management must restart with training!

The "No Change" of training is explained as follows:

1. From the angle of educating talented people. A fashionable way to plan or process trainings at the present time is to consider the projects from certain business viewpoints such as production, sales or management. However, these trainings do not produced perfect persons. From the viewpoint of educating people, we should treat training as four parts: 1. cultivating characters, developing wisdom; 2. learning especial knowledge and skills; 3. training bodies, developing health; 4. learning the abilities and manners of service; in other words, they are personality training, specialty training, physical training and managerial training. The final goal of management is to settle other people down. A long term training plan should be made in the principle of settling other people, it can not be considered solely on certain narrow point. Otherwise, the employees can not obtain a balanced normal development. The phenomena of unsettling and the drawbacks as mentioned above may occur, the gains cannot offset the losses.

2. Training personality aims at "Trust oneself, and trust the norm". The Doctorine of The Mean has it, "there are five norms for people to look forward to, and three moralities to carry out. The five norms are the relationships between king and courts, father and son, husband and wife, brothers, and friends. The three moralities the common people should carry out are wisdom, kindness and..."
The most basic relationship among people in daily life is called “norm”; while the conductive norm among people is “morality”. The personality training is to set every member of the organisation in the right position and make them fit to certain conductive norm. Therefore, we should “follow the norms”. It is chiefly because that everyone has “conscience” to distinguish between the good and the bad. “Self-confidence” surely makes one “do good and hate evil”. If one loses “self-confidence”, he would not be willing to do good things, there will not be morality any more. To be “self-confident and following the norms” must pay attention to “cultivating oneself”. That is why the Chinese style management begins from “cultivate oneself”. The steps of “cultivating oneself” is like what The Great Learning says, “one who wishes to train the body should educate his own mind first. One who wishes to educate his mind should be honest to his heart felt thoughts. One who wishes to be honest to himself should enrich his own knowledge. The key point is to research and understand the truth of everything.”

The following are the explanations:

a. To research the truth of something. The something means the happened phenomenon in this universe. The research is to “thoroughly study the truth of every phenomenon in the universe”. The way to research is known as adduction and deduction by the scholars in Song dynasty. The former is by the way of researching one thing after another, then the information is gathered to find general principles or norms. The latter is to figure out the unknown from the known. Both methods are the ways learned and used in the modern science.

9 The Doctorine of The Mean. (中庸) Chap. XX.
10 The Great Learning. (大學)
b. To be wise. The Great Learning says: “to research something and to know something.” Since the aim of researching is to know something, the wisdom surely comes after understanding the truth for everything. However, there are two kinds of wisdom what the Song scholars mentioned; one is the wisdom of morality; that is, our internal conscience, the other is the wisdom of general knowledge from the outside world. The Song scholars referred to the wisdom of morality, although they knew the technical methods, technology could not be developed. At present days, we should balance to both of morality and general knowledge to make up for the short-comings.

c. Be sincere. Sincerity means to get rid of evil mind and be kind. The Great Learning says, “sincerity means not to cheat oneself, hating evil just like hating smell and loving kindness just like adoring beautiful colours. It is called internal satisfaction. Therefore, a good man, even when he is alone, he would be cautious and never be too casual.”

d. Rectify one’s mind. To rectify one’s mind means to be honest, they can not be separated. Menius’s “rectifying the mind” and Wang Yang-Ming’s “getting conscience” are the methods of talking about being honest and rectifying mind actually. The whole point is honesty. It does not mean that rectify mind is besides honesty.

To realise, to get wisdom, to be honest, and to rectify the minded are all for educating oneself. The aim of self-education is to reach a perfect personality. As to enforce the wisdom of general knowledge, besides research of relevant knowledge and skills continuously, we can also coordinate it with specialised training.

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11 The Great Learning. (大學)
3. Specialised training. It should aim at "possessing working ability and accomplish qualitative work." The cooperation in a modern organisation is divided into great details. The learning chance and scope for working members are little, therefore, they should be trained purposely to widen their knowledge and increase their ability to fit new jobs. Because the modern technique is renewed daily, too much knowledge and too many new tools, new skills, new materials being invented continuously, we should train the employees more. If we do not, the future of the organisation would be affected by outdated knowledge of the members. The contents of specialised training are different among different businesses; however, the premise is the same to make employees possess working ability, to understand their tasks, duties, and managerial methods. At the same time, train them for working quality is also as important.

4. Physical training aims at "the health of both body and mind". By physical it means body and spirit. The principle of the physical health is to develop functional life and to prevent the limitation of the functional life at the same time. The principle of the psychological health is to educate the normal psychic situation that one fits in the society and to prevent abnormal psychology which causes obstacle in life. The physical training not only cares about the normal development of both physical and psychological aspects but also cares about the needs of physical health and psychological health of both the individuals and the community. The individuals in the organisation staying in the community should care about the whole development physically and psychologically, and of individual and community so that members in healthy and high with team spirit. Therefore, the physical training is not a simple body exercise, but the training of balanced development for body and mind, in the concept of uniting employees by "surviving together and being honored together" and "the sense of belonging".
5. Managerial training. It aims at “cultivating oneself and settling other people down”. The spirit of Chinese organisation is based on mutual trust and mutual dependence. Whole organisation activities are aimed at people for one and one for people. Therefore, “To serve instead of to manage” is everyone’s duty. Except pointing on the personality training, professional training and the physical training, the managerial training divides into five items as training points. They are the items of people, affairs, ground, objects, and time, explained in the following:

a. The management of people aims at “self-consciousness, self-motivation, and self-control”. Self-consciousness means to discover ego’s “conscience and ability”. Mencius said: “one is not a human without merciful and anguished heart; one is not a human without shameful and hatred mind; one is not a human without appreciative and humble manner; one is not a human without knowledge to distinguish right from wrong. The merciful and anguished heart is the beginning of kindness; the shameful and hatred mind is the beginning of morality; the appreciative and humble manner is the beginning of courtesy; the knowledge to distinguish between right and wrong is the beginning of wisdom. One who has the four merits is like having four limbs. If one who possesses the four merits tells himself that he can not do good things is giving himself up willingly and damage his gifted nature.”12 Self-motivation is based on the characteristics of individuals to expand their abilities. However, self-motivation is confused with self-desire easily, i.e. attracted by one’s selfishness to try to gain private benefits in the name of public. Therefore, one should have the means of self-control. Holding the lesson what Confucius said: “if the leader is right in behaviour, things

work out without orders; if the leader is wrong, his orders would never be accepted\textsuperscript{13}, we achieve the goal that one does his best within the spirit of expanding self-consciousness, self-control spontaneously.

b. The management of affairs. It aims at "surveying necessity, handling things, differing slow from quick, measuring importance and unimportance, setting former and latter, and being consistent." Things are dealt with in necessity. We should not produce affairs for nothing. When there is necessity, we should plan first, realising for making sure of direction and procedure, then processing it step by step with reference to "slow and quick, importance and unimportance, former and latter". When suffering difficulty, we should ask for breakthrough, especially asking for technical approaches to get rid of obstacles and promote efficiency. One who deals with affairs should be used to be patient and insistent all the way, as the last five minutes is the key moment to win or lose. It is necessary to be consistent so that affairs can be fully accomplished.

c. The management of ground. It aims at "dividing boundaries clearly, understanding the feature of stratum, improving it suitably, taking advantage of it." The managed place must be measured correctly, dividing territory clearly, and marking the source, recording the situations of ground value, transfer, division, and usage all the time. For knowing how to suitably use the ground, the feature of the stratum must be surveyed and understood. For matching with other use, it is necessary to improve what should be improved. To take advantage of the ground, we get the most benefit.

d. The management of objects. It aims at "realising the function, reasonable procedure, supplying in the right time, supplying the right quality, supplying the

\textsuperscript{13} Confucian Analects. Tsze Loo. Pien. (論語, 子路篇) Chap. XIII.
right quantity, holding in trust, vivid application, and the lowest cost”. The functions are different in every kind of materials and tools. They need to be distinguished in details, given classification, serial numbers, marking specification, amount, name, price, and usage. The process for the management of all objects is to employ simple and quick methods to save manpower and time, and to increase the circulation of objects. Therefore, it is necessary to set reasonable procedures for buying, receiving, inventory, and the handle of wastes. The supply of objects must meet the working demand of users suitably. The quality must be matched with the standard and specification what users required at work. The quantity must be matched with what users asked at work. The requirement of being right time, right quality, and right quantity will help to avoid the problems such as the work being stopped to wait for materials, produce low quality products: over supply to affect cash flow, supply too little to meet the need, influent working efficiency by over meeting the demand. Holding in trust of objects is based upon the principle of reuse. Therefore, we should take necessary steps to prevent the stored objects getting rotten, damaged, stolen, and fire. Maintenance and repairs should be accomplished too. To take advantage of the objects fully, we should vividly use them, compensate to each other, support mutually, and use coordinately in the principle of the lowest costs. By managing objects efficiently, we take advantage of them.

e. The management of time. It aims at “setting the starting point, regulating orders, following the schedule, blockading disturbances, being efficient, and cooperation.” Time is continuous and disappears in a twinkling. If we wish to use time and control time, firstly we should set the starting point carefully. The starting point should be set immediately as long as the planning for every project is complete. Then, we arrange suitable procedures by balancing the time sensitivity, importance,
order on the projects. The necessary period of time should be counted in the management. Therefore, to follow the common schedule is the best insurance for whole business. Otherwise, A being faster and B being slower are good for nothing. As to the disturbances caused by visitors, telephones, meetings, and so on, we need suitable blockade to avoid disruption and intruding any time. During the procession of every work, in the principle of quality guarantee, we should save time as best as we can. Therefore, time efficiency is also an important condition of time management. At last, we should rise good custom of delegation and decentralisation, for only this is the way to achieve real cooperation and fight for time effect. Fully using everyone's time achieves the efficiency of time.

6. The concept of the whole. It is a system of education, not a training in broken pieces. As to the direction of the organisation, the need of the talented is whole. Although the outstanding talents is precious, the complete cooperation by all members is more necessary. It is best to compose a training committee according to the long-term project of the organisation and train people in planned and systematic manners. Of course, a longterm project costs a lot of money, therefore, the sincere support from the chairman and every manager is necessary. Let them deem the training costs as installments towards a longterm investment. They should encourage and support the employees to join the training or accept the training so that the employees are settled and willing to take part. In the concept of the whole, the training, the investigation, the assignment, and the promotion should work closely together to achieve maximum effect.

7. Establish the concept of timely training as "no training today, regretting tomorrow", and follow it of one mind. The modern institutes pay attention to the manpower development gradually and realize that the development is composed of "education", "training", "selection", and "utilisation" four factors. These four
factors interlink with each other, every one is essential. "Education" establishes a strong foundation for raising the talented. "Training" increases the practical use of manpower. "Selection" discovers the trainable and usable people. "Utilisation" presents the efficiency of manpower. In the time of rapid development in science and technology, we often consider the "education" is not enough to meet the real need, instead, we pay more attention to "training". Especially when every institute combines training with employing people, promotion system, assignment, year-end review, and the settle measurement, we know that it is the most efficient way to educate people by ourselves. A timely training makes no regret.

8. Establish the correct concept of "training is our own business", and encouraging the employees to obtain further education and fulfil themselves. In the one way, the institute considers training is its own business just as mentioned above. In the other way, the employees should think so too, taking training as their own business. Chinese always say money is the thing that is not part of one's body, it could be lost of stolen, but education is once gained and lasts one's lifetime. Surely, the chairman and the managers must remember never be jealous, scare, and hurt the talented, so that is the first condition of manpower development. If unfortunately there is such kind of manager in the institute, he would become a big obstacle for training which we should try to change or get rid of it.

9. Pay attention to the training of the "software" rather than concentrate too much on the "hardware". The best training classroom and equipment can not guarantee any excellent training effect. The most important thing is the teaching quality. We should ask for the one who possesses "morality", "knowledge", and "ability" to undertake the responsibility of teaching. "Morality" means to set oneself up as an example and attract people to be good. "Knowledge" means expert
research and specialty. "Ability" means high skills and experience. Composing of the three features in one man is not necessarily possible. According to the Chinese standard, one cannot be a teacher without at least "morality" and "knowledge", or "morality" and "ability". At the same time, the training manager should notice the lack of "knowledge" or "ability" and make up for in effort. We do not deny the worthiness of the teaching aids such as educational films, projectors, televisions, and so on; but we emphasis more on the excellent teaching quality and the correct usage of equipment, for this is the key point of success or failure for the training.

10. The chairman and managers should improve themselves as an example and join actively. Generally speaking, the chairman supports the training. However, he thinks himself too busy to join in after the opening ceremony, he often disappears. Even when he joins, he either appears only briefly, or with impressive beginning and poor ending. Maybe he thinks the training means "I train the employees", or the employees accept the training, therefore, he is not willing to join in. He may be afraid of joining, for he may be the last to understand what the contents of the training is, and causes him to lose his respect. No matter what kind of reason it might be, he affects the interests and attention of the employees. It is not possible for the chairman and the managers to actively join every single training as not only reality would not allow him to do so, there is no need either. However, as to the relevant training, he should improve himself as an example and love to join it. Temporally, he needs to concentrate on training and gets away from everything. In fact, we usually feel that it is good for him to be trained.

In modern China, owing to the mistakes in the family education and school education, although their knowledge level rises very much. However, the manners
and moralities in people are worse than before. The training aims at specific purpose, but when the characteristics and moralities of the employees can not reach the required standard, the personality training is very important too. At the same time, not every employee can do the managerial affairs. Therefore, managerial training is necessary to all employees. The physical training aims at maintaining and developing the health of body and mind; it also is the common need for all members in the organization. Chinese people do not wish to be nobody, only living in narrow specialty all their lives; thus we rely on the training jobs inside and outside the organization by working together. In the one way, it compensates the lack of education. In the other way, we try hard to be a “whole person”.

VII. 2.3. The Change of Training

The organization and the individuals, are badly influenced by despising training, because it is possible to become outdated without progress. This is like what Chinese say: “learning is like peddling the boat. It retreats without moving forward.” Surely it is not the way to settle people down. It does not coordinate to the management. However, if the institute over emphasises training that would lead the employees to concentrate on fighting for joining the training and on presenting the effect of training so that they neglect general duties. Meanwhile, it is unfair to the employees who have heavy workload and has to concentrate on the work, or to those who always work hard quietly, not knowing or not willing to present themselves on the aspect of training. The situation causes internal job transfer within the institute.

The main goal of training is to educate a person to become perfect, i.e. to obtain the chances to expand oneself entirely in one’s whole life. Therefore, the four kinds
of training mentioned above such as personality, specialty, physical, health and management should be developed upon balance. Nevertheless, in practice, there must be the difference order between the former and the latter, the important and the unimportant, the slow and the quick. Even if there are long term plans, they would be changed with the progression of industry, the novelty of technology, the changes of products, and the difference of marketing. How does it fit with the real need? We need suitable expenditure to reach the goal.

We explain the “Change” of training as in the following:

1. Set the goal of training in accordance with the condition and need of the reality. Any level of training has its goal. It is the foundation for all training. At the same time, it makes the trainees understand the direction of learning and practice. It also gives the committees concrete standards to evaluate training efficiency and to investigate training scores. The committees should collect all the reality, possible limitation for adjustment, and related conditions carefully and to analyse them in detail, in order to establish the goal of training. The points are:

   a. Considering the real conditions and the possible conditions of the trainees: how willingly do the employees wish to be trained? How about their education background? Is there any actual experience? What is the scope and degree of acceptance? What kind of standard can they reach?

   b. Considering the real conditions and the possible conditions of the training equipment, teaching quality, and the teaching materials: what kind of equipment, teachers, and teaching materials are needed to achieving the expected standard and matching the trainees willingness? What is the present condition? Is there any possibility of increasing or promoting the level?
c. Considering the real and possible process of the tasks by the institute: does the chairman support them? Does the manager in the first level support or help passionately? Is budget enough? Is it possible to increase the budget? What can the training task possibly reach?

Generally speaking, we start at the third point mentioned above to set the training goal. We consider the processing degree of the institute itself; that is, to develop the training goal by the necessity of the institute. It is hard to care about the employees' willingness for being trained and would cause the abnormal psychology of being trained for the institute. It affects the efficiency of training. We suggest them to consider the point regarding the employees' real condition and possible condition firstly. In the one way, it can breakout the egoism of different departments, i.e. the production unit asks for the training to increase production only, and the sales unit wishes the training to help increasing sales only. In the other way, the intelligence of the employees and the willingness of accepting training are the suitable foundations for setting goals. Thirdly, the employees deem themselves as the “aimed man” to experience that all goals are accomplished by “self-form”. It is very good for the process of training. Surely, it also increases the efficiency of training.

If the employees completely lack of the willingness to accept training in the institute, it means that the timing for training is not mature yet. It is no harm to encourage the employees and wait for the right training opportunity. With the tendency of unwillingness, it means that there are some problems within the institute, which is better to be solved first. Situations change all the time. We have to survey from time to time and to coordinate with the above related conditions in expedient so that we can correctly set the standards.

2. Decide the training categories by the real demands. In establishing the training
goals we consider various kinds of related conditions carefully. Therefore, we now can decide the training categories. For example (Tam, 譚仰光, 1976):

a. In-Plant training. The training within the enterprise, including any training held by the institute, no matter where the actual holding place is, it could be at work place or in the training centre.

b. Ex-Plant training, in contrast to the above, in-plant training, it includes any training that are not held within the institute, usually the training held in the public training centres, private training institutes or schools.

c. Public Training, the training held by professional institute managed by the government or the associations. The training is usually held in the place of the public training centres or in schools. The contents and goals are usually based upon on the needs of general employment markets or the common needs of certain profession. The main aim is to coordinate the employment guide and to educate the skilled workers for foundational professions. In the one way, the training gives job seekers or school leavers who are looking for the jobs skill. In the other way, it provides some new technical staff who possess basic skills. Generally speaking, we do not consider this kind of training for the employees.

d. Pre-Service Training, the training prepared for the formal employment or for a newly formal employment, in order to join the work force quickly and become competent at work, or to take further training at the work.

e. In-Service Training, the training for the employees in order to improve the working skills and knowledge in their position. It does not matter where the training is held, it could be the places inside or outside the institute and the working area.

f. Entry-Worker Training, that is the training for the one who is in his first job, or
for the one who is a newcomer in the unit. The goal is to make the newcomers competent at their work quickly.

g. Basic Training. It is the basic skill and the related knowledge for certain occupation or position. The aim is to make the employees accept further special training or specialised training in the future.

h. Specialised Training, in the scope of special skill and knowledge on certain occupation or position. It is the training for reaching certain standard.

i. Up-Grading Training, the training for increasing or improving knowledge of the employees. After up-grading, there is one review in every period, called renewed training.

j. Accelerated Training, i.e. speedy training. Using technical analyses to analyse certain work in certain occupation. After resolving to many simpler skillful groups and deleting unnecessary knowledge and theory, we tidy up and combine them again to carry out. Then, the trainees would learn rapidly in the shortest time.

k. Apprenticeship Training. It is a technician education system combined with training and education. With the progress of society, the development of the labour administration, and the evolution of the method and system, the apprenticeship training gradually becomes a cooperating system of development and education.

l. Foreman and Supervisor Training, the training for the foremen and the basic level managers. It is usual for the training to concentrate on basic managerial skills.

The general choice is according to the following approaches:

a. When there are many newcomers, the newcomers training is unitedly held by
the personnel unit. When there are only a few newcomers, the training can be held by the unit leader or alternatively on a one to one basis. When the newcomer is at the higher level, there should be the pre-service training, and it can be held at the same time with the training for reserved staff.

b. New managers should take part in the pre-service training. The employees or the managers must be trained in service because the changes of business affairs or the development of new technology.

c. The foremen and the supervisors should be particularly trained in four aspects of "J", they are job relation, job method, job instruction and job safety. These trainings should be refreshed periodically.

d. The crush course training method is adopted when a large number of technical manpower is needed in a short space of time. However, the basic and specialised trainings are to be carried out in turn periodically to widen their transferability and development which the future training is based.

e. Dealing with the long term training for the new skillful men or the technicians, part-time off-rite training could be arranged in order to overcome the limitation of the teaching quality, environment, training equipment and teaching materials in the in-plant training.

f. Within the limits of the law, the training for necessary skillful men and the technicians can be carried out by the system of development and education.

g. The managers at the high level should be trained on the job by the chairman. For example, the chairman invites the manager to apprentice, visit, attend lecture, or be trained, and asks him to be the teacher of training courses in order to push him to educate himself.

h. The chairman can join the training pointedly. On the one hand, he improves himself as an example to encourage morale. On the other hand, it is good for himself.
3. Decide the training style according to the reality. Owing to the different place, time and method of handling training, there are different styles of training to be chosen. We choose the most appropriates one to arrange and process training lessons. (Tam, 謝幼光, 1976) The different training styles are described as follows:

a. On-the-job training. That is the training on the job. The employees are trained on their jobs, by taking the real works as media.

b. Off-the-job training. The trainees leave their job and to be trained in the training centre, or training class or the outside training institute. That means the training is processed off the job.

c. Full-time training. Instead of normal working schedule, the members are trained whole day without working.

d. Part-time training. The members spent part of their working hours away and to be trained. It could be a couple hours a day or a few hours every few days.

e. Day-release training. Let the employees join the full-time training by taking one day off every few days.

f. Block-release training. Let the employees join the training for a few days, for example, a half-month training in every half-year, or a-month training in every one year.

g. Sandwich training, the training in turns. The members work for a period of time, then accept training for a period of time, then back to work for a further period of time, then accept training again and so forth. It is carried out step by step in certain system just like a sandwich.

h. Modular training, known as unit training or ladders style training. After analysing and tidying up the whole skills and knowledge of certain profession, we compose the related items and independent skills and knowledge as a unit.
It is called a module. Several modules can be combined or connected to become a big module when necessary. We can flexible combine one or several modules together according to the actual requirement.

4. Offer the members training chances or budget in real necessity and let them choose freely. If the training willingness is similar, the same training can be held by collecting more members, then it is better for the institute to hold the training itself. No matter inside or outside the institute the training takes place, the institute should process and carry out the training in the principle of offering training chances and satisfying members' request of self-development. However, if the training willingness are different, to hold the training by the institute itself is very difficult or not economical. It is better to issue funds as the training budget. For example, the members accept training elsewhere with full subsidy, part subsidy or certain subsidy offered by their institute each year. It is deemed as a waiver if one does not use the subsidy, as it can not be used in other situations. Many institutes provide financial sponsoring system by which is based on the members' training progress. For instance, one who gets "A" in training is offered full subsidy; one who gets "B", half subsidy; one who has "C" or "not qualified", no subsidy will be available. It is important that the sponsoring policy should be publicly announced in advance, not adjusting suddenly, in order to avoid complaints.

5. Hold the post training seminar in where every one exchanges the insight to strengthen and widen the training effect. In the situation where many employees are trained together, although there is evaluation at the end of each training, the benefit is still limited in certain people. Through making use of monthly meeting or some time to arrange the trainees to offer the insight, the trainees would make a tidy report carefully in order to present it to the general audience.
and to compare with others reports so that they gain certain sense of success. If there was only one member joining the training, the leader should tell him in advance that he is the representative of the whole institute to join the training. As he is obligated to report his insight after the training and he has to be earnest especially for the task is very important.

6. Control timing to arrange every kind of training. The newcomers and new managers should be trained suitably if their willingness is high. Before formal promotion, it is also a better time to ask them join in training. In bad general economic situation it is a good chance for training in turns. Institutes should make good use of the chance to plan for a better production and economic prosperity. Many institutes cut the training budget first when bad economic prosperity comes. It is the biggest mistake. It is usually hard to be efficient for personality training when no one is interested in it, however if you make use of the bad economic prosperity, the employees are more willing to listen to it. Or, before warning and punishment, it is especially effective for personality training when there is a mistake. We suggest especially that the new manager should be trained, or it is to do harm to be led by a man who lacks experience at the beginning, and becomes arrogant after years of groping, declaring wrong as right, bad as good.

7. Suitably use the method of handing in report insight papers in order to encourage the employees to read and educate themselves. Many people believe that it is not enough to rely on the original skills and knowledge. People would be not kept update if they do not accept new knowledge. Many institutes, for the managers claim and pay attention to, adopt subsidy approach to encourage their employees buying necessary books. But they have to hand in report papers, or the subsidy would be taken back. Therefore, a “reading report seminar” is established by the
consideration of “one reads for the benefits of the others”. Assign someone to prepare a certain title, to collect and digest related information then to report it to an audience some time. By discussion, everyone increases the chance to communicate and exchange knowledge. They also can invite a member to be the critic in advance, apart from listening carefully, he would provide some opinions to lead the discussion. Through this approach, the managers can easily observe the thinking and presentation abilities of the employees; it is a good training too. If necessary, it is no harm to consider the attendance and report into year-end review, for increasing everyone’s attention.

8. Hold travelling activities suitably with kinds of training together. Travelling is one kind of welfare and propaganda. However, it is a pity that few people see it as a good chance to hold training. It is a kind of training of team life for raising good customs, such as obeying traffic rules, noticing driving safety, maintaining public cleanliness, taking good care of flowers and trees and public matters, and so on. It is good for maintaining the working equipment and the cleanliness of the working place. It is better to assist the employees to travel abroad, by arranging for them to visit relevant institutes, obtaining communication in working situation and skills, adopting others’ good points to make up for our drawbacks. They must be able to bring back some new concepts and approaches. However, we can not help pointing out that it needs proper arrangement to take travelling or hiking as training. There must be feedback from the employees too. It can not be accomplished without careful planning.

9. Adopt the method of increasing managers’ authorities by training gradually. Giving authority is an indirect training. It educates the managers to think and solve problems. The authorities can be given gradually to make the one who accept them know that “the authority came from his own effort” and that he has to
cherish it. If he does not make good use of it, it would be withdrawn at any time.
The feature of the task and the predicted goal should be explained clearly before
giving authority. The one who is given the authority should become the main
unit afterwards, and should not be interfered at regular basis. He needs
communication and objective guidance to do his best and consider himself as
important.

10. Change personnel promotion timely in order to encourage the employees' 
education. Many institutes understand to keep members concentrating on job
and to present accomplishment in effort by declaring the principle of internal
promotion. However, they neglect individual education. Therefore, internal
promotion should be based on suitable education effect as supplementary
reference. Otherwise, they should consider employing outsiders. To conclude,
the managers should timely adjust the proportion of the training, accomplishment,
promotion and assignment because the unchanged "classics" is to combine them
into a whole relationship; while the changeable "rights" with the difference of
time and people are to maintain suitable function.

Others such as the quality of the training, the assignment of the trainees, the
rights, the duty and the payment of the working agent, inviting training teachers from
internal institute or from outside, the payment, etc., must be expedient timely. The
members of the training committees should measure related sources to make decision
cautiously so that the training efficiency can be improved.
CHAPTER VIII

CONCLUSIONS AND RECOMMENDATIONS

VIII. 1. Conclusions

The theory of the Change and No Change is to research the ways of keeping the norms and holding the classics. Also, it requires a expedient approach by the change of people, affairs, place, and materials. We explain the points in the following:

1. If the management of the institute is fair and honest enough, it should not only fight for its survival but also needs to have suitable developments, to prolong the life of the institute. *I-Ching* points out that “change” means “to exist long”. The sense of universe in the back-side of *I-Ching* hides a root-metaphor. No matter what kind of managerial group it is, only if its goal is fair and honest, no harm to the country and the society, it is granted as a family. It can exist for long, pass to the offspring, and is endless. This is the institute that can last forever.

2. “The “No Change” is “the norm”. The author considers that there are two meanings of “the norm” of *I-Ching* in management: the one is the ultimate goal of the management; the other is the principle to carry out the ultimate goal of the management and to guide the managerial activities. The former is thought as “settling other people down”, the latter is what generally so called policy, including the constitution, the law, the treaties, the rules, the contracts, the judgements, the announcements, the orders, the announcements, and so on. Both, in the theory of Change and No Change, are called “No Change”.

3. “No Change” means “the unchangeable in the ever changing world”, not “unchangeable absolutely”. The concept of “the unchangeable” is not “unchangeable absolutely” but “the unchangeable” in “the changeable”, i.e. “the
norm” in “the change”. Although the universe is complicated, the truth never leaves. No matter how every situation changes, we find the normal way of “the unchangeable in the ever changing world”. The managers should control the norms in the change all the time in order to “aim” at the goal, because there are alternative “aims” in each situation. That is, no matter how situation changes, there is “the aim”. “The aim” is “honesty”. It is the Chinese sense of “granted aim as perfect”.

4. “Change” is “to change reasonably”. The meaning of “changing reasonably” in *I-Ching* is “to change”. For those managers whose working philosophies are based on the changes of the internal and the external environments, it helps to check the guiding principle of the managerial activities. It is necessary to be changed timely. If nothing is changed in the world, nothing would happen, develop, weaken, or die, so as to the groups with management. Since there is not a management system which is “the perfect standard to be carried out without any obstacle”, and there is not an almighty management approach to solve all problems, we have to control the source of “timing” in order to require expedient change timely.

5. Management is asking for “Change not leaving No Change”. “Change and the No Change” can not be oppose to each other. The relationships between “No Change” and “Change” are “in the same feature” and “in the different feature”. The former is “Chagne not leaving No Change”. “No Change” is “the norm”. “Change” is “to change timely and going nowhere without the No Change”. For example, although “killing people to ask for survival himself” is an expediency, killing people is an abnormal conduct that disobey the classics and the truth. Disobeying the classics means bad, therefore, “the good man does not do it”. The latter is “opposition between Change and No Change”. Some people think that they have no choice but disobey the classics and act against the norms in the emergency. However, strictly speaking, “disobeying the classics and the norms” is not “Change” but “betray”.

241
“Change” of management, in the one hand, should “change timely”. In the other hand, it should “coordinate to the standard of suitable aim”. Therefore, we should require “Change and No Change” so that “it can not damage the basic peace by asking for a little benefit”.

6. The aim of combining “No Chang” and “Change” is to require the unchangeable “golden mean” for this time and place. Its usage is positive and progressive with the time, but retrogressive. Its function is based on the choice of reasonable, positive request for perfect and wholeness. Never negatively compromise because of emotions or momentary gains and losses. He also points out that “the aim” must be properly coordinated with “the time”. If “the aim” coordinates with the requirement of “the right time”, “suitability” and “to the point”, then it is the unchangeable “golden mean” for this time and place. The coordination of “Change” and “No Change” is just the combination of “the aim” and “the time”, also the most suitable policy at this time and place.

7. The ultimate goal of the management is to “settle other people down”. There are basic conditions for “settling other people” to form a common “policy” of the organisation. They are constructed as “Change” of the management. The conditions of settling other people, with the change of the time, must be adjusted suitably. Therefore, “Change” are “the unchangeable” and “the changeable” timely. For reaching the goal of settling people and making the policy carried out smoothly, they must find a best “Change” to suitably fit the reality during mobile situation. “Change” is “the changeable”. However, to require “the unchangeable” must keep the principle of “Change not leaving No Change” at least, never “opposition between Change and No Change”. For example, although all kinds of responsive approaches must be fixed, they are not to cause any damage to the accomplishment of the management.
8. "Change" and "No Change" must "be changed easily". There are three meanings for *I-Ching* mentioned above: "change easily", "the changeable", and "the unchangeable". "The unchangeable" is "No Change". "The changeable" is "Change". Both of them should "be changed easily" so that the employees "know easily and obey easily", expand the function of "Change and No Change".

VIII. 2. The Analysis and Evaluation of the Three Hypotheses

In the earlier chapter, the author mentioned three hypotheses, and they are:

1. The hierarchy of an organisation can allow many changes; however, it can be roughly divided into three different levels.
2. The three divided levels in an organisation are considered in accordance with the characteristics of the three elements - Heaven, Humanity and Earth.
3. From the standpoints of "change", "change with expedience" and "no change", the three levels within an organisation can co-operate with each other to cope with the rapidly changing environment.

The analysis of the above three hypotheses has been fully illustrated in a previous chapter. Here are the brief ideas:

1. According to the viewpoint of the TFO, an organisation is consisting of leaders and employees. However, these two roles can still be divided into many different detailed levels.
   From the standpoint of the OCT, an organisation contains leaders and employees. Within the leader level, there are again the roles of the management and the managed.
   Therefore, an organisation can be divided into 'top level managers', "middle level
managers", and "basic level workers" three levels.

On the "top managers" level, there could be just one person or a team, and it usually is in the status of in charge of people, and not controlled by another level. On the other hand, "basic level workers" which can have from one person to a great number of people, can only obey the orders. Between the two is the "middle level managers" who are in charge and being controlled at the same time. The number of people in this level could be varied from one to many. However, when we compare it with the top managers and basic level workers, the middle level managers can be divided into two or more levels and yet these levels still keep the same characteristic of in charge and being controlled at the same time. See figure 8.1

![Figure 8.1 The Three Levels within an Organisation](image)

Any organisation can be generally divided into three levels as T (top managers), M(middle level managers) and B (basic level workers). Within the M level, although there could be further levels of M1, M2 or M3, they still all basically belong to the M level. Even if there are only two persons in this level, one is the leader and the other is the employee, it is still better that a temporary staff can be
supplied to them occasionally from outside the organisation. Depending on the actual needs, this person is to co-operate with either the leader or the employee which, in order to solve some problems peacefully. For instance, the boss could ask his wife to play the role of temporary staff, or the worker could get his relative or friend to do the same. In conclusion, despite the size of the organisation, the number of the employees, any organisation can be generally divided into three levels.

2. According to the Three Talents in *I - Ching*, there are three fundamentals in nature, and they are "Heaven", "Humanity" and "Earth". These three fundamentals have their own special characteristics; details are given in chapter two and also Table 2.1.

If combine the three levels in an organisation together with the three fundamentals in *I-Ching*, we can see that the characteristics of both top level and heaven are very similar so do the similarity between middle level and humanity, and basic level and earth.

For a long time, the Chinese style management always adopts and exercises this kind of three levels with the three fundamentals in mind, and the result is very effective.

![Figure 8.2 The Relationship Between The Three Levels and The Three Fundaments](image-url)
Top managers do their best to model themselves after the characteristic of heaven; middle level managers earnestly learn the characteristic of humanity, basic level workers perform according to the character of the earth. Once these three can cooperate with each other, then the group power can be fully demonstrated.

3. The three levels within an organisation, either remains unchanged or keep changing from the top to the basic level, are both unsuitable. Because whether change or not, they all need reasonable adjustments. Through the discussion in Chapter four, we know that the top level changes, the basic level remains unchanged, and the middle level managers change accordingly, see Figure 8.3.

The top level managers need to change in order to meet the market and future needs, therefore their priority is to change; the middle level managers need to change accordingly, as they need to adjust and combine the top level change with the unchanged basic level; whilst the Basic level just follow the orders, no change is the priority of this level.

![Figure 8.3 The Co-operation between Change and No Change Within The Three Levels of The Organisation](image)

The Evaluation of the three hypotheses is as follows:
1. No matter how many members there are in an organisation, if one does not need to report to one's superior, then one is within the top level. Those who do not in charge of any other people are subordinates. If someone is responsible in reporting to him and yet he needs to report to his superior, then he is the middle level manager. This is the simplest way to divide the levels.

2. Since the members within an organisation can be generally divided into three levels, and heaven, humanity and earth have their unique characteristics. Therefore, top level matches heaven, middle level imitate humanity, and basic level follows the earth to present them. They work in harmony, and bring excellent results.

3. Whether change or no change, they both cause damages to an organisation's benefits. Only the three levels can co-operate fully within the change and no change, making sure the change is done adequately, not randomly; and follow the principle of "top level change, middle level change reasonably, and no change for the basic level". We will be able to ensure the organisation can adopt any change timely, and have a long-term business future.

From the detail analysis and discussion that the author offered regarding the above three hypotheses, we know that these are actually workable exercises that will not only benefit the organisation, but also improve the efficiency for the whole.

**VIII. 3. Concrete Recommendations**

There are three conceptual suggestions:

1. Do not take change and no change as two different concepts. The notion of pure change and simple unchangeableness is not a concept that can be reduced to
Human beings need stability and are accustomed to having no changes. But individuals also need changes to stimulate their evolution and progress. Thus we should take change and no change as a concept "which is the two side of one thing." We should establish a structure which "does not want to change or it does not want to remain the same."

Use "reasonableness" as the standard, making "change whenever necessary and no changes when it does not need it" as the principle and striving to "change to a reasonable extent." On the basis of this reasoning, the interpretation of The Book of Changes is not better than I-Ching in that the latter conveys more faithfully to the nature of the book, which includes both change and no change.

2. Nowadays we hear calls for "newness and change" everywhere, as if the world needs only changes and has no need to maintain some of the old things. Actually, everything has its standards for not being changed so that it will be able to respond reasonably. This standard for no change is "social responsibility." Any reasonable change should take account of public welfare and produce progress.

3. It is very easy to understand that there are three groups of people existing in our society. But it is a common human mistake to think ourselves are better than others in possession of foresight and are thus able to be positive about our changes. The author's suggestion is that before instigating change, we should evaluate the possible consequences a change may lead to and carefully consider them. When we are sure that the change being considered will produce benefits without harm, or more benefits than drawbacks, then we can submit our plans.

There are three suggestions on behaviour (Tseng and Liu, 1983):
1. Think we are not going to change first. Do not first think about changes. Why change for the sake of it? If no change does not serve the interests of an organisation, then we can consider ways to change. Figure 8.4 shows its process:

Overemphasis on contingency may cause misunderstanding by considering all changes to be good. So that not only the ones requiring change are changed randomly, but all things in change will change to an extent of forgetting their roots. In this way, it produces a sign of discontinuation, causing people unable to forecast any future changes.

The *I-Ching* in China was called "Pien Ching (...)"¹ in ancient times, really The book of changes. Later, in order to avoid people wrongly to relate it to change whenever they see "Pien(...)" (change), by making the effort only to the direction of change to an extent of random change that it is renamed *I-Ching*. Chinese teach children by informing them "do not change randomly" (不要亂變) because after they grow up, they will naturally change. It is not necessary to teach them too early. Anything changes simply for the pursuit of changes is not so good as making a change in due time to avoid random change and the more the worse.

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¹ Pien means Change, the Chinese character of Pien is “變”.
2. When it would be bad if we did not make changes, beware of disorderly change (Figure 8.5).
Figure 8.5 Must Have No Change or Must Not Change in a Disorderly Way.

In the due time for a change, prudent action shall be taken as well. Once a change is made, it will activate another new vogue. Some things look good now, but after a period of time, one discovers it to be not good but it is too late. Any invention, at the beginning of the practice, it is unknown whether it is advantageous or disadvantageous to human beings. Normally, after a period of time, one can realise its preliminary reaction. Therefore, in the time of change, one has to be careful in verification to verify the result of change to be advantageous and without harm so that one may try.
What is the standard of being good or not? If it is decided in accordance with personal subjects, then it is improper. The evaluation standard shall be based on morality. If it conforms to moral requirement, it is good; otherwise it is not good. Social responsibility is a standard, however, it cannot be use as an excuse; for example, one cannot manufacture harmful products and then donate a certain amount of money for the purpose of charity. These two cannot be counted as a balanced behaviour.

3. The decision regarding change or no change should be made with regard to the circumstances. We should consider if the matter is urgent. Unless it is urgent and we must be decisive, we should look at several alternatives to make any eventual change easier (Figure 8.6).

![Figure 8.6 See the Actual Circumstances and Respond.](252)
There are three suggestions on management:

1. Divide the organisation into three levels—top, middle and basic. The top level is made up of decision makers. The basic level is comprised of doers. The others belong to the middle level, which can be called managers. Table 8.1 shows the main points of the three levels.

<table>
<thead>
<tr>
<th>Top level</th>
<th>Handle</th>
<th>Decide the direction and strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle level</td>
<td>Manager</td>
<td>Plan and control according to established directions and strategies</td>
</tr>
<tr>
<td>Basic level</td>
<td>Operate</td>
<td>Work and accept control according to plans</td>
</tr>
</tbody>
</table>

Table 8.1 Main Points of the Three Organisational Levels.

The main function of the Top Level is to forecast future change, clarify the direction of change and decide the future strategy. If it is future oriented, change shall be the main principle. Upon encountering a problem, one had better not solve it in person because the site is in change and one may not understand it fully. If one takes action himself, it may often lead to impractical result. In case of a problem, one had better find a Middle Level staff to solve it. The Middle Level staff understand the existing condition better for they may be more familiar about the change at site and it is often correct if entrusting them to take care of the matter. The main function of the Middle Level is to make the direction and strategy established by the Top Level feasible and specific plan, then explain it to the Basic Level and control the execution process in order to successfully fulfill the goal. The Basic Level employees take action fully in accordance with the decided plan; in case of any exceptional abnormal case, report it to the leader to ensure quality, stability and outstanding result.
2. Match the three organisational levels with the three talents of *I-Ching*. The top level takes the Heaven as its standard and mirrors its characteristics. The middle level takes the human being as its standard and does the job of a human being. The basic level takes the earth as its standard and maintains the spirit of the earth. If all three levels truly practice the essence of the three talents, then the top level decision makers must bring their conscience to bear upon their decisions, the middle level managers must do their jobs whole heartedly and the basic-level employees should work with confidence (Table 8.2).

<table>
<thead>
<tr>
<th>Top</th>
<th>Conscience</th>
<th>Face future changes and set up development strategies with conscience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle</td>
<td>Attention</td>
<td>Respond whole-heartedly by matching strategies with current situations</td>
</tr>
<tr>
<td>Basic</td>
<td>Faith</td>
<td>Have faith in actually good job according to rules set up in the past</td>
</tr>
</tbody>
</table>

Table 8.2 Necessary Psychological Foundations of The Three Levels.

When facing the future, the top level must make judgments with their conscience in order to fulfill their social duties properly. When dealing with the present, the middle level staff should be attentive and have total control over current circumstances, skillfully making strategies easy to apply in order to reap the expected benefit of changes. The basic level people should have faith in changes launched by their superiors so that they will not blindly resist and oppose.

3. An organisation has to establish a common sense of belonging. Members must be convinced that they fit into the scheme of things and then play their roles to the full and cooperate together. When it comes to change or no change, all will change, some more quickly than others. The basic level people will be slow to change to the extent that they do not appear to be changing at all (Table 8.3).
Table 8.3 Different Paces of Change of The Three Levels.

<table>
<thead>
<tr>
<th>Top</th>
<th>Quick</th>
<th>Depending on changes in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle</td>
<td>Not slow, not quick</td>
<td>Depending on the present moment</td>
</tr>
<tr>
<td>Basic</td>
<td>Slow</td>
<td>Depending on the past regulation</td>
</tr>
</tbody>
</table>

When it comes to intellectual abilities, it is difficult to tell what kind of people have foresight, who have average talents and who are very insensitive. But we had better play our roles according to the positions of the three levels. That is, top executives must remind themselves to be forward looking and keep future changes under their control. They cannot afford to fail to forecast the future and should clearly set up directions for the organisation to follow. The Middle level managers must see themselves as belonging to the second group, whole heartedly pushing the top level’s policies and understanding the basic level. The middle level should bring together the top and the basic levels and find the best synthesis. People in the basic level need to restrain themselves to adhere to the rules of the organisation as they are insensitive to stimulus. They must have faith in their superiors, make sure they do their jobs well and abide by the regulations. After gaining experience and accumulating knowledge they may be promoted to middle level managers. It is only at that time that they are allowed to express their abilities in responding to changes (Table 8.4).
Top | Forsight and forward-looking | Be alert to the changing future
---|-----------------------------|-----------------------------
Middle | Less sensitive | Use current changes in matching up future changes
Basic | Absolutely insensitive | Accumulate work experience to learn lessons

Table 8.4 The Three Levels Take Different Responsibilities Towards Change.

In the appointment of personnel, those who only know how to obey orders and do not possess spontaneous abilities should take stable jobs at the basic level. If a person can accumulate experience, find appropriate alternatives to cope with changes and know how to make suggestions to his superiors in accordance with procedure, then he is qualified to become a middle level manager. These middle staff should possess the firm ability to cope with changes, be able to gradually express their forward looking thinking, be concerned with the future and predict accurately how it will go. If a middle manager exhibits these characteristics, he may one day become a top level executive.

VIII. 4. Suggestions for Future Study

The main purpose of this thesis is to research the issues arising from "the change" and no change in management", which the author hopes will, with proper coordination, lead to the integrated effects through the harmonious synthesis of the three levels. But several relevant problems need further study. The author highlights what follows the questions that arise from this thesis, in the hope that other academicians will look for possible answers.

1. The relationships between managerial philosophies and managerial science.
Philosophy researchers often wonder whether China has any philosophies at all. Chinese philosophers do not like Western philosophies that are much concerned with prudent structure and thinking methodology. In the West, philosophy is a mode of thought used to gain knowledge; people study because they want to study. In China, philosophy is applied to emphasises on the link between knowing and doing. If we are going to separate managerial philosophy from managerial science, will it benefit management? Western managers emphasise managerial science and overlook managerial philosophy. Is there a close relationship between these two things? Is it necessary to make any adjustment? If so, how do we adjust in a reasonable way?

2. The applications of I-Ching management on other facets.

This thesis only mentioned the essence of the three talents in I-Ching. The author did not mention the other facets of I-Ching. In fact the principles of I-Ching are applicable to many facets of management. It also awaits other professionals to conduct further research.

3. An investigation of the Chinese style management.

This thesis studies on the Chinese style management. Because the Chinese have fallen behind seriously in the development of technology over the last one hundred years, they lack confidence in talking about their style of management. Though of late, the economies of Taiwan, Hong Kong and Mainland China show progress, the Chinese are used to being polite about their cultural heritage and, because of this principle too, are reluctant to discuss Chinese style management. However, with the gradual formation of the global village, it appears that the Chinese should quickly abandon those perspectives that encourage them to believe "everyone should use Western standards in the conduct of researches and investigations." The Chinese should put into writing their special modes of
thoughts and standards of evaluations as much as possible, to facilitate mutual understanding between the Western and Eastern cultures.

4. Research on how to respond to variations appropriately.

In this thesis the author mentioned rules to cope with changes, but obviously the author's points were not made in depth. The coordination of change and no change will resolve part of the difficulties we encounter during the processes of contending with difficulties. What is more important is why we are going to respond to changes, a necessary skill that management must possess. The author expects other experts and academicians in this field to conduct further in-depth research regarding rules on responding to changes.

The continued studies for the above questions facilitate to correct judgment of change or no change because the option of change or no change is hard to be identified. Normally, the ones requiring change are not changed while the ones requiring no change are changed to cause a defective result. Such problems are related to this study, yet it is obviously beyond the scope of this study; it is recommended that the people interested in this subject make further study to provide more clear judgments and establish criteria concerning change or no change for more flexible application.

There are several related problems suggested for further separate study:

1) The relationship between managerial philosophies and managerial science;
2) Modernisation of TFO and OCT managerial philosophies;
3) The applications of I-Ching management to other facets;
4) An investigation of Chinese style management;
5) Research on how to respond to variations appropriately.
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