

WHEN EAST MEETS WEST: A HARMONISED MODEL FOR PERFORMANCE AND INSTITUTIONAL ALIGNMENT TO MANAGE KNOWLEDGE PRACTITIONERS, THEIR PRODUCTIVITY IN A KNOWLEDGE-BASED ECONOMY

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Abstract

Background. Organisations now have to rely on knowledge-worker productivity rather than advances in production equipment to sustain their businesses. There is a quite remarkable contrast in the operating procedures between the “East” and “West” approaches.

Research aims. This paper explores how an amalgamated wisdom of East and West management approach can instigate a wisdom-based renaissance of humanistic epistemology to provide a platform of harmony in managing knowledge-worker productivity, one of the biggest management challenges of the 21st century.

Method. The paper invites further discussions from the social and business research communities on the significance of “interpretation realism” technique in comprehending Lao Tzu, Confucius and Sun Tzu’s philosophies written in “Classical Chinese.”

Key findings. This paper concludes with a call to explore how amalgamating Eastern cultural wisdom (favouring a humanity approach) and Western practices (favouring a performance approach) help to instigate business harmony and its impact on the management of knowledge-practitioners and their productivity.

Keywords: Taoism, Confucianism, Sun-Tzu, Drucker, Productivity

INTRODUCTION

Part of the rationale underlying the preparation of this article is based on the fact that one of the authors was working on an economic development project in East Africa in the 1960’s with David McClelland while, concurrently, in a neighbouring country the Peoples’ Republic of China (PRC) were conducting their own style of a development project. The contrast in the operating procedures between the “East” and “West” approaches was quite remarkable.

The “West” approach was based on using a counterpart one-on-one training program employing case-studies, role-playing, business games and involved overseas university-based training schemes for the national staff. Many of the relationships established at that time continue to the present

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day. The “East” approach, at that time, was strictly a foreign-based input that completed its project on a stand-alone basis in isolation from local input and, on concluding the project, the PRC project team simply handed over the infrastructure that had been completed and abruptly departed to take up other projects elsewhere.

Given the dramatic changes that have taken place since these original experiences that are continuing to change – the authors feel that a sampling overview of western and eastern approaches may prove beneficial in establishing future joint working relationships on the international scene

Eastern countries, with particular emphasis on China and India, are forecast to account for the world’s largest population group and a contribution estimated to account for over 40 per cent of the world GDP, equivalent to the United States and Europe combined contributions the International Bank for Reconstruction and Development (IBRD, World Bank, 2011). The 21st Century also witnesses the coming closer of Eastern cultural philosophies and Western management practices, although both managerial traits continue to possess diametrically different approaches. From the east we learn of the circularity of strategic thought compared to the linearity of western thinking.

This proposal prepares an overview of these approaches with a view to arriving at a complementary means of achieving a harmonised model between leading proponents of Eastern practices of Lao Tzu’s (老子 *Lǎo Zi*) (1, Appendix B) philosophies of “The Way (Tao), Confucius’ principles on humanity and Sun Tzu’s strategy on “The Art of War” to achieve knowledge-worker productivity as theorised by Drucker and McClelland’s “achieving society”.

What now follows is the rationale for a proposal to amalgamate wisdom from East and West management approaches to instigate a wisdom-based renaissance of humanistic epistemology (Rooney & McKenna, 2005) and provide a platform of harmony in managing knowledge workers and their productivity, one of the biggest management challenges of the 21st century (Drucker, 1999).

The Driving Force

In the era of knowledge-based economy, more and more organisations now have to rely on knowledge-worker productivity rather than advances in production equipment to sustain their businesses. Peter F. Drucker, the father of modern management, puts it:

Knowledge worker productivity is the biggest of the 21st century management challenges. In the developed countries [industrialized economies] it is their first survival requirement. In no other way can the developed countries hope to maintain themselves, let alone to maintain their leadership and their standards of living (Drucker, 1999, p.136).



Most successful business executives and managers today will agree with Drucker about the critical need to improve the quality of their knowledge workforce and their productivity. They would also agree with Drucker that innovation is the key to sustainable long-term organisational growth. For business executives, making their knowledge workforce productive is their management task for the 21st century, just as making manual workers productive was the management task of the 20th century.

The 20th Century witnessed the dominance of the Western industrialised economy with acknowledgement to the product of Taylor's (1911) scientific management method. The Scientific management method worked during the "Second Industrial Revolution" of the mid to late 19th century and the structural changes triggered by the Great Depression and both World Wars in the 20th Century. In recent years, emerging economies, Japan and China leading the charge, promote industrialisation not only through advances in production equipment and scientific management method but also with their Eastern culture, to underpin the industrialised economies.

No doubt the scientific management concept has been seen to work and may still be seen to be a dominant management practice today. Traditional Chinese culture has placed China in its economic dominance (except during the last decade of industrialisation) throughout its 5,000 years of history. It has been noted that the Chinese ways of communication can be seen to be relatively indirect (tend to be defensive) and mediatory in culture, while western ways of communication may reflect a relatively direct approach (tend to be offensive) and litigious in culture (Goh, 2002). With China again emerging as an economic super power, a study of amalgamated eastern and western management cultures should diversify the management of the knowledge workforce, where productivity in today's knowledge-based economy takes into account the advantages and limitations of the two approaches complement each other (Gupta, 2011).

It is almost without argument that the three Chinese classics of Lao Tzu (老子 *Lǎo Zǐ*), Confucius (孔子 *Kǒng Zǐ*) and Sun Tzu (孫子 *Sūn Zǐ*), shortened to Lao/Confucius/Sun, have been embodied in the Chinese culture for over 2,500 years. Comprehending Lao/Confucius/Sun's philosophies takes the first step towards understanding Chinese culture. At the same time, arguably, these three philosophies have also influenced Western thinking. Lao Tzu's Tao Te Ching (道德經 *Dào Dé Jīng* often referred to as "The Way") is one of the most translated books in history next to the Bible and the ancient scripture of Hinduism—Bhagavad Gita (Mair, 1990). "The Analects (論語 *Lún Yǔ*)" by Confucius provides considerable bearing on the thinking of leading intellectual figures since the European Enlightenment (some have argued that Confucius became the patron saint of this movement (Makeham, 2008)). Sun Tzu's "The Art of War (孫子兵法 *Sūn Zǐ*



Bīng Fǎ)” is recognized as one of the most renowned masterpieces of military thought and business strategy.

However, interpreting Chinese subtlety in language and the yin and yang (², Appendix B) (陰陽 *Yīn Yáng*) circular synthesis employed in their mode of thinking is very different to understanding Western openness in communication and its linear analytical pattern of Platonic wisdom (Zuo, 2013). To further demonstrate the difficulty in comprehending Lao/ Confucius/Sun’s philosophies, in the Chinese language time-line, there are four written formats and over 250 dialects. The written formats are the “Pre-classical Chinese found in oracle bone scripts (甲骨文 *Jiǎ Gǔ Wén*)”, “Classical Chinese (古文 *Gǔ Wén*)”, “Literary Chinese (文言文 *Wén Yán Wén*)” and modern “Vernacular Chinese (白話文 *Bái Huà Wén*)”. The succinctness of “Classical Chinese (古文 *Gǔ Wén*)” tends to be poetic in nature. Comprehending the three classics from Lao/Confucius/Sun, requires a mixed approach of “interpretation realism”, combining logical reasoning behind “word splitting (拆字 *Chāi Zì*)”, “word occurrences” and “empathetic metaphor” followed by “poetic appreciation of word” (望文生義 *Wàng Wén Shēng Yì*) to interpret deeper into their thinking processes and philosophies behind the words written in early “Chinese Chinese (古文 *Gǔ Wén*)” in decorative scripts (³, Appendix B) (篆書 *Zhuàn Shū*) used in written Chinese about 2,500 years ago.

Interpretation Realism

Interpretation realism technique requires understanding the dictionary meaning of words used in the time period of around the 6th Century BC when Lao/Confucius/Sun’s philosophies are believed to have been written. “The Original Han Dynasty Dictionary (說文解字 *Shuō Wén Jiě Zì*) by Xu Shen (許慎 *Xǔ Shèn*)” provides the prime source of reference. It is because a meaning given to the same word used in that period could have a different meaning in a later period.

At times, a “word splitting” technique is used to interpret the word meaning from its “pictographically composed pictogram symbols (象形文字 *Xiàng Xíng Wén Zì*)”. Symbols are then studied for their meanings. “Word splitting” is a technique also used in word analysis often imitated in Chinese fortune telling. For example, the word “family” (家 *Jiā*) is made up of a symbol of roof “宀 (*Mián* or *Bǎo*)”, to represent “roof over the head” and a second symbol of pig “豕 (*Shǐ*)” to represent “wealth”. The combined symbol (Figure 1) of “宀” and “豕” forms the word “family” (家 *Jiā*).

The Original Han Dynasty Dictionary (說文解字 *Shuō Wén Jiě Zì*) explains further that the number of farmed animals (represented by the symbol “pig [豕 *Shǐ*]) belonging to a home-owner, indicates the wealth of that family. Family is where wealth accumulates. A family with wealth is



considered to live in peace and harmony (和諧 *Hé Xié*) in a traditionally agriculture-driven Chinese society.

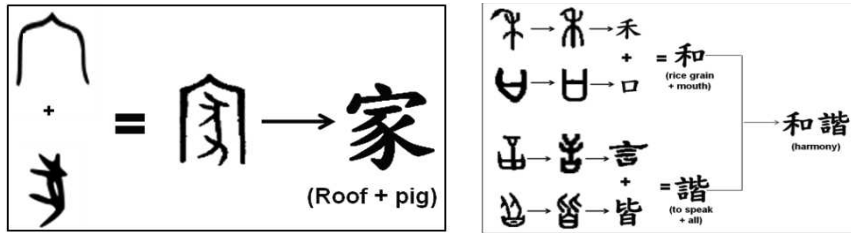


Figure 1. Word Splitting

Source: Developed for this paper.

The word *Hé* (和) comes from a compound pictogram of rice grain (禾 *Hé*) and mouth (口 *Kǒu*). *Hé* (和) literally means when people have rice (food), they feel happy and peaceful. The second word *Xié* (諧) comes from two words of “to speak out (言 *Yán*)” and “all (皆 *Jiē*)”. When combined into one word (言 *Yán* + 皆 *Jiē*), the word *Xié* (諧) literally means when all can speak out (Figure 1, right). Further reading into the two Chinese words of harmony – *Hé Xié* (和諧) refers to a peaceful state of mind when people have food (job security in business terms) and can speak out freely without the fear of retribution (again, in business terms). It is the implied Chinese meaning of *Hé Xié* (和諧) that is used to define the word harmony in this paper.

Another way to look at harmony, using music as a metaphor, is about the use of simultaneous pitches (tones, notes) or chords as musicians performing together in an orchestra. In the world of music, there are two key personalities recognized as the harmonizers. First is the music conductor of an orchestra. Much like the CEO of an organization, the philharmonic conductor ensures harmony of the orchestra. Second is the leader of an orchestra. The leader of an orchestra is a real knowledge worker where the leader is normally the first violinist, who controls the key to be played. Similar to a philharmonic conductor and the first violinist who lead and guide an orchestra to perform at its best and in harmony from the same musical score, management should strive to harmonize business operations to sustain growth through knowledge-worker productivity (KWP). The definition of “harmony in business” is, therefore, defined here as people working inter-dependently in a harmonious environment to achieve their goals with the knowledge that their jobs are secured and their opinions are valued.

INFLUENCE OF LAO/CONFUCIUS/SUN'S PHILOSOPHIES

Lao Tzu, Confucius and Sun Tzu are believed to have lived through the late Spring and Autumn Period (春秋時代 *Chūn Qiū Shí Dài*), 770-476 BC



and the early Warring States Period (戰國時代 *Zhàn Guó Shí Dài*), 475-221 BC, to witness the decline of the aristocratic order. Their philosophies provided remedies to the social turmoil of their period and promoted their desires to reinstate peace and tranquility (harmony) to contribute to the stability of the Western Zhou Dynasty (西周 *Xī Zhōu*), 1046-771 BC. Their philosophies described the observed behaviour of great leaders in “The Tao of Nature (無為之道 *Wú Wéi Zhī Dào*), of honourable people (君子 *Jūn Zǐ*) in “The Five Virtues of Nurture (五常 *Wū Cháng*)” and military leaders in “The Five Principles (經五事 *Jīng Wǔ Shì*).

At a high level of interpretation, Lao Tzu, Confucius and Sun Tzu’s philosophies (shortened to Lao/Confucius/Sun) focus on observed qualities towards behavioural (extrinsic) factors determining humanity of a great leader (as in Lao Tzu’s *Shèng Rén/ Shàng Shàn* 聖人/上善), an honourable person (as in Confucius’ *Jūn Zǐ* 君子) and a great commander (as in Sun Tzu’s *Jiāng Zhě* 將者) to achieve harmony in society. Western philosophies tend to rely on the intrinsic motivators of humanity to drive an achieving society for prosperity (Wong, Neck, & Yu, 2013).

Lao Tzu’s “Nature of Tao”

The oldest of the three classics of philosophies, Tao Te Ching (道德經 *Dào Dé Jīng*) of around 5,000 words in 81 chapters, is thought to be written by Lao Tzu around the 6th Century BC. Some scholars also believe Tao Te Ching (道德經 *Dào Dé Jīng*) could have been written by a number of anonymous scholars under the collective name of Lao Tzu. Chapters 1 to 37 can be grouped as “The Way” or “Tao (道 *Dào*)” and chapters 38 to 81 can be grouped as “Te (德 *Dé*)” or “virtue”. The third word Ching (經 *Jīng*) means a “classic”.

In a business context, Tao Te Ching (道德經 *Dào Dé Jīng*) can be described as “Nature of Tao” as a source of inspiration for business entrepreneurs to “develop” harmony in business to manage knowledge-worker productivity. Business entrepreneurs can learn from Tao to expand two key attributes of entrepreneurship in “commonly held values” with their high levels of creativity and “distinctive strategies” with their conservative risk taking (Jones, 2006; Wong & Neck, 2013; Wong, Neck, & McKenna, 2013).

Confucius’ “Nurture of Humanity”

The Confucius’s Analects, written during the Spring and Autumn Periods (春秋時代 *Chūn Qiū Shí Dài*), 770-476 BC through to the Warring States period (戰國時代 *Zhàn Guó Shí Dài*), 475-221 BC, are thought to be recorded by Confucius’s students from his teachings. Confucius believed social harmony and order could be achieved by practicing the model of earlier Chinese dynasties of peace and harmony. Confucianism is often described



as “food for the soul”. Abandoning Confucianism is like starving the soul of nourishment (Nan, 1966). In Chinese history, the Qin Dynasty (秦朝 *Qín Cháo*), 221-207 B.C., Confucianism was outlawed. It was believed that the First Emperor Qin viewed Confucius as a “subversive” and upon his command (212 BC), scholarly books were burnt and scholars of Confucianism were buried alive (焚書坑儒 *Fén Shū Kēng Rú*) (Sima, 145 BC).

In the era of Chairman Mao (毛澤東 *Máo Zé Dōng*), Confucianism was also outlawed during the 10 years of Cultural Revolution (1967-1977) because Confucianism was labelled backward, counter-revolutionary, reactionary and superstitious. Confucianism was banned and Confucian scholars were tortured (Hays, 2011). However, in the People’s Republic of China (PRC) 16th National Congress of the Communist Party of China (2004), The Party endorsed Confucianism as the strategic direction to achieve a harmonious society (和諧社會 *Hé Xié Shè Huì*) by 2020. In Chinese history, Confucianism was also reinstated as the State Governing Policy during the Han Dynasty (漢朝 *Hàn Cháo*), 206 B.C.-220 B.C. and has since, become one of the cornerstones of traditional Chinese culture for over two thousand years.

In a business context, The Confucius’s Analects can be described as a learned experienced to “maintain” harmony in business. Management practitioners can draw from Confucius’s teachings as part of their human resources management (HRM) practices (Wong & Neck, 2013).

Sun Tzu’s “Structure of Leadership”

Sun Tzu’s “The Art of War” is believed to be the oldest and most popular book on strategy. It is thought to be written by Sun Tzu (born around 550-540 BC). The book is a collection of Sun Tzu’s wisdom on military treatise exercised in his time as a general, written towards the end of the Spring and Autumn Period (春秋時代 *Chūn Qiū Shí Dài*), 770-476 BC and the Warring States Period (戰國時代 *Zhàn Guó Shí Dài*), 475-221 BC. “The Art of War” is around 6,000 words over 13 chapters. The book influences military thinking, business strategy and beyond. It has become a classic book on strategy for executives, marketing, sales professionals and military leaders.

In a business context, Sun Tzu’s “The Art of War (孫子兵法 *Sūn Zi Bīng Fǎ*)” paves the way for a holistic approach to “reinstate” harmony in business. Its principles on strategy can be applied equally in warfare as well as business to consistently improve sales and marketing performance (Wong, 2009). To reiterate, together with Lao Tzu’s “Nature of Tao”, Confucius’s “Nurture of Humanity” and Sun Tzu’s “Structure of Leadership” these three classical Chinese wisdoms form a platform to “develop, maintain and reinstate” harmony in business, a business environment to manage knowledge-worker productivity.



The Yin and Yang of Harmony

As discussed previously, Han's idealism (两汉理想 *Liǎng Hàn Lǐ Xiǎng*), Han's Confucian emperors, Tang's amalgam of three religions (三教合一 *Sān Jiào Hé Yī*) and the diverse ethnic heritage of Tang's emperors "reinstated" harmony in society. Social stability and economic prosperity of the early Han Dynasty—Western Han (西汉 *Xī Hàn*), 206 B.C.-9 A.D., led to the development of the Silk Road (絲綢之路 *Sī Chóu Zhī Lù*) for international trade over a distance of 4,000 miles (6,500 km) across the Afro-Eurasian landmass (⁴, Appendix B) (Smita, 2012).

In Chinese history, not only did the abandonment and outlawing spirituality in the culture of Confucianism, Taoism and/or Buddhism cause social unrest and disharmony, but also, in part, brought the down fall of the short-lived reign of Qin Dynasty (秦朝 *Qín Cháo*), 221-207 B.C. The disposal of the first Tang Emperor, Gao Zu (唐高祖 *Táng Gāo Zǔ*) by his second son was due to Gao's decimation of Taoist and Buddhist clerics (Sun, 2004).

This Yin and Yang pattern of "harmony and disharmony" appears to be a repeating pattern in Chinese history. Appendix A is a summary of the abandonment and revival of spirituality (predominantly Taoism, Confucianism and Buddhism) dictating the Chinese culture.

Overview of Western Productivity Theories

For the last hundred years, Western philosophies and practices primarily focused on (and to some extent still do) productivity derived from the scientific management method (Taylor, 1911) of work process for growth and prosperity. Knowledge-worker productivity is different. It is an advancement from the dated productivity improvement process developed from Frederick W. Taylor's scientific management method. Knowledge-worker productivity does not directly derive from the seminal work of F. W. Taylor, Gilbreths, E. Mayo, W. E. Deming or from other productivity improvement practices such as "work enlargement," "work enrichment" and "job rotation" (Drucker, 1999).

Table 1 is a sampling of an overview of the most influential productivity theories from Frederick Winslow Taylor's Scientific Management, Gilbreth's Time-Motion Study, Gantt's Task and Bonus System, Mayo's Human Relationships Movement and Deming's Total Quality Circle (TQC) of Continuous Improvement to the work of Mary P. Follet (1920) – the Prophet of Management, and Peter F. Drucker – the Father of Modern Management. Each of these productivity theories offers the respective theorists' insights into the factors contributing to productivity and contributed to the evolution of knowledge-worker productivity theory (Wong, 2012).



Table 1. Summary of Major Western Productivity Theories

| Concept/Year | Authors | Summary |
|--|------------------------------------|--|
| Scientific Management (1911) | Frederick Winslow Taylor | From craftsmen to manual workers where their tasks were optimised and simplified into jobs. Decision making process was taken away from workers. Workers became parts of a larger machine. |
| Time-Motion Study (1908) | Lillian Gilbreth and Frank Gilbert | A derivative of scientific management with psychology, time-motion study added. |
| Gantt's task and bonus system and the Gantt Chart (1903) | Henry Laurence Gantt | A derivative of scientific management based on task-bonus as humanised management way to improve process efficiency |
| Human Relationships Movement (1933) | George Elton Mayo | A derivative of scientific management emphasising the motivational effect of work groups on individual group member |
| Quality Management (1950) and Deming's System of Profound Knowledge | William Edwards Deming | A derivative of scientific management emphasising on Total Quality Control and the System of Profound Knowledge of working with customer. |
| The Prophet of Management (1920); Conflict Resolution; Group Principle; Power and Authority | Mary Parker Follet | The opposite of Taylor's scientific management. Holistic approach to management, problem solving, team participation in decision making. |
| Knowledge-Worker Productivity Theory (1999) | Peter Ferdinand Drucker | Improving knowledge-worker productivity through "tasks", "autonomy", "innovation", "learn and teach", "quality" and "knowledge worker as asset" |

Source: Adapted from Wong, 2012.

Knowledge-worker productivity is the term first coined by Drucker in 1999. Rather than adopting a scientific management approach, Drucker took a humanity approach in management in proposing productivity in today's knowledge-based economy. He warned industrialized countries that society achievement must come from knowledge-worker productivity rather than depend primarily on advances in production. It is because the role of productivity has shifted from manual workers to knowledge workers. By Drucker's definition

Knowledge-workers must know more about their job than their boss does – or else they are not good at all. "The fact that they know more about their jobs than anybody else in the organisation is part of the definition of knowledge workers (Drucker, 1999, p.16).

Drucker further defined the six major factors determining knowledge-worker productivity as summarised in Table 2.



Table 2. Drucker's Knowledge-Worker Productivity Theory

| |
|--|
| <ol style="list-style-type: none"> 1. Knowledge-worker productivity demands that we answer the question: "What is the task?" 2. It demands imposing the responsibility for productivity on individual knowledge workers themselves. Knowledge workers have to be autonomous and manage themselves. 3. Creating continuous innovation⁷ is part of the work, the task and the responsibility of knowledge workers. 4. Knowledge work requires continuous learning and equally continuous teaching on the part of knowledge workers. 5. Knowledge-worker productivity is not—at least not primarily—a matter of quantity of output. Quality is at least as important. 6. Finally, knowledge-worker productivity requires the knowledge worker to be seen and treated as an "asset" rather than a "cost" and who wants to work for the organisation in preference to other opportunities. |
|--|

Source: Adapted from Wong, 2012.

In this paper, the authors refer to all workers contributing to the knowledge of their work and productivity, manual or otherwise, as knowledge practitioners with the emphasis on striving for continuous performance improvement. However, managing knowledge practitioners and their productivity (KPP) still remains the biggest challenge for knowledge-intensive organisations to transform to face the challenges in today's knowledge-based economy. Two major barriers were identified in a recent study of a practitioner's approach to integrating work processes with Drucker's knowledge-worker productivity theory. They are "levels of workforce readiness" and "degree of workplace alignment" (Wong, 2012). Further investigations into KPP to address both readiness and alignment issues and the six Drucker's knowledge-worker productivity factors were continued. It is envisioned that an amalgamation of Eastern culture of harmony in society and Western culture of an achieving society needs might just provide a platform of harmony in managing knowledge practitioners and their productivity.

McClelland's Intrinsic Factors of an "Achieving Society"

McClelland's achieving-society theory (1961) attributes three intrinsic factors of motivational needs contributing to "an achieving society". They are the need for achievement, the need for affiliation and the need for authority and power. The need for achievement (n-ach) encourages a person to seek achievement, attain goals, advancing career together with an urge for feedback to arrive at a sense of accomplishment. However, McClelland also identified two other motivating factors that inspired people to adopt differing management styles. The need for affiliation (n-affil) motivates a person to interact with others for friendly relationship and to be liked. The need for power and authority (n-pow) drives a person to lead and influence with their ideas to prevail as well as working towards advancing personal status



and prestige. McClelland’s theory can be viewed as the intrinsic factors driving individuals to perform in an “output-centric business culture”.

An Amalgamated East Meets West Approach

To reiterate, amalgamating the extrinsic factors of Lao/Confucius/Sun’s philosophies and the intrinsic factors of McClelland’s theory of “achieving society” should help to bridge the gap between Eastern circular mode of synthesis and Western linear mode of analysis to develop, maintain and reinstate harmony in business in managing knowledge-practitioner performance. Table 3 provides a comparative mapping of Lao/Confucius/Sun’s philosophies of “Nature of Tao”, “Nurture of Humanity” and “Structure of Leadership” to “develop”, “maintain” and “reinstate” harmony in business with McClelland’s theory of an “achieving society” and Drucker’s knowledge-worker productivity theory.

Table 3. Mapping Lao/Confucius/Sun’s philosophies with Western Management Practices

| Chinese wisdom in Lao/Confucius/Sun’s philosophies | McClelland’s Theory of “The Achieving Society” | Integrating with Drucker’s knowledge-worker productivity theory |
|---|---|--|
| Lao Tzu’s “The Way” examples on “Nature of Tao” of <i>Wú Wéi</i> (無為 non-interference) for benevolent leaders, implied as “Sage (聖人)” to <i>develop</i> harmony in society. | McClelland’s theory on <i>need for achievement (n-ach)</i> sets realistic but challenging goals and seeks career advancement for a sense of accomplishment. | The spirit of <i>Wú Wéi</i> (無為 non-interference) should instigate “autonomy” for knowledge practitioners to create task for continuous improvement and hence continuous innovation to <i>achieve</i> organisational vision and values. <i>Task and autonomy</i> are the top two factors determining knowledge-worker productivity. |
| Confucius’s “The Analects” examples on “Nurture of Humanity” of <i>Wǔ Cháng</i> (五常 the five virtues of humanity) to <i>maintain</i> harmony in society. | McClelland’s theory of <i>need for affiliation (n-affil)</i> reaches out for friendly relationships motivated by interaction with other people of being liked and held in popular regard. | The spirit of <i>Wǔ Cháng</i> (五常 the five virtues of humanity) enlightens the <i>affiliation needs</i> for knowledge practitioners to <i>continuously innovate and continuously learn and teach</i> in business transformation. Innovation and learn & teach are the third and fourth factors determining knowledge-worker productivity. |
| Sun Tzu’s “The Art of War” examples on “The Structure of Leadership” of <i>Jīng Wǔ Shì</i> (經五事 the five principles) to <i>reinstate</i> harmony in society. | McClelland’s <i>need for power and authority (n-pow)</i> is to lead with a personal idea to triumph in achieving realistic but challenging goals. | The spirit of <i>Jīng Wǔ Shì</i> (經五事 the five principles) provides <i>knowledge practitioners with the power and authority</i> to contribute as business consultants in delivering quality and quantity productivity for them to be seen and treated as intangible assets rather than labour costs. Quality and assets are the fifth and sixth factors determining knowledge-worker productivity. |

Source: Adapted from Wong & Neck, 2013.



McClelland also included other characteristics of achievement motivation factors, in some respect, similar to Drucker's knowledge-worker productivity theory (Table 4).

Table 4. Mapping other McClelland's Motivation Characteristics with Drucker's KWP Theory

| McClelland on achievement motivation | Drucker on knowledge-worker productivity |
|---|---|
| Achievement needs are more important than materialistic rewards. | The six factors do not include materialistic rewards to improve productivity. |
| Financial reward is an output (measurement) of success; it is not an outcome (end result) in itself. | Again, financial reward is not a criterion in knowledge-worker productivity; however, knowledge workers must be both seen and treated as "assets" rather than "costs". |
| Greater personal satisfaction comes from task achievement than praise or recognition. | The first crucial question in knowledge-worker productivity is to know "What is the task?" |
| Security and status are not key motivators. | Again, knowledge workers own the assets (means) of their production (knowledge work); they are mobile. As such knowledge-intensive organisations need depend more on them than they do. |
| Feedback is crucial as it provides measurement of success rather than for reasons of praise or recognition. | Continuous learning and teaching are part of knowledge workers' job. |
| People motivated by achievement need constantly to seek improvements to do things better. | Again, improving knowledge-worker productivity requires continuous learning and teaching built into knowledge workers' job. |
| Again, these people seek jobs and responsibilities that naturally satisfy their roles and functions. | Continuous innovation is also part of knowledge workers' job. Quality of work is at least as important to quantity of output. |

Source: Adapted from Wong and Neck (2013).

A Venn diagram (Figure 2) is used to illustrate the three Chinese philosophies and their relationships together with McClelland's achieving society theory to create a business environment of harmony to effectively implement knowledge-worker productivity practice.

The overlapping circles represent the concepts of:

1. Lao Tzu's "Nature of Tao" is expressed in McClelland's "achievement needs";
2. Confucius's "Nurture of Humanity" is expressed in McClelland's "affiliation need";



3. Sun Tzu's "Structure of Leadership" is expressed in McClelland's authority and power need.

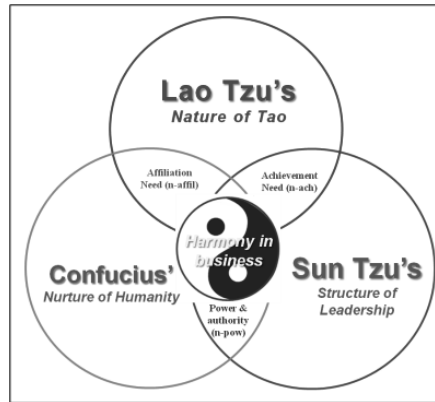


Figure 2. Concept Map – When East Meets West

Source: Adapted from Wong and Neck (2013).

The overlapped centre represents an area of similarities to synthesise a harmonious business environment in today's knowledge-based economy. Business harmony is one key factor for Drucker's six major factors determining knowledge-worker productivity to be effective. The non-overlapped areas represent differences in the approaches relating to the emphasis of "Nature of Tao", "Nurture of Humanity" and "Structure of Leadership".

Cultural Pluralism: The Wisdom of Lao Tzu's "Nature of Tao"

In this paper, a Cisco "end-to-end" case study is presented to illustrate how the first and the most important 12 words of Lao Tzu's "The Way (Chapters 1 to 4)" can be exercised as a source of aspirations for business entrepreneurs to build their core ideology (their Tao). The authority as Cisco's marketing and sales analyst comes from 15 years of consultancy for a number of network equipment providers and exclusively for Cisco in the mid 90's to early 2000's. In an attempt to study the ups and downs of Cisco marketing strategy, Cisco annual reports 1995-2011 were analysed for its key marketing message (Figure 3). Chapters 1 to 6 of Lao Tzu's *Tao Te Ching* (道德經 *Dào dé jīng*) were used in a matter-of-fact way to illustrate the wisdom of Lao Tzu's "Nature of Tao" in business transformation.

Chapter 1 of *Dào dé jīng* (道德經): Now it begins (道可道) – creating a core ideology. From 1995-1997 Cisco branded itself as an end-to-end internetworking architecture provider (CiscoFusion) before they even had an end-to-end solution; an ingenious piece of "marketecture (marketing architecture)".



Chapter 2 of *Dào dé jīng* (道德經): Next it transforms (非常道) – an exclusive solution. Soon enough Cisco marketing efforts of their end-to-end internetworking vision was starting to develop it into a universally accepted concept as the next big thing. From 1997 Cisco rebranded its end-to-end message to “CiscoIOS”, another ingenious message of software approach to provide end-to-end solution integrating heterogeneous networks; brilliant marketing indeed.

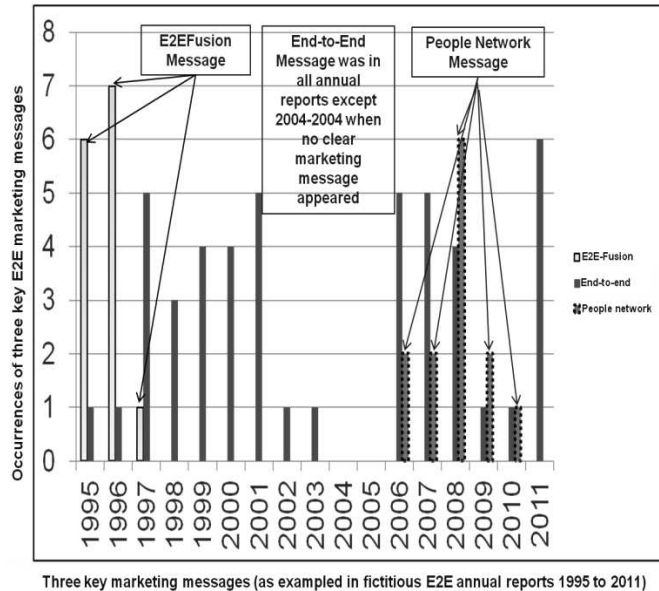


Figure 3. Key Messages from Cisco Annual Reports (1995-2011)

Source: Adapted from Wong, Neck & Yu, 2013.

Chapter 3 of *Dào dé jīng* (道德經): Then it sticks (名可名) – the means to offer unique business value. Between 1995-2001, while Cisco has CiscoFusion, other network vendors had similar entities. Cabletron Systems had Synthesis, DEC had Envisn, IBM had Switched Virtual Networking, Fore Systems had ForeThought, UB Networks had GeoLAN, Newbridge Networks had Vivid and Madge Networks had Collage27. However, together with CiscoFusion, Cisco’s unique offering of CiscoIOS, an end-to-end software approach has made Cisco the de-facto internetworking architecture that “fuses” together all heterogeneous networks into a single platform.

Chapter 4 of *Dào dé jīng* (道德經): Again it changes (非常名) – the product but not the core ideology. 2001 was the start of financial turmoil for Cisco. Cisco has changed its key messages (the means) and branding (core-ideology) every few years; too often. Cisco posted its first negative quarter in more than a decade of financial success. Third fiscal quarter

sales plunged 30 percent, 8,500 people were laid off. A disastrous year for Cisco saw its stock price sunk to US\$13.63 (April 6th, 2001) from US\$82 thirteen months earlier. There was no key marketing message up till 2006 when Cisco was back with an end-to-end architecture message to build, manage and connect Cloud networks and the “Human Network”. “Human Network” was dropped in 2010. with the reappearance of “End-to-End solution” message in 2011. Since 2013, Cisco new branding message is “TOMORROW starts here” and “Internet of Everything”. Will these new brandings see Cisco through as an almighty end-to-end internetworking solution provider once more? Chapter 5 of *Dào dé jīng* (道德經) provides an answer.

Chapter 5 of *Dào dé jīng* (道德經): “If there is a cup (沖 *Chōng* – the utensil that holds Tao) that holds Tao, when Tao is consumed, it will never be exhausted (as it is like drinking from a bottomless cup)” (Figure 4). Putting it into business context, these same words now add another dimension to Tao (Figure 5).

Text translation

道沖 (Dào chōng)—The cup that holds Tao (The Way),
而用之 (Ér yòng zhī)—when used,
或不盛 (Huò bù shèng)—is like drinking from a bottomless cup.

Figure 4. Interpretation of Chapter 4 of Lao Tzu’s *Tao Te Ching*

Source: Adapted from Wong, Neck & Yu, 2013.

Business Context

道沖 (Dào chōng)—The opportunities that surround the business Tao
而用之 (Ér yòng zhī)—when understood,
或不盛 (Huò bù shèng)—can hardly be exhausted.

Figure 5. Business Interpretation

Source: Adapted from Wong, Neck & Yu, 2013.

For businesses that have built on their Taos, in the other words, their core-ideology of how they want to be known, for example, “Dettol”, “Thermos”, “Band-Aid”, “Mortein”, “Windows”, “Harvard” and so on, the eight words can be interpreted as “the opportunities (in sales and otherwise) generated from Tao, are infinite (just like drinking from a bottomless cup).” The means (unique business value) to get there will change but not the business Tao (the core ideology). Unfortunately, some businesses do not see this point and ultimately this lack of vision has caused many great companies to fade into oblivion.



Limited by the scope of this paper, only a brief discussion of the Wisdom of Lao Tzu's "Nature of Tao" was discussed above. Other business applications and case studies based on "East meets West" cultural pluralistic approach (Wong, Neck, & Yu, 2013) are available upon request.

CONCLUSIONS

The impact of an amalgam of Taoism, Confucianism and metaphysical dimension helped the Han and Tang Dynasties create harmony and social stability to pave the way for international trade through the Silk Road and later in the Southern Song Dynasty (南宋 *Nán Sòng*), 1127-1279 AD, expanded into the Maritime Silk Road. Today, although the technology for global trading is predominantly influenced by social media applications in this era of knowledge-based economy, the basic principle of business has not changed. It is still the customer's dictate to define what makes a business. It also deals with raising productivity where knowledge workers differentiate leading countries and industries from the rest.

The authors suggested the term knowledge practitioners as an extension to Drucker's six major factors determining knowledge-worker productivity. Knowledge practitioners have the capability to resolve the two issues limiting the integration of Drucker's knowledge-worker productivity. To reiterate, the two issues are "levels of workforce readiness" and the "degree of workplace alignment" in developing, maintaining and reinstating harmony in business when integrating work processes with Drucker's knowledge-worker productivity theory (Wong, 2012).

This paper provided an overview of the three Chinese classic writings dealing with developing, reinstating and maintaining harmony in business. Additionally, a comparative mapping exercise illustrated the relationships between Eastern and Western philosophies and practices in business administration. In conclusion, this paper invites further discussions from the social and business research communities on the significance of this approach of the "interpretation realism" technique in comprehending Lao/Confucius/Sun's philosophies. Another purpose of this paper is to explore how amalgamating Eastern cultural wisdom (favouring a humanity approach) and Western practices (favouring a performance approach) help to instigate business harmony and its impact on the management of knowledge-practitioners and their productivity.

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APPENDICES

Appendix A. The Yin and Yang of “Harmony/Disharmony”

| Periods | Practices | Outcomes |
|--|---|---|
| Periods of Spring and Autumn (770-453 BC) and Warring States (453-221 BC) | Philosophical prosperity: Lao Tzu’s “The Way”, Confucius’ “The Analects”, Sun Tzu’s “The Art of War” representing the Age of “One Hundred Schools” of thinkers | Three hundred years of disharmony and social unrest prior to imperial unification, led to the formative age of Chinese Intellectual renaissance. |
| Qin Dynasty (221-206 BC) | The first unified empire ruled by an Iron-fist. Anti-intellectualism led to “Burning of all books” and mass killing of Confucians and scholars. | Shortest unified empire in Chinese history. Standardisation of weights, measures and written language. Book burning and Confucian killing aggravated disharmony and social unrest. |
| Han Dynasty (Western Han 206 BC-24 AD; Eastern Han 25-220 AD) | Han’s idealism amalgamating Daoism, Confucianism, Legalism and correlative metaphysical thought created a feeling of optimism among its citizens. | Long period of harmony instigated Han amalgam of “Confucian” Classics as canonical teachings of the State. Introduction of Buddhism. |
| From Three Kingdoms to the Sui Dynasty(CE 220-618) | An extended period of political disunity, foreign invasions, temporary reunified kingdom of disharmony and social unrest. | Spread of Buddhism together with Confucianism and Taoism. |
| Tang Dynasty (618-907 AD) | Tang Dynasty marked the grand civil and military achievements with regular examinations for both streams. The Tang period also surpassed the Han Dynasty as the golden age of cultural renaissance populating Daoism and Buddhism reinstating a state of harmony. | Chinese today still associate themselves as people of Han and Tang. Daoism and Buddhism played a key role in sustaining harmony with the Tang Kingdom |
| Chairman Mao (1893-1976) | During the 10 years of Cultural Revolution (1967-1977), Chairman Mao labelled Confucianism as backward, counter-revolutionary, reactionary and superstitious. The Analects of Confucius was banned and Confucians were tortured. | Cultural revolution resulted in disharmony and social unrest. |
| PRC’s 16th National Congress of the Communist Party of China(2004) | The Party endorsed Confucianism as the strategic direction to achieve a harmonious society. | The Chinese National Office for Teaching Chinese as a Foreign Language (also known as <i>The National Hà Bàn</i> (國家漢辦)) aims to establish 1,000 Confucius Institutes overseas by 2020. |

Source: Adapted from Wong, Neck & Yu, 2013.

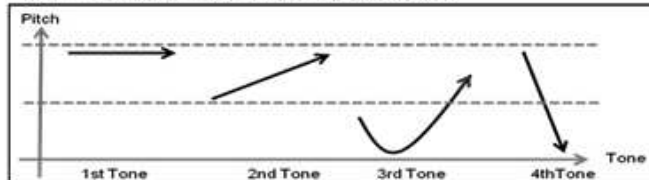


Appendix B. Additional Explanations

¹In this article, both pinyin (literally means “spelled sound or phonetics”) and common English pronunciations will be applied when Chinese characters are used.

In simplified Chinese, Pinyin (拼音) transcribe Chinese characters into Latin scripts with four tones (Fig. 7) indicated by tonal marks on each pinyin Latin script.

Figure 7. Four tone symbols of pinyin used in this paper



Source: Adapted from Wong & Neck, 2013

²In Chinese philosophy, yin and yang refer to natural dualism such as “good and bad”, “harmony and disharmony” and so on so forth. The yin and yang concept explains how seemingly opposing forces are actually complementary to each other. In Taoism, its cosmological symbol of yin and yang is represented by a white and a black fish embraced in a circular complemented motion of harmony—☯

³Chinese characters evolved from 1. “Oracle bone script (甲骨文 *Jiǎ Gǔ Wén*) to 2. Bronze or Seal script (金文 *Jīn Wén*) to 3. Decorative script (篆書 *Zhuàn Shū*) to 4. Clerical or Chancery script (隸書 *Lì Shū*) to modern 5. Standard script (楷書 *Kǎi Shū*). Whenever possible, the earliest version of the archeologically identified script is used in “interpretation pluralism” of this article.

⁴Silk Road (絲綢之路) or “Seidenstraße” in German, first appears in Ferdinand von Richthofen, 1833-1905, in his book *China, Ergebnisse eigener Reisen* (China, my travel results). It is a term from the lucrative Chinese silk trade over trade routes across the Afro-Eurasian landmass connecting East, South, and Western Asia with the Mediterranean and European countries, as well as parts of North and East Africa. It began during the Han Dynasty (漢朝 *Hàn Cháo*), 206 BC – 220 AD. When the Silk Road was blocked by the Mongols during the Southern Song Dynasty (南宋 *Nán Sòng*), 1127 – 1279, international trade continued via the Maritime Silk Road with trading partners over 220 countries (Smita, 2012) at the end of the Yuan Dynasty (元朝 *Yuán Cháo*), 1279-1368.



KIEDY WSCHÓD SPOTYKA ZACHÓD: ZHARMONIZOWANY MODEL DLA WYDAJNOŚCI ORAZ INSTYTUCJONALNEGO DOPASOWANIA, UMOŻLIWIĄJĄCY ZARZĄDZANIE PRAKTYKAMI WIEDZY, ICH PRODUKTYWNOŚCIĄ W GOSPODARCE OPARTEJ NA WIEDZY

Abstrakt

Tło badań. Współczesne organizacje, aby utrzymać rozwój biznesowy, muszą polegać głównie na produktywności pracowników umysłowych, a nie na zaawansowaniu maszyn produkcyjnych. Jednocześnie, jest całkiem duży kontrast między procedurami operacyjnymi w ujęciu Wschodnim i Zachodnim.

Cel badań. Niniejszy artykuł bada w jaki sposób połączona mądrość Wschodu oraz podejście do zarządzania Zachodu może pobudzić renesans humanistycznej epistemologii opartej na mądrości, w celu zapewnienia podstawy dla harmonii w zarządzaniu produkcją pracownika wiedzy, która jest jednym z największych wyzwań dla zarządzania w XXI w..

Metodyka. Rozważania w artykule poświęcono zachęceniu społecznych i biznesowych środowisk badawczych do dalszych dyskusji na temat znaczenia techniki „realizmu interpretacyjnego” dla zrozumienia filozofii Lao Tzu, Konfucjusza oraz Sun Tzu napisanej w klasycznym języku chińskim.

Kluczowe wnioski. Niniejszy artykuł jest zakończony wezwaniem do dalszych badań, koncentrujących się na sposobie połączenia kulturowej mądrości Wschodu (opowiadającej się za humanistycznym podejściem) z praktykami Zachodu (opowiadającymi się za podejściem nastawionym na wydajność), co pomaga pobudzić biznesową harmonię oraz jej wpływ na zarządzanie praktykami wiedzy oraz ich produktywnością.

Słowa kluczowe: Taoizm, konfucjanizm, Sun-Tzu, Drucker, produktywność

