

Chinese Philosophy Impact And Influence On Global Economic Or In Management

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How to cite this article: Lao Chen Ting (2024). Chinese Philosophy Impact And Influence On Global Economic Or In Management. Library Progress International, 44(4), 243-249

ABSTRACT

Confucianism, Daoism, and Legalism the three main principles of Chinese philosophy have, over the years, had an immense influence on economic theory and practice worldwide. The ideals of Confucianism, who puts the common good before personal gains, have influenced business practices. Confucianism is noted for its emphasis on ethical principles, social harmony, and observance of hierarchy. China, Taiwan, and Hong Kong corporate governance, HR practices, and organizational behavior are defined by Confucian values of honesty, integrity, obedience to authority. Instead of focusing on short-term gains, businesses that follow the principles of Daoism, namely harmony, flexibility, and balance, stand a greater chance of enjoying long-term success. This concept motivates innovation towards examples such as renewable energy and technology while also underlining the sustainability needs of society and the environment. It defines modern management approaches. Though 'legalism' has a negative image, it provides much-needed orderliness and clearness to the risk management frameworks as well as organizational structures of governments and other large-scale corporations. These philosophies lead to a unique method of leadership and decision-making on a global level. Leadership styles that stress collective decision-making, strategic caution, and the big picture have their roots in Chinese thought. Greater influence on cross-cultural management, investment strategies, as well as international trade relations is likely to accompany China's growing economic prowess in the years to come. Business leaders from all over the globe need to understand intersections between economic management and Chinese philosophy if they want to be successful in the Chinese market and form global relationships in the current day.

Keywords: *Chinese Philosophy, Global economic, Management, Business practices.*

INTRODUCTION

For an extended period, Chinese philosophy played a central role in shaping not only the intellectual and cultural conditions of China but also international standards in management and economics. Confucianism, Taoism, as well as Legalism are just a few of the many thousands-year-old philosophical traditions in China that have had an enduring impact on global economic practices, ethical decision-making, and society values (Tan & Zhu, 2022). Management styles and organisational structures by Confucianism in East Asia places a premium on respect for authority, connections, and hierarchy. Corporate strategies that emphasize stability, group collaboration, and respect for leadership coincide with the emphasis on filial piety, loyalty, as well as collective harmony. In today's dynamic corporate world, Taoism's basic principles regarding non-interference, balance, and adaptability are very helpful in coming up with new ideas and managing resources, as well as in making decisions. As a direct outcome of Taoist thought, which stems from the expectation about the inherent order of things, sustainable and adaptable management practices have surfaced (Elman, 2020).

Ideas such as negotiation, risk management, and the importance of "guanxi" or relationships/networking are all impacted by Chinese philosophical philosophy, in respect to which it is important in navigating both local and international corporate environments. As the economy becomes increasingly globalized today, these principles-by stressing the need to develop long-term contacts and trust each other-are more relevant than ever. Apart from the way regional economic

policies and global management practices are influenced by Chinese philosophy, the economic influences of China are on the rise. Through its principles, leadership, ethics, and cultural alignment in today's multinational firms are all understood. An alternative perspective in management may be obtained through Chinese philosophy that emphasizes more on harmony, long-term development, and ethical responsibility (Kumar, 2020).

1. RESEARCH BACKGROUND

Rich intellectual traditions of Chinese philosophy were impacts on many facets of Chinese society, including ethics, economics, politics, and culture. Confucianism, Taoism, Legalism, and Marxism are just a few of the philosophies that have influenced the ideas and practices of Chinese society over the ages. With its roots in ancient China, these philosophical thoughts influenced management methods and economic practices across the world (Van Norden & Ivanhoe, 2023).

Confucianism is one of China's dominant philosophies and focuses on good relations between people and between leaders and citizens, parents and children, and workers and employers. This philosophy also emphasizes the preservation of social order. Confucian principles of collectivism, hierarchy, and obedience to authority-orientations have influenced business procedures in East Asia, where family enterprises, enduring relations, and loyalty are believed more important than short-term profits over quick earnings. An important aspect of business success in China and other Asian countries is the development of personal contacts or relationships, or "guanxi," which is rooted in Confucianism and promotes mutual aid and trust (Petricevic & Teece, 2019).

On the other hand, the Taoist principles are founded on concepts of harmony, flexibility, and the inherent movement of all existence. In business, Taoism underscores the fact of flexibility, rather than overly controlling, harmony in all the activities of life. Modern management, largely drawn from Taoism, emphasizes sustainability, creativity, and harmonization with the natural processes against inflexible systems. Legalism, often touted as a form of authoritarianism, facilitated the institution of the legal and bureaucratic frameworks in early China (Farooque et al., 2019). Developments in state-run firms and major corporations' organizational structure and governance have been influenced by the emphasis on strict laws, centralized power, and effective management. Notables are international companies and think tanks in management that focus on China's philosophy because of the country's more rapidly growing economy and its increased influence worldwide. Adaptation, long-term thinking, the necessity to respect hierarchy, and the significance of connections have been some of the ideas making up global management techniques. Some of these have offered fruitful insights into matters of leadership, corporate governance, and international commerce. The spread of Chinese economic power means that the influence of Chinese philosophy on international financial systems and management practices becomes increasingly important (Zhao et al., 2022).

2. PURPOSE OF THE RESEARCH

With the purpose of understanding how ancient Chinese teachings such as Confucianism, Taoism, and Legalism have shaped modern-day corporate practices and organizational strategies, it is essential to study the impact and influence of Chinese philosophy on international economics and management. Our aim in exploring these philosophies is to learn how they advance the values of global company principles: hierarchy, networking, sustainability, and adaptability. Moreover, this course is set to highlight how contemporary management practices adapt Chinese philosophical input for even more models for leadership and decision-making processes and accountability toward ethics especially with the rising influence China has abroad.

3. LITERATURE REVIEW

The impact of Chinese philosophy on international management and economics has been stronger in the past few decades, especially since China became an economic superpower. Several studies examine how Confucianism, Taoism, and Legalism three major schools of Chinese philosophy have influenced not only Chinese culture but international trade also (Luo et al., 2023).

The influence of Confucianism on management and organizational behaviour has been studied in many studies. A clear understanding of East Asian management requires a concrete appreciation for Confucian principles such as social harmony, filial piety, loyalty, and hierarchy. The reverence for elders and established social order underlines the company hierarchies, making the executives father figures. The concept of guanxi, a network of personal associations and obligatory relationships, has been argued by some scholars as the basis for Chinese economic exchange insofar as Confucianism

emphasises loyalty and long-term relationships. Especially in the East Asian region, in which *guanxi* is considered essential for business prowess, this emphasis on connections has influenced international trade in an increasingly globalized world (Yu et al., 2021).

Management techniques have been influenced by Taoism's focus on harmony, flexibility, and the natural flow of things in areas such as sustainability and innovation. Current management tactics emphasize adapting to ever-changing corporate contexts, which is in keeping with Taoist philosophy's focus on flexibility and the avoidance of tight control. Businesses that thrive under Taoist ideals emphasize innovation and decentralisation of decision-making. The study analyzes how Taoist principles have been influenced in leadership and promotes a more holistic approach to staff management—one that emphasizes balance, emotional intelligence, and harmony (Farley et al., 2020).

Contemporary management has under-discussed implications of legalism on governance models and organizational structures. The effect of the Legalist ideology on China's SOEs and centralised management systems is studied. Such ideology often focuses on promoting efficiency, lawfulness, and order. Industrial policies by the State in China and big state-owned enterprises with their emphasis on rules and accountability based on performance settings are exemplary samples of this efficiency- and control-oriented legalism in practice (Zhao et al., 2022).

Multinationals operating in China are increasingly becoming expressions of international influence by Chinese thought. This study focusses on the difficulties that international businesses encounter when operating in China from the influence of Confucianism and Taoism in the methods of handling business and negotiation techniques applied in the country. Besides, Chinese philosophies serve as alternatives to management theories whose roots are in the West for international operational environments (Srisathan et al., 2020). Western companies are trying to adapt to the Asian market and strengthen their links with China by adopting Chinese philosophical ideas and implementing them into their management processes. This is all part of China's economic rise to prominence. Management techniques that focus on connections, flexibility, and leadership can learn a great deal from Chinese philosophy. Particularly in today's globally interdependent economy, its expanding sphere of impact provides new models for management (Jiakui et al., 2023).

4. RESEARCH QUESTION

- i. What impact has Chinese philosophy had on 21st-century economic strategy and management methods throughout the world?

5. METHODOLOGY

The research used a cross-sectional technique to collect data by following individuals for four months. For the cross-sectional technique to work, data had to be quickly and cheaply collected at a specific moment in time. It was intended that from Chinese philosophy would carry out the research. Because of constraints on both time and money, the researcher resorted to a quantitative technique. Researchers used a random sampling technique to ensure that the survey reached all of the intended recipients. Following this, 673 participants were selected for the study based on the information gathered by Rao Soft. A formal survey form would be used to capture the precise replies of the illiterate individuals after reading the questions aloud to them. The visually impaired and others with reading and writing disabilities would benefit greatly from this approach. In the time that participants would spend waiting for their turn to fill out the surveys, the researcher would explain the experiment and take questions. Very seldom were consumers be asked to complete multiple-choice surveys all at once.

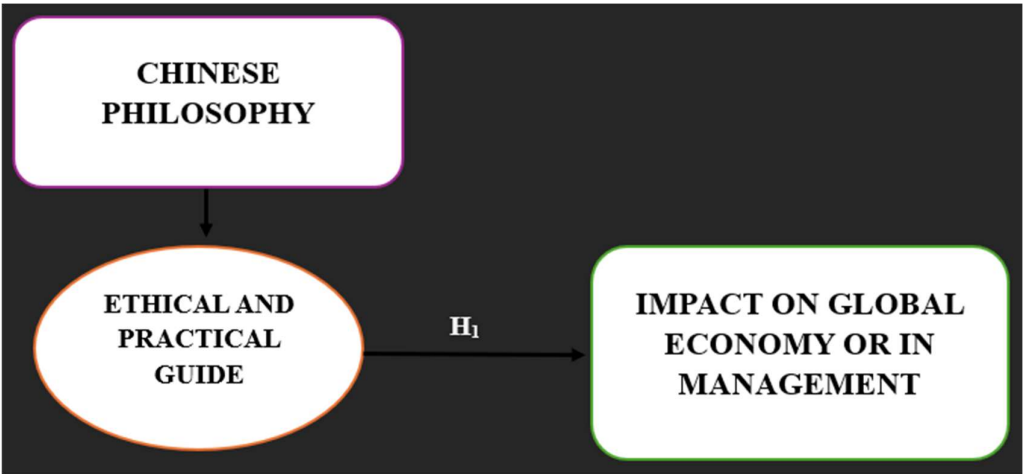
Sampling: Research participants filled out questionnaires to provide information for the research. Using the Rao-soft programme, researchers determined that there were 683 people in the research population, so researchers sent out 850 questionnaires. The researchers got 803 back, and they excluded 25 due to incompleteness, so researchers ended up with a sample size of 778.

Data and measurement: A questionnaire survey was used as the main source of information for the study (one-to-correspondence or google-form survey). Two distinct sections of the questionnaire were administered: Both online and offline channels' (A) demographic information, and (B) replies to the factors on a 5-point Likert scale. Secondary data was gathered from a variety of sites, the majority of which were found online.

Statistical Software: SPSS 25 was used for statistical analysis.

Statistical tools: To get a feel for the data's foundational structure, a descriptive analysis was performed. A descriptive analysis was conducted in order to comprehend the fundamental characteristics of the data. Validity was tested through factor analysis and ANOVA.

6.1 Conceptual Framework



6. RESULTS

7.1 Factor Analysis

The use of Factor Analysis (FA) is to confirm the elemental structure of a set of measurement items. Theoretically, factors that are not immediately obvious to the naked eye can influence the observed variables' scores. Among the many model-driven approaches is accuracy analysis (FA). The main goal of this study is to establish relationships between visible occurrences, their underlying causes, and measurement mistakes.

One way to determine whether data is suitable for factor analysis is to use the Kaiser-Meyer-Olkin (KMO) technique. The overall model and each individual model variable's sample adequacy are assessed. The statistical tests determine how much each variable may share with the others. In most cases, factor analysis works better with data that is described by lower percentages.

For integers between 0 and 1, KMO delivers a value. If the KMO number is between 0.8 and 1, it means that the sampling was sufficient.

In the event that the KMO falls below 0.6, indicating insufficient sampling, corrective measures must be implemented. This ranges from 0.5 to 0.6, therefore writers should use their best judgement. Some authors use 0.5 as this.

- The high partial correlations relative to the overall correlations are indicated by a KMO near to 0. I repeat: big correlations are a huge roadblock for component analysis.

Kaiser's cutoffs for acceptability are as follows:

“A dismal 0.050 to 0.059.

- 0.60 - 0.69 below-average

Typical range for a middle grade: 0.70–0.79.

Having a quality point value between 0.80 and 0.89.

The range from 0.90 to 1.00 is really stunning.”

Table 1: KMO and Bartlett’s Test

KMO and Bartlett's Test ^a		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.967
Bartlett's Test of Sphericity	Approx. Chi-Square	6850.175
	df	190
	Sig.	.000
a. Based on correlations		

“The overall significance of the correlation matrices was further confirmed by using Bartlett's Test of Sphericity. A value of .967 is the Kaiser-Meyer-Olkin sampling adequacy. By using Bartlett's sphericity test, researchers found a p-value of 0.00. A significant test result from Bartlett's sphericity test demonstrated that the correlation matrix is not a correlation matrix.”

7.2 Dependent Variable (Impact on Global Economy or in Management)

This is what the term "impact on the global economy" refers to: the way through which the changes in policy, trends, or events in one area can affect all commerce, finance, and markets worldwide. Growth, inflation, employment, as well as investment, are all vulnerable to such effects; both bad and good can now arise from this. What this term refers to is how managerial choices or organizational strategy or leadership affect the external economic results. Managing those in order to support educated decisions, aligned with global economy changes, they should understand these relationships. They have to think about how the worldwide competition and trade policies affect both the operations and plans of the organization as well as its long-run success in the global market (Waheed & Zhang, 2022).

7.3 Independent Variable (Chinese Philosophy)

From the very beginning, Chinese philosophy has tackled fundamental questions concerning life, morality, and our position in the universe. Several schools of thought within it, such as Confucianism, Daoism, as well as Legalism, all can be considered as their own view on the themes of ethics, government, and social harmony. Unlike Daoism, with its focus on simplicity and harmony with the Dao, Confucianism focuses on filial devotion, virtue, and appropriate relationships. Legalism emphasizes social order by having heavy regulation and rule of the government. From Chinese philosophy, knowledge of both personal and community prospering has had a significant influence on Chinese politics, culture, and society (Zhang et al., 2020).

➤ Ethical and Practical Guide

Chinese philosophy, or a guide to moral character and practical life, including how to get along with others and how to make proper decisions from the personal level to the governmental, is based upon the work of Confucianism. It focuses its attention on virtues such as filial piety, generosity, honesty, and respect for established roles and power. Daoism presents an additional framework by challenging devotees to conform to the natural cycles and streams of the cosmos, to humility, and to non-violent action. Harmony, humility, and the cultivation of good character are at the heart of these philosophies. To achieve personal and social well-being and peace, they do this in a practical manner with regard to peaceful relationships, prudent governance, and behavior (Li et al., 2019).

Relationship Between Ethical and Practical Guide and Impact on Global Economy or in Management

There is a deep connection between the global economy as well as management and the ethical and practical guiding of Chinese philosophy. The ideals of balance, respect, harmony, and integrity are central to Confucianism and Daoism, two schools of Chinese philosophy that have a significant impact on organisational processes and individual conduct. Social responsibility, respect for authority, and profitability over the long term should form the guidelines as management ethics tenets from which short-term profits take a back seat. Corporate social responsibility (CSR) and sustainable development, in fact, are two of the global business trends that find intrinsic congruence with the importance afforded to group welfare and equitable decision-making (Zhu et al., 2020).

These values of trust, cooperation, and ethical trading further signify the existence of the global economy, whose foundation lies in international cooperation. These principles are the foundation for Chinese management practices, which then impact international trade practices since Chinese firms are playing the lead role in global markets. These ethical codes of practice may be able to preach much to leaders and organizations worldwide about striking a balance between responsibility toward the environment and society and profitability in cross-cultural business settings (Li et al., 2020).

“On the basis of the above discussion, the researcher formulated the following hypothesis, which was analysed the relationship between ethical and practical guide and impact on global economy or in management.”

“H₀: There is no significant relationship between ethical and practical guide and impact on global economy or in management.”

“H₁: There is a significant relationship between ethical and practical guide and impact on global economy or in management.”

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	69798.984	463	2978.486	4095.837	.000
Within Groups	99.876	314	1.597		
Total	69898.860	777			

“In this study, the result is significant. The value of F is 4095.837, which reaches significance with a *p*-value of .000 (which is less than the .05 alpha level). This means the ***“H₁: There is a significant relationship between ethical and practical guide and impact on global economy or in management.”*** is accepted and the null hypothesis is rejected.”

7. DISCUSSION

Chinese philosophy, especially Confucianism, Taoism, and Legalism has highly influenced Chinese economic and managerial techniques. Business practices in most East Asia and even more vastly relate to guanxi concepts that result from the enshrinement of loyalty, ties, and rank placed by Confucianism. Long-term relationships are ranked over short-term profitability in these relationships. Taoism promotes the embraced changes toward innovation among today's managers by stressing the necessity for balance, sustainability, and flexibility. Legalism emphasizes order, efficiency, and governance and, thus, gives greater priority to efficiency and accountability in decision-making processes. This ideology has influenced the organisational structures adopted by the China's state-owned companies. These worldviews are spreading like wildfire due to the increasing economic might of China. Adapting their strategies according to these values—which can be emphatically long-term planning, ethical responsibility, and relationship development—multiple corporations can come out successful in China's market. The alternative management frameworks proposed by Chinese philosophy was led the world towards a more harmonious, collaborative, and sustainably growing economy.

8. CONCLUSION

To put it all together, the three respective schools of Chinese philosophy - Confucianism, Taoism, and Legalism - leave a great deal in debt to the international community for operating at the foundation of economic and managerial activities. Hierarchy, connections, flexibility, and efficiency create the core of the philosophies that govern leadership ideas, organizational designs, and decision-making approaches. These guiding principles mold the foreign corporate strategy, toward long-lasting alliances and long-term success for China because it continues as a world economic power. Indispensable to the modern corporate business, Chinese philosophical frameworks are receiving an increased number of acceptances in management across the globe. This speaks to a movement toward more holistic, ethical, and relationship-based forms of leadership.

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