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The Influence of Confucianism on Malaysian Chinese Corporate Leadership: An Inductive Case Study In Malaysia

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ABSTRACT

Background: The focus of this study is on the influence of Confucianism philosophy on Chinese corporate leaders and leadership in Malaysia. Firstly, leadership is complex in nature, *let alone* corporate leadership in a multi-racial and multi-cultural context. A practical and theoretical understanding of the influence of Confucianism philosophy on Chinese corporate leadership will not only contribute to the body of knowledge of leadership studies, but also provide a different perspective on the understanding of the intricacies and complexities of Chinese corporate leadership. **Objective:** Hence, two interdependent areas of interests, that is, the practice and theory in the study corporate leadership, within the framework of an understanding of leadership behavior actions, involving knowledge and understanding of Confucianism philosophy, including values, ethics, morals and a review of leadership assumptions, within the context of Chinese corporate leaders in Malaysia, consciously or unconsciously applying their knowledge and understanding of Confucianism philosophy to execute vision and implement change in their organizations to be examined. The qualitative design employed to answer the research questions is organized into four sections: (a) Sampling-selection of respondents, (b) instrumentation, (c) data collection, and (d) data analysis. **Results:** The finding indicates that even though the respondent possesses the knowledge and understanding of Chinese traditional philosophy in general, he has shown higher level of understanding of Confucianism while leading his organization to a certain tenets of transformation he subscribed to most. The finding suggests that the respondent's responses based on knowledge and understanding of Confucianism philosophy was quite consistent and this can be shown in terms of frequency, intensity and consistency in the qualitative responses/data collected via interviews. **Conclusion:** The most frequent mentioned knowledge and understanding of Confucianism is *ren* and *chung yung* as well as morality that witnessed that Confucianism has contributed to higher level of evaluated understanding for the respondent in his leadership while managing and transforming his organisation in terms of people management, organisation design and structure, managing and leading change as well as organisational renewal and success.

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INTRODUCTION

The current research on leadership found no conclusive evidence in terms of consensus on the interpretation and definition of leaders and leadership. There are as many definitions of leadership as there are researchers of leadership (Bass, 1990). However, research on leaders and leadership is still growing and contributing to the confusion by using similar approach (such as contingency and traits approaches), instruments (such as LBDQ), and generating similar findings.

In South East Asia, particularly in Malaysia, as a developing nation, most of the the studies were focused on the Chinese business community and organisations which were based on western theories and models, such as the studies by Balasubramaniam (2006), Cheong (1992), Chin (2003), Gomez (1999), Hara (1991), Heng (1992), Jesudason (1989), Jomo (2005), Lee (2000), Lim (1981), Yeung (1999), Yong (1987) and Yoshihara (1988).

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There is a lack of scholarly indepth research on and inquiry of Chinese business leadership practices with a display of wisdom based on the knowledge and understanding of Chinese traditional values, thoughts, morals, traditions and philosophy, apart from the research on overall Chinese business community mentioned above.

There are many approaches in the studies of leaders and leadership but the conclusions are not conclusive (Gill 2011; Yulk 2010; Stogdill 1974; Chemers 1997; Bass 1985, Stogdill (1974), Chermers (1997), Guillen (2010), Whittington *et al.* (2005), Timothy *et al.* (2004) and Furnham (2010) focused on trait theories whereas Likert (1961), Dixon (1985), Blake and Mouton (1982), Chomsky (1999), Moller (1994), Timmothy *et al.* (2004) and Hoel (2009) studied the relationship between leadership behavior and leadership effectiveness. Similarly, Wright (2000), Bryman (1992), Hodgson and White (2001), Ciulla (2004) and Goffee and Jones (2000) conducted research on the relationship between situational factors and leadership effectiveness, while Bass (1990), Randell (2008), Bass and Avolio (1994), Popper and Mayseless (2003) and John and Beverly (2007) explored transactional and transformational leadership.

Given the mutable pallet of leadership research, and particularly the rationale of the economic and business links between mainland China and overseas Chinese, there is indeed a strong need to study the knowledge and understanding of eastern values, ethics, morals, and philosophy encoded in Confucianism, the *Analects*, displayed in eastern leadership. This could expand and contribute to a richer and deeper understanding or application of oriental values, ethics, morals and philosophy that influence leadership behavior.

The lived experiences of eminent Malaysian Chinese corporate leaders, their knowledge and understanding of Chinese philosophy thoughts, values, ethics, has not been the focus of serious academic study even though it has been variously published in business magazines and newspapers. This experience in leadership is valuable. Virtually every leader achieved success by building on earlier experiences, learn from these experiences, by analyzing them to help solve future problems and meet future challenges.

Background of the Study:

There is a large number of Malaysian Chinese corporate leaders who started their business from a very small family concern to become multi-billion business enterprise. Success stories of personalities such as Robert Kuok, Lim Goh Tong, Lok Boon Siew, William Cheng, Vincent Tan, Lee Shen Jin, Yeoh Tiong Lay (YTL), Teoh Hong Piow, Quek Leng Chan, and many others are commonly splashed across pages in local newspapers, business magazines. Their business acumen, diligence, determination, beliefs, philosophy, and etc have become the hallmark of their many successes. The strong oriental character in general and Chinese character in particular in the conduct of their business is a reflection of deeply entrenched or embedded Chinese philosophy, and the ability to act as a result of their knowledge and understanding of the Chinese values, morals, philosophies, strategies, and traditions (Yeung 2006; Xi 2011; Warner 2008). As a departure to the normal approaches to leadership as mentioned above, it is believed that there is a strong need to study leader and leadership in a new light, not being unnecessarily being confined and restricted theoretically, a qualitative research approach should be chosen to explore and examine the potentials of values, traditions, beliefs, morals and philosophies and in facilitating leaders in the transformation of the organizations.

The contributions of Malaysian Chinese to the development of Malaysia cannot be denied. In 1999, Chinese ownership of the equity of listed company was 45.5% compared to 22.5% in 1970 (Yeung 2006). In 2012, the percentage of Chinese ownership even jumped to a record high of 70% (Bursa Malaysia 2012). Malaysian Chinese ownership of total national wealth was estimated at 39% in 2004 (Yeung 2006).

In the East like in Japan, China, Korea, Singapore, Hong Kong, Taiwan and Malaysia, organizational successes could be defined differently, based on different terms and understanding such as the philosophical understanding of *Confucianism*. The rationales for choosing Confucianism (by referring to The Analects) are:

1. The Analects is the most **representative** among the many classical masterpieces. The enriched texts had laid a strong foundation of ancient cultural philosophy both in terms of fundamental content and perceptual wisdom. Hence, the texts had provided deep implications for, in particular orientating and guiding business leadership.

2. The Analects exhibits a relatively high level of **practicality** for modern adoption of thought and actionable application especially in the areas of i) philosophy of management; ii) Business leadership qualities; iii) The structure of business operation.

The recent development of human based and virtue based leadership has reflected an increasing concern on the apparent absence of Chinese wisdom despite some studies about ethical leadership conducted through Western lenses in the past decades. Hence, it is timely to initiate leadership research based on Chinese wisdom (Liu 2009; Redding 1990; Wah 2010; W According to Liu (2009); Redding (1990); Wah (2010); Warner (2008); Cheng (2011) and Yao (2006), despite the global homogenizing of organizational process, particularly on standard management practices, Chinese wisdom is perceived as the most important factor in its contribution to and its influence on Chinese business leadership practices around the world. In another words, Chinese

leadership studies can not be isolated from the context of Chinese wisdom rooted in the rich oriental culture and philosophy which could be seen in the linkages between Chinese businesses around the world (Dirlik 1996; Heng 1992; Light 1980; Redding 1990; Weidenbaum and Hughes 1996; Yoshihara 1988; Jomo 2005 and Gomez 1999).

This study is designed to explore and examine the influence of Confucianism derived from the exceptional knowledge and understanding of this Chinese philosophy on corporate leadership practices among Chinese corporate leaders in Malaysia.

Based on the *Analects*, leadership is about the practical wisdom of action that promotes conformance to social hierarchical order in terms of good individual conduct and efficient social relationships in order to build harmonization among human relations (Zhang 2008; Wah 2010; Cheng 2011).

Statement of the Problem:

As far as can be determined, very little studies have been done in Malaysia on Malaysian Chinese corporate leaders and leadership. Most of them are journalistic works. For instance, studies of Malaysian Chinese business community, networks, entrepreneurship, cultural entrepreneurship and ownership of Malaysian Chinese listed companies were mainly narrative and descriptive (Heng 1992; Jesudason, 1989; Yoshihara, 1988; Yong, 1987; Hara, 1991; Gomez, 1999; Balasubramaniam, 2006; Cheong, 1992; Jomo, 2005; Lee, 2000; Lim, 1981 and Yeung, 1999). Similarly, no research is designed to systematically and scientifically focused on how Confucianism influences leadership practices among successful Malaysian Chinese corporate leaders.

In a nutshell, Western theories of leadership are generally based on the principles of democracy and individual freedom (Yukl 2010). Organisation's structure developed based on command and control assuming individuals are self motivated. In comparison, oriental concept of leadership is not as widely studied as Western and most of the Eastern leadership studies are mainly based on superficial narrative studies.

Purpose of the Study:

The purpose of this study is to examine how Confucianism influences corporate leaders and leadership in general and Chinese corporate leaders in Malaysia in particular.

The main purpose of this study hence is to answer the following research questions:

Research Questions:

The basic purpose of the study is to examine how knowledge and understanding of Confucianism philosophy influences corporate leaders and leadership in Malaysia. It is primarily a qualitative research, embodying within its framework the inductive paradigm.

Objectives of the study encompassing four main objectives, the study attempts to:

- (1) Examine what is the respondent's responses of knowledge and understanding for Confucianism philosophy.
- (2) Explain how does Confucianism influences respondent's leadership.

Specifically, the study attempts to provide answer to the following research questions:

RQ#1. What is the respondent's responses of knowledge and understanding for Confucianism philosophy?

RQ#2. How does Confucianism influences leadership?

Literature Review:

Confucius Philosophical Probing:

Confucius was born around 551 B.C. in the State of *Lu*, during the reign King of *Zhou*. His real name was *Kong Qiu* and was also known as *Kong Zhongni*. He passed away at the age of seventy three in 497 B.C. Confucius is considered a sage and the collections of his teachings, *The Analects*, comprises twenty chapters and each chapter has between three sections and forty six sections. In total, there are 446 sections in *the Analects* (Khu *et al*. 1991).

For more than 2000 years, Confucianism has deeply influenced the lives and thoughts of Chinese around the world including the oversea Chinese especially the Chinese in South East Asia. The doctrine of Confucianism has never ceased to exert a critical influence on Chinese way of living. Confucius teachings and wisdom governed from the aspects of humanity, filial piety, conduct and character to education, rites, music and even politics. The central focus of Confucius teachings is on the highest standards for moral cultivation based on actions.

Yao (2006) and Nuyen (1999) stated that the goal of social harmony is consistent with principle of *chung yung* in which every viewpoint or opinion can coexist without any bias and prejudice. As a result, the cultivation of *chung yung* will develop gentlemen or *junzi* and the world will be harmonized so that the principle of humanity will be prevalent (Li 2004)

For many decades, Confucianism has been identified as the underlying cultural catalyst that is contributing to the progress of Chinese capitalist development particularly in East and South East Asia (Redding 1990; Tan Hock 1989).

According to Confucianism, leadership is considered an art of social interaction which include cautiousness in speech and behavior, adoption of the doctrine of the mean (*zhong yong*), forgiveness and self discipline as these will prevent human relation troubles while maintaining the spirit of building and developing individual virtues and leadership behaviour (Zhang 2008).

An overview of the literature on *The Analects* concluded with the identification of five major distinct wisdom areas or most relevant to effective leadership, namely; moral character, proper conduct, humanity, life long learning and maintaining a balance.

The Master Confucius said: “*To subdue one’s self and return to propriety or rites, is perfect virtue. If a man can for one day subdue himself and return to propriety, all under heaven will ascribe perfect virtue to him. Is the practice of perfect virtues from a man himself, or is it from others?*” (Analects 12:1).

According to The Analects, *Li* (propriety or rites) is a manifestation of *ren* (love or benevolence), which prescribes the appropriate human relationships. *zhi* (wisdom) is the cognitive capability in differentiating the good from the bad, which forms the basis of *yi* (righteousness) and *xin* (sincerity or trustworthiness). As a consequence, the ideal human behavior can be characterized by *zhong* (loyalty) and *shu* (reciprocity). Self-cultivation raised by *the Analects* makes its distinctive from many Western systems of ethical thoughts. Overcoming the self through self-cultivation and examination is the basis to harmonize human relationships and help to achieve peace and prosperity of a state as a whole. In another words, *the Analects* could help to establish a model of ethics, social values and framework for moral living especially related to leadership.

Moral Character:

Confucius emphasized the fulfillment of life and full development of *junzi* or gentleman. Poor character of a man, family background and societal order are the key factors contributing to separation among people. Thus, in an organization, effective leaders pay special attention to their individual characters with commitment through self discipline and self restrain and served as a living example. Confucius said:

“*He puts his words into action before allowing his words to follow his action*”
The Analects (2,13) quoted in *Confucius: The Analects* (Lau 1979)

“*The gentleman desires to be halting in speech but quick in action.*”
The Analects (4,24) quoted in *Confucius: The Analects* (Lau 1979)
 “*The gentleman is modest in his speech but exceeds in his actions*”
The Analects (14,29) quoted in *Confucius as a Teacher* (Chen 1993)

Confucius also believed that it is through the earnest practice of humanity that an individual can be called *jun zi*. In cultivating moral and intellectual of a man, Confucius said:

“*The gentleman is always calm and at ease; the small (inferior) man is always worried and full of distress.*”
The Analects (7,36)

“*The gentleman only helps people to be successful in performing what is good but refrains from helping perform what is evil. The small man does the contrary.*”

The Analects (12,16)

“*The gentleman understands what is moral. The small (inferior) man understands what is profitable.*”

The Analects (4,16) quoted in *Confucius: The Analects* (Lau 1979)

“*In his dealings with the world, the gentleman is not invariably for or against anything. He is on the side of what is moral*”

The Analects (4,10) quoted in *Confucius: The Analects* (Lau 1979)

The objective of leading, according to Confucius is to construct a harmonious society where people live in peace and prosperity. This objective thus requires the leadership to foster a climate of virtue by role model, thus, *junzi* or gentleman should be virtuous himself and then lead others by virtue and therefore develop a moral climate within the environment (Yao 2006; Wah 2010; Warner 2008; Cheng 2011)

The Analects (16, 10) quoted in *The Story of Chinese Philosophy* (Chan 1967)

Proper Conduct:

Confucius teaches to follow the five fundamental human relationships process, namely, started from the self cultivation, to regulating his family, then to governing the country and establishing peace in world at large. The effects of cultivating good self will eventually lead to maintaining good relationships with others. Confucius

focused on proper conduct or *li*, Sincere affection and good practice of *li* will strengthen relationships and networking.

According to Romar (2002), *Li* or ritual propriety, indicates a pattern of behavior that is the basis of virtuous behavior. Human virtue is realized which are represented by *li*. *Li* is the specifically humanizing form of dynamic relationship among people and it the inherent requirement of morality, code of conduct which is manifested by ethical behavior. He further contended that *li* Confucius view society as a community of interrelated responsibilities, thus, in order to achieve a moral, just and peaceful society, *li* admonishes that an individual should do what is proper to fulfill his position. Hence, leaders should understand their roles, tasks and positions in the process of leadership and are ready to adjust their behavior by applying the proper attitudes and knowledge towards fulfillment of their roles.

An effective leadership apply the *li*, to reinforce decisions pertaining to human interactions.

“Courtesy without etiquette becomes laborious; carefulness without etiquette becomes timidity; courage without etiquette leads to rebellion; straight forwardness without etiquette becomes rashness.”

The Analects (8, 2) quoted in *The Confucius Bible* (Khu et al. 1991)

Romar (2002) claims that leaders must set higher moral and ethical standards based on *li* and measure their moral behavior with regard to their role as supervisors and how their actions will impact other stakeholders generally.

Yao (2006) mentioned that *li* supports proper relationship behavior through the realization that individuals interact with one another following the principle of *li*. Hence, a virtuous leader should understand *li* and behave according to *li* and then sow it into the culture of the organisations in order to cultivate a morality within the organisations. By doing so, the interaction based on *li* would internalizing *li* as the moral code for everyone within the organisations.

Humanity:

According to Yang and Bond (1990), Confucius, humanity or *ren*, includes the various meanings such as humanism, benevolence, love and affection, kindness and just. The breath of meanings of *ren* indicates that *ren* has different uses under different conditions. A person can be human only in relationship to other people in a society, and *ren* can only be defined and realized through relationships and interactions with people. A harmonious society can be maintained through leadership role of a moral person. The fulfillment of humanity is by practicing moral behavior according to the principle of *li*. Thus, to practice *ren* is to love without discrimination and love is the one principle that permeates all human behaviour. Confucius said:

“ Courtesy, for those who are courteous will not be humiliated; Magnanimity (generosity), for those who are magnanimous wins the heart of the masses; Good faith, for those who are in good faith are trusted by the people; Diligence, for those who are diligent will attain their goals; and Kindness, for those who are kind will receive service from the people.”

The Analects (17, 6)

Life Long Learning:

Effective leaders always view themselves as life long learners. They are committed in learning but also unselfish in sharing their knowledge and experiences with followers. Confucius said:

“ To say you know when you know, and to say you do not know when you do not, that is knowledge.”

The Analects (2, 17), quoted in *Confucius: The Analects* (Lau, 1979)

“In a party of three persons, there is someone that can be my teacher. I can then select and follow those good qualities and discard the bad ones.”

The Analects (7, 21)

Maintaining a Balance:

Confucius wisdom also focused on the middle path of human thought and actions based on *chung yung* principle. It is of paramount importance that for a man to balance his words with his actions.

“Perfect virtue is to act in accordance to the Mean. However for a long time, few people has the capacity of doing it.”

The Analects (6, 27)

In a nutshell, the difference between the wise and the unwise according to Confucius is not about knowledge and competence but is on virtue. The wise person is a virtuous person while the unwise person is wicked (Yao 2006). Eventhough wisdom needs to be build through intellectual development, the intellectual capacity in turns needs to be moralized. By moralizing the intellectual capacity, the wise person can then be developed (Yao 2006). Wisdom to discern the right from the wrong, the ability to follow *ren* in order to know the principle of humanity and the real courage to do what is righteous fearlessly can develop as *junzi*, the exemplary individual that can integrate the thought and action with virtue (Yao 2006).

In this study, the influence of Confucianism values on corporate leadership will be investigated. Base on the literature reviewed, it is noted that the main concern for leadership challenges is to organize human resources, including managing the harmonious inter relationships in order to achieve the organizational goals. Hence, the wise strategic decision for developing the organisations should be based on full understanding of various levels of environments. The application of Confucianism values such as *li*, *chung yung*, *ren* and humanity can be fulfilled by interdependency and harmonious relationships established. In another words, to achieve the harmonious relationships, people must behave according to appropriate roles based on *li* and treat others the way he likes others to treat him and keep moderate thought and action flexibly according to timing and situation by not breaching the principle of humanity in general.

Methods:

The focus of this study is on the influence of Confucianism philosophy on Chinese corporate leaders and leadership in Malaysia. Firstly, leadership is complex in nature, *let alone* corporate leadership in a multi-racial and multi-cultural context. A practical and theoretical understanding of the influence of Confucianism philosophy on Chinese corporate leadership will not only contribute to the body of knowledge of leadership studies, but also provide a different perspective on the understanding of the intricacies and complexities of Chinese corporate leadership. Hence, we see two interdependent areas of interests, that is, the practice and theory in the study corporate leadership, within the framework of an understanding of leadership behavior actions, involving knowledge and understanding of Confucianism philosophy, including values, ethics, morals and a review of leadership assumptions, within the context of Chinese corporate leaders in Malaysia, consciously or unconsciously applying their knowledge and understanding of Confucianism philosophy to execute vision and implement change in their organizations.

The methodology employed to answer the research questions is presented in. This chapter is organized into four sections: (a) Sampling-selection of respondents, (b) instrumentation, (c) data collection, and (d) data analysis.

Sampling:

The sample is selected according to the size of the business (capitalization), business type, and performance of corporation based on the various indices as published by Bursa Saham Malaysia (BSM). The operational difficulties of defining corporate performance objectively, on close inspection, permeated with practical and conceptual difficulties. As such, a rather straight forward definition is adopted based on BSM's yardstick of performance standards in corporate performance.

The selection strategy consists of first attempting to obtain a mix of cases or individuals that would provide diverse background between various corporate entities, and within these cases, to get as much range along the other dimensions as possible. A sample is then purposively selected based on this diversity for rigorous data collection and in-depth analysis. This is done in line with the aim of providing an initial insight for future greater project in similar vein.

In special situation, the purposive sampling provided the appropriate means to investigate a specialized population of Malaysian Chinese corporate leaders. The exploration of purposive sample allowed for the investigation of element of Confucianism philosophy in leadership practices from the respondent, which had not taken place prior to this study. Approval had been received from the selected respondent for interviews and data obtained were used for the purposes of this study. An agreement to maintain confidentiality and anonymity of company and individual was signed by both the researcher and respondents.

Instrumentation:

The instrument used in this study was semi-structured open-ended interviews with one chosen respondent. Semi-structured interviews are interviews that evolve from inquiry composed of a mix of structured and unstructured questions. The unstructured questions were open-ended to allow more space of freedom and creativity from the respondent answering the interview questions (Yin 1984).

The semi-structured interviews approach used in this study had provided reasonably rich data within the respondent with the flexibility to probe answers more deeply and gather more information. To relate this study to previous work with leadership research, Interview questions were created based on the literature reviewed and theoretical framework developed. Questions were designed to allow the respondent to reflect upon the element of knowledge and understanding of Confucianism philosophy his experience and practices of corporate leadership.

Data Requirement and Collection:

Bennett and George (1997) are of the opinion that the case study method will be more effective if the research design includes a specification of the data to be obtained from the cases to be analyzed. In this study, general and comprehensive questions were formulated applicable to the case in a class of processes or events

relevant to corporate leadership. General questions can be asked from the case to elicit responses satisfying the research objective of the study and to contribute to building of insights that is intended. In this study for example, general questions can be formulated to illuminate the orientation of the respondent to the Confucianism philosophy that presumably influence his leadership within the framework of facing the challenges and needs of the corporate world.

The study focused on data collection on tracing the knowledge and understanding of Confucianism from the respondent. In keeping the interest in a rich and insightful understanding of Confucianism that influences leader's ability to act based on respondent's knowledge and understanding or evaluated understanding of Confucianism philosophy in response to a particular or combination of situations or environments.

Results:

Respondent's Basic Information:

Table 1: Respondent's Age, Educational Background/Level, Experience and Family Background

Respondent	Age	Educational Background	Educational Level	Experience/Family Background
Respondent 1 (R#1)	62	Chinese Educated	Teacher Training Diploma	<p>Experience:</p> <p>More than 30 years of MLM experience. Business internationalized into 11 countries with solid MLM expertise. A famous social philanthropist.</p> <p>Family Background:</p> <p>Born in a poor family in Selangor, R#1 has seven siblings in the family. His parents were originally from the Province of Fu Jian in China. The couple worked as farmers without any formal education. Eventhough the condition of living for the family was very difficult, R#1's parents insisted that their children must go to school for formal education. As a poor farmer, his father had worked very hard in order to save sufficiently for children's education. R#1 completed his secondary education and worked as a school teacher for ten years before migrated to commercial world.</p>

Legend: R#1 is used to represent the respondent for this study.

Within Case Analysis of Responses of Knowledge and Understanding for Confucianism Philosophy of Respondent One:

Table 2: Frequency, Intensity and Consistency of

	2:30PM	3:10PM	3:50PM	4:30PM
Confucianism Philosophy		CCCCC CCCCC CCCC	CCCCC CCCCC CCCC	CCCCC CCCCC CCCCCC

Responses of Knowledge and Understanding for Confucianism philosophy Based on the Time Slots During the Interview for Respondent One (R#1)

Legend:

C=Confucianism philosophy or values mentioned and discussed by the respondent during the in-depth interview. sessions.

Confucianism particularly the practice of *ren* had influenced R#1. R#1 described in the following way:

"The purpose of "double hearts" initiative is to institute the heart of sincerity and the heart of confidence towards oneself and others. There is no free lunch in this world, we need to be determined and diligence in continuous effort, using both hearts to construct and consolidate our group performances. Just like the ants spirit, we started our business with only RM120, 000, today, we managed to get listed in Bursa Malaysia and expanding into China and other parts of SEA."

In similar vein, R#1 recalled his experience:

“We learn to be a person with courtesy, good faith and being kind to others before learning how to work in team. Staffs are not only helping the group to create profit, but should be mediated by business ethics, we need to become the model of morality, paying our concern to others in order to secure win win situation.”

R#1 further described:

“The practice of chung yung is very important to me. The career of business has to go on generation by generation and we need to lead by example...therefore, practice of chung yung will save us from business and organizational crisis...”

R#1 feedback suggests that Confucianism philosophy was also reflecting the deep knowledge and understanding of his Chinese traditional philosophy. R#1 further quoted Confucianism philosophy in the following way:

“With the internationalized expansion, our group had instituted specialization and professionalization in business procedure and operation. In times of poor advantages, we have to depend on our fluidity and flexibility to wait for improvement and opportunities. The success of business must be seen as a relative weighing between organization and its environment. For example, after the 1988 cooperative crisis in Malaysia, we have learned the relativity or opposite or success and failure, crisis management differentiate the former from the latter. In order to penetrate the market, we did our best in conducting public relations with the locals, we helped them by building their facilities and infrastructure in order to win support. This passion has also reflected in our products and services. Now, most of our products had embedded such a passionate feeling in relation with our consumers' needs and inspiration”

It was not difficult to see that R#1's statements show that his deep knowledge and understanding of Confucianism philosophy is based on his evaluated understanding particularly dependent on the deep evaluated understanding on Confucianism. He has also shown deep and high level of insight and knowledge and understanding of Confucianism in terms of values such as sincerity, confidence, diligence, good courtesy, faith and being kind, morality and *chung yung*.

It is noted that R#1's leadership is found derived from the evaluated knowledge and understanding of Confucianism. The evaluated understanding of the values such as *ren*, practice of *chung yung*, morality and diligence have all contributed towards the practice of Confucian leadership in the aspects of moral character, proper conduct, humanity, life long learning and maintaining a balance.

R#1 described his leadership that is firstly based on influence of moral character, he explained that the fulfillment of life comes with the full development of a person, and it is not mere family background or social status but the character of a person that determined the influence of leadership. He further described as in the following way:

“Effective leader, to me, should pay special attention to personal character, especially by good example through our practice of ren, commitment, self-discipline and self restrain.”

It is observed that the practiced value of *ren* brought to R#1, his leadership action that emphasized firstly on building personal moral character by good example.

R#1 practiced principle of *chung yung*, morality and spirit of diligence were all contributed to proper conduct of leaders, principle of humanity, leaders life long learning and maintaining a balance aspects of leadership based on Confucianism. He described in details as in the following way:

“And our group's mission is that we see our company is just more than just a business; it is firmly rooted in oriental values, we blend the best of our understanding of these oriental values to deliver the highest value to help enrich the lives of our staff, members, partners, customers and the greater society with practice of chung yung. Uplifting quality of life in our group is our concerted efforts that are based on our spirit of diligence, which is to deliver the best and holistic experiences inside and outside of our group. We advocate spirit of morality, loyalty and respect towards self and others to uphold proper conduct, principle of humanity and life long learning attitude as well as instill social harmony and stability as we strive towards 1 Malaysia, 1 X, 1 World. Our company also encourages and supports the pursuit of knowledge and technological excellence to maintaining a balance (thought and action) in life and improve our community's wellbeing and to attain market superiority and trust.”

R#1's leadership action is also being influenced by his deep and evaluated knowledge and understanding of Confucianism and that being reflected in his series of actions that helped transformed the company. The finding seems to indicate that the respondent tended to have a better knowledge and understanding of Confucianism.

The most frequently mentioned, applied and explained, that is, the knowledge and understanding of such evaluated understanding of Confucianism was “guidance of *ren* and practice of *chung yung* as well as morality and ethics and sincerity”.

Discussion And Conclusion:

The finding indicates that even though the respondent possess the knowledge and understanding of Chinese traditional philosophy in general, he has shown higher level of understanding of Confucianism while leading his organization to a certain tenets of transformation he subscribed to most. The finding suggests that the respondent's responses based on knowledge and understanding of Confucianism philosophy was quite consistent and this can be shown in terms of frequency, intensity and consistency in the qualitative responses/data collected via interviews.

The most frequent mentioned knowledge and understanding of Confucianism is *ren* and *chung yung* as well as morality that witnessed that Confucianism has contributed to higher level of evaluated understanding for the respondent in his leadership.

The examination and confirmation of these important concepts or dimensions in Chinese traditional philosophy, particularly, Confucianism has contributed to the expansion of knowledge based on the research conducted by Chen (2002); Lai (2010); Tu (1996); Wee (2005); Wah (2010); Xi (2011); Yao (2006) and Zhang (2008) which indicated that there is a lack of scholarly indepth research on and inquiry of Chinese traditional leadership practices with a display of wisdom based on the knowledge and understanding of the traditional values, thoughts, morals, traditions and philosophy Confucianism. In other words, corporate leaders is more likely to be informed by Confucianism in his leadership particularly during organizational hardship. Therefore, the evaluated understanding of Confucianism philosophy had shown its influence that in turn lead to successful organizational transformation. This finding has provided an insight into Chinese leadership in general and Malaysian Chinese corporate leadership in particular, thus contributed to the body of knowledge of leadership in the context of Malaysian Chinese corporate leadership.

The findings were also empirically supports the literature reviewed by Yang and Bond (1990) who introduced that Confucianism most important principle of humanity or *ren*, represents the humane and philosophical elements of leadership, the evaluated knowledge and understanding of Confucianism shown by the respondent in this study echoed such a claim. As mentioned by several Western scholars (Hart, 1993; Hofstede, 1980; Hofstede and Bond, 1988; Psacharopoulos, 1984; Tu Wei-ming, 1996), positive Confucian values have been viewed as a catalyst in the modernization of Chinese companies globally and internationally. It is with the deep and evaluated knowledge and understanding of these Confucianism values that lead to series of transformative action among the Chinese companies particularly in Malaysia. Hence, this study has provided useful insight into the importance of knowledge and understanding of Confucianism philosophy that has influenced Chinese corporate leadership practices particularly in Malaysia.

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