

## A Daoist Reflection on Sea-Like Leadership and Enlightened Thinking

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### INTRODUCTION

As he gazed on the sea, Confucius sighed: ‘The passage of time is like the flow of water, which goes on day and night’. In later generations, the image of ‘water’ was found everywhere in Chinese literature, and most works used the metaphor first expressed by Confucius (Xing & Liu, 2015). However, Lao Zi’s understanding differed from Confucius’s, as he was more concerned with the virtues of water than its image. He believed that ‘the highest virtue is like that of water. Water benefits everything in the world without contending’.

In his letter, ‘Haier Is a Sea’, Zhang Ruimin, the chief executive officer (CEO) of Haier, raised an interesting point regarding the influence of Daoism on Chinese business leaders’ behavior. The metaphor ‘Haier Is a Sea’ relates to Lao Zi’s explanation of the virtues of water in the *Dao De Jing*, and Zhang’s letter expounds on a belief that Haier demonstrates the virtues of the sea. Prior research suggests that the psychological attributes of a CEO can determine an organization’s design if these attributes are extreme (Lewin & Stephens, 1994). Thus, perhaps, business leaders’ strong belief in a particular traditional philosophy are reflected in leaders’ behavior.

Seawater is close in nature to the Dao. The sea, being deep, seeks the lowest place and, being profound, nourishes life in the world; it is genuine and selfless; and, as it ebbs and flows, follows the tide. Lao Zi advocated enlightened human behavior according to the natural order. He likened rule of the sea to the method of governance: the people will not feel burdened if a sea-like leader humbles himself before them. The people will not feel as if they are being manipulated if a sea-like leader learns how to follow them. Zhang’s letter ‘Haier Is a Sea’ explains how these virtues of the sea should be reflected in Haier’s business practices.

## NOURISHING LIFE IN THE WORLD

The sea nourishes life in the world. When this virtue is applied in management, it creates ‘endless dedication to human beings year after year with a selfless heart’.<sup>[1]</sup> Daoism values a selflessness that refuses to put one’s personal gain before the collective interest (*Dao De Jing*, chapter 13). Therefore, no boundary exists between oneself and others, and one should not accumulate possessions for oneself (*Dao De Jing*, chapter 81).

This idea may broaden the thinking of Haier employees, so as to realize Zhang’s ideal of ‘an entrepreneurial spirit of “dedication to patriotism, the pursuit of excellence” advocated by people’. Haier’s Daoist leadership, extolling the virtues of living a selfless, simple, intelligent, placid, tolerant, and humble existence, is meant to influence the thinking of Haier employees. The employees thereby gain ‘the capacity for sea-like self-purification, improving and sublimating each person’. These selfless virtues emancipate Haier employees by eliminating their selfish desires so that they can work together to ‘create magic’.

Knowing that the Dao operates cyclically, and good and bad are complementary, a sea-like leader can appreciate various kinds of talent, instead of ‘regarding a diploma as the only standard’. This resonates with the idealistic leadership advocated by Lao Zi: ‘avoid extremes, avoid arrogance, avoid excess’ (*Dao De Jing*, chapter 29), which builds subordinates’ trust and appreciation, and, in return, ‘they make so many incredible and impossible things a reality and realize potential through their efforts’, so that Haier can ‘overcome all obstacles, rolling forward’!

## BENEFITING EVERYTHING IN THE WORLD AND NOT CONTENDING

In addition, Zhang mentions the sea’s virtue of ‘not contending’. He cites the phrase from the *Dao De Jing* (chapter 2) ‘he produces but does not own; he acts but claims no merit’ to confirm his view and indicate his indifference to the temptations of power. Zhang believes that the sea is eternal because it never asks for anything in return.

The sea-like leader is humble and generous, so he is able to accommodate his employees comfortably in the sea family, and ‘each member will be tied tightly together and form a united whole’. The sea-like leader is also tolerant and receptive, so he is open enough to accept and hold ‘all the dirty water and can purify it’, which in return brings him great support among all his employees, who gather together and ‘become the vast ocean in an eternally inexhaustible and incomparable spectacle’. This idea is explicitly illustrated in *Dao De Jing*, chapter 66, ‘If the leader is to lead the people, he must serve with humility’.

Zhang believes that nothingness implies infinite ‘being’, and the infinite vigor of life is hidden behind ‘doing nothing’ (Xing & Sims, 2012). ‘Nothing’ can be proposed just because it exists or ‘being’ (Feng, 1947). Only that which ‘being’ can

become ‘nothing’. Similarly, ‘not contending’ reflects an active philosophy, rather than a negative view of life (Feng, 1947). This does not mean standing aloof from worldly success, nor does it mean being pessimistic and fleeing society. Rather, it ‘does not contend but, rather, works for others’. Only by doing this can one make it ‘because he is not a competitor; no one in the world can compete with him’ (*Dao De Jing*, chapter 22). From this point of view, a business market is not always a playground of competition. As a business leader, one should be aware when to contend and when to yield.

Zhang has an expectation of Haier employees’ voluntary and spontaneous behavior, which cannot be created through the coercive power of a leader but is nourished by Haier’s sea values. Daoist leaders ‘transform’ their will into their employees’ own perceptions. Therefore, leaders hide their leadership in the knowledge that employees will voluntarily fulfill their will (*Dao De Jing*, chapter 17).

## FLEXIBILITY AND YIELDING

Lao Zi expounds on the qualities of seawater: it is humble, flexible, and yielding by choice as it flows from high to low places (*Dao De Jing*, chapter 78). Accordingly, a successful business leader should value inclusiveness, open-mindedness, determination, and principles equally. Therefore, the third quality mentioned in ‘Haier Is a Sea’ is a yielding spirit that ‘also has achieved eternal existence. The existence also provides the sea with the environment and the conditions for endless survival’.

Despite the fact that ‘the existence of Haier’ is not clearly defined in Zhang’s text, it is evident from his explanation of the quality of the sea that provides an endless environment, and conditions for survival must be nourished with flexibility, yielding, and receptiveness. As depicted in chapter 76 of the *Dao De Jing*: ‘Firmness and being unbending are the comrades of death; softness and being yielding are the comrades of life; thus an army without flexibility never wins a battle; a tree that is unbending is easily broken; the hard and strong will fall; the soft and weak will overcome’. A well-known metaphor, ‘constantly dripping water can wear down a stone’, also originates here. A Daoist leader understands that, in nature, yielding and softness can lead to survival and preservation.

To summarize, Daoism’s influence on Zhang Ruimin is greatly reflected in his letter. All the virtues of the sea mentioned in it are invisible qualities, such as inclusiveness, mildness, being yielding, modesty, and being nurturing. This reflects Zhang’s belief that invisible qualities are more important to enterprises than visible ones. Although all business leaders acknowledge the value of business culture, many of them cherish visible outcomes – such as profit and output – more than invisible ones. They have neglected or obscured invisible qualities, such as a business soul, and may even transform and regenerate new visible outcomes. That coincides with the view that ‘All things originate from existence; being originates from nonexistence’ (*Dao De Jing*, chapter 40).

*‘Under the pines I inquired the boy servant, “My master’s off gathering herbs. All I know is he’s here in the mountain – Clouds are so deep, I don’t know where...”’*. A poem by Jia Dao in Tang Dynasty depicted that a poet visited his friend who was a Daoist recluse but found nowhere. The Daoism reflected in ‘Haier Is the Sea’ just resonates with the artistic conception of the poem. The conception is visible as well as invisible, ‘being’ as well as ‘nothing’. Though it exists, it’s deep in the mountain and there is no fixed pattern to find. Just as the sea water has no constant form, nor does the wisdom of leadership implied invariable in the Daoism.

## NOTE

[1] Quotations come from ‘Haier Is a Sea’, unless indicated otherwise.

## REFERENCES

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