

ROLE OF CONFUCIANISM IN THE DEVELOPMENT OF MANAGEMENT AND SUSTAINABILITY DEVELOPMENT GOALS

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ABSTRACT

This paper explores the role of Confucianism in the development of management and sustainable development goals. Initially discusses the concept of sustainability in management, highlighting a multidimensional approach that focuses on social, environmental and economic aspects. Next, this article explores the influence of Confucianism, an ancient Chinese philosophy, on sustainable management practices, particularly in the Asian context. Although Buddhism has been known to promote social responsibility, the relationship between Confucianism and corporate environmental investment remains underexplored. Confucianism, which has deep roots in East Asian societies, emphasizes ethical behavior, humanity, and respect, in harmony with modern principles of corporate social responsibility and sustainability. The paper also explains how Confucian values such as harmony and ecological awareness contribute to sustainable development. Additionally, the book discusses the impact of Confucianism on managerial practice, emphasizing virtues such as loyalty, prudence, and trustworthiness, which foster harmonious relationships in organizations. The paper concludes by emphasizing the importance of integrating Confucian values into contemporary management practices to achieve sustainable development goals.

Keywords: Confucianism, sustainability, management, corporate social responsibility, harmony, East Asia.

INTRODUCTION

In this era of globalization, sustainability has become a major focus for organizations and countries around the world. From a current perspective, one of the most challenging tasks for leaders in an ever-evolving organizational environment is the commitment to sustainable development (Rickaby et al., 2020). The concept of sustainability in a management context refers to efforts to integrate the principles of sustainable development into a company's business strategy and operations. The main focus is to ensure that business activities not only generate financial profits but also consider their impact on society, the environment and the economy as a whole. However, despite widespread recognition of the importance of sustainability, its implementation remains hampered by several challenges, particularly in Asia.

One aspect that influences sustainability in Asia is the influence of cultural and traditional philosophies such as Confucianism. Although culture and traditional values have played an important role in shaping societies and economies in Asia, research exploring the relationship between Confucianism and sustainable management practices is still limited. Therefore, this research aims to explore the role of Confucianism in the development of sustainable management and seek the relationship between Confucian values and socially and environmentally responsible business practices in Asia.

METHODOLOGY

This research uses a descriptive-analytical approach by analyzing relevant literature published in scientific journals, books and other publications. Data was obtained through online searches using databases such as EBSCO, Scopus, and Web of Science. Inclusion

criteria in literature selection included relevance to Confucian topics, sustainable management, and business practices in Asia. The analysis was carried out by evaluating and synthesizing relevant findings from the selected literature.

RESULTS AND DISCUSSION

1. Sustainability Concept in Management.

Sustainable management is the practice of integrating sustainable development principles in organizations to achieve sustainable development. These organizations adopt a multidimensional and pluralistic approach to their business, focusing on issues of people (social), the planet (environmental issues), and prosperity (profitability), often referred to as the triple bottom line (Stoughton, 2011). Sustainability has become a fundamental core of modern society, creating profound and lasting impacts on individuals, companies, and countries (Kuhlman & Farrington, 2010). Meanwhile, there are several levels based on specific contexts and industries, such as environmental impacts such as climate change, mitigation, social impacts such as labor rights, and economic impacts such as long-term profitability, which can generally be used to assess the sustainability of company activities. (Ahn & Park, 2023).

Sustainability design is not a concept that applies to everyone, but must be adapted to a specific product life cycle profile, business strategy, and organizational culture and capabilities (Trotta, 2010). Governments and businesses now have broader sustainability goals. Companies today are not only focusing on profitability but also on corporate governance, social responsibility and environmental issues as a result of increasing environmental problems affecting the global population. Therefore, companies are required to share their operational methods for addressing environmental, social and corporate governance challenges.

2. Confucianism as an Ancient Chinese Philosophy in Sustainable Management

The implementation of sustainability which includes environmental, social and government aspects in Asia is still lagging behind compared to America and Europe (Sarwono, 2022). In recent years, more and more researchers have begun to pay attention to the influence of culture on the environment, such as Buddhism which functions as a social norm to increase awareness of social responsibility, thereby strengthening corporate environmental responsibility (Endris, 2008). A company's religiosity is negatively related to environmental decisions taken by company management, but this research data comes from the United States, where the majority adheres to Christianity, so the results cannot be generalized to other populations (Cui et al., 2015). However, there is still limited research on the relationship between Confucianism and corporate environmental investment. Confucianism is an important traditional culture that has been widely disseminated and has a strong influence in the countries of East Asia, South Asia, and Southeast Asia. The relationship between Confucianism and business decisions has been widely discussed (Endris, 2008). Informally and internally, Confucianism has served as a guide to society's mindset and behavior and has had a significant impact on society's economy and politics, encouraging unexpected innovations in environmentally friendly practices, which many consider a key issue for future development. , companies, and countries. Along with the increasing trend of anti-globalization, environmental issues have become an important research topic for governments and the business world (Dong & Li, 2023).

Entrepreneurial values are often influenced by Confucianism and are in line with certain theories of corporate social responsibility reflected in certain innovation management. Confucianism also helps increase awareness of corporate social responsibility starting from ethics, morality, and actively encourages companies to express high-quality

social responsibility (Dong & Li, 2023). Confucianism is one of the most important schools in China which has been passed down from one generation to the next for more than 2200 years and has been interpreted by thinkers in various eras, including the present era (F. Wang et al., 2022). Confucian values that align with sustainable business practices first include ethics and appropriate actions, because ethics and actions are essential in carrying out responsible and sustainable business activities. Humanity is the second Confucian value because prioritizing people in business is also important. Here, companies need to prioritize the welfare of employees, customers and other stakeholders. The third value is respect and responsibility towards the family, meaning that business practices must also respect the cultural and social norms of the communities in which they operate and be responsible for the impact of business on the environment and society. By implementing these values, companies can build a good reputation and strengthen their position in an increasingly competitive global market (Kencana et al., 2023). Confucianism suggests that humans love everything in nature and use resources carefully, gently, and wisely, which can be understood as contributing to sustainability. Integrating local contexts and traditional ethics regarding ecology can provide benefits for sustainability (Li et al., 2023). Confucianism contains many teachings about ecology such as humanism, humanity, nature, and sustainable development (Xu et al., 2019). Confucianism recognizes that sources natural forces cannot be restored early, but measures can be taken to protect the environment (Ren et al., 2022). Confucian harmony is valued and has achieved innovative development in modern society, in line with the idea of sustainability. Confucianism also emphasizes holistic and comprehensive thinking about development which is coordinated and unites harmony, holistic unity of various differences. Confucianism has helped efficiency and growth in China. The harmony demonstrated by Confucius is harmony between people, between humans and nature, thus supporting a healthier and more beneficial life both in the West and in the world East in this era of globalization is an effective way to overcome cultural differences and limited natural resources (Zhang-Zhang, 2023). In terms of leadership, Confucius emphasized positive business transactions, harmonious relationships, learning values, and education that can bring benefits and good practices including business management and corporate social responsibility (Low & Ang, 2012).

3. Confucian Values in Management

The emphasis of Confucian philosophy is on the values of perseverance, loyalty, prudence, dedication, the exercise of wisdom, personal sacrifice, and harmony in society. An important aspect of Confucianism involves constant involvement in relationships. Harmonious behavior is determined through Confucian thinking about relationships with individuals, parents, partners, children, friends, and superiors. Confucius also placed significant focus on social relationships and politeness. Although Confucian thought is not directly related to business organizations, its principles can be embodied in managerial practices practiced by contemporary Chinese individuals. Confucius taught five virtues, including ren or benevolence, yi or righteousness, li or modesty, zhi or wisdom, and xin or trustworthiness. According to Confucianism, a manager is expected to show compassion, uphold dignity, exercise wisdom, and keep promises. Individuals are expected to maintain a higher standard of quality, a standard seen in Chinese management today. A manager is also expected to be kind, focused on building relationships, and more approachable. Traditional Chinese managers value dedication, trust, and loyalty. From an employee's perspective, they are expected to provide their best performance and collaborate effectively within their group. Managers play an important role in fostering harmony and goodwill throughout the organization (Chinese et al., 2005). Several studies have examined the impact of Confucianism on management and company performance, one of which found

that the greater the impact of Confucianism on a company, the higher its profitability. This implies that Confucianism not only legitimizes profit-seeking enterprises but also contributes to capital appreciation and wealth creation (L. Wang et al., 2020). Another study found that the level of fairness and knowledge positively strengthens the relationship between the degree of internationalization and firm performance, while the level of benevolence and integrity strengthens the relationship between network capability and firm performance (Tsai & Tsai, 2022).

4. The Concept of Social Harmony and Sustainability in Organizational Culture

Leadership in the Confucian tradition emphasizes positive and harmonious business relationships, as reflected in the values of learning and education that contribute to corporate social responsibility ((Low & Ang, 2012). Laow & Ang, 2012). Confucianism serves as a sound moral standard to guide hierarchical and corporate relationships, bringing Confucian values and virtues that can create an atmosphere conducive to corporate responsibility regardless of a company's location and ethnicity (Snell et al., 2022).

5. Sustainable Strategic Management in Managing Human Resources

Chinese companies integrate Confucian values into their human resource management strategies to promote sustainability through three main approaches: responsible human resource management, paradoxical human resource management, and humanistic human resource management. These strategies are deeply rooted in Confucian principles, which emphasize societal well-being, ethical considerations, and the importance of caring for individuals within the company and the broader ecosystem. Responsible human resource management focuses on the welfare and harmony of society, integrating corporate social responsibility with an ethical culture. Paradoxical human resource management strikes a balance between traditional values and modern challenges, encouraging innovation while maintaining stability. Humanistic human resource management prioritizes employee welfare and happiness, extending to customers and society, thereby achieving ecological and social sustainability that supports economic sustainability. These approaches demonstrate the effectiveness of a company's human-centered orientation in achieving comprehensive sustainability, challenging the assumption that ecological and social dimensions require trade-offs with economic sustainability (Zhang-Zhang, 2023). Confucian values can significantly support the sustainability of human resource practices in Chinese companies. Employees value opportunities for job development and advancement, reflecting Confucian ideals of personal well-being and growth. Chinese managers who foster a harmonious work environment and care about employees' social welfare will increase loyalty, retention, and organization (Mak et al., 2014).

Literature analysis reveals that Confucianism has had a significant influence in the formation of business values in Asia, especially in the context of sustainable management. Values such as harmony, ethics, and social responsibility promoted by Confucianism have strong relevance to the principles of sustainability. Several studies also show that companies that base their business practices on Confucian values tend to be more successful in achieving sustainability goals.

CONCLUSION

In the context of globalization and increasing awareness of the importance of sustainability, the role of Confucianism in shaping business values and management practices in Asia has become increasingly important. Values such as harmony, ethics and social responsibility promoted by Confucianism can be a strong foundation for companies in Asia to adopt sustainable business practices. Integrating Confucian values into management strategies can help achieve sustainability goals more effectively and

comprehensively across the Asian region.

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