

Can Historical Research into *Fengshui* Tell Us Anything about Business in China?

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The commodification of higher education has been led by business schools in Australia, and they have been accused of teaching merely technique and preaching greed in their manifesto of career and revenue generation. The study of history has been a casualty in this push for the techniques rather than the substance of business. This paper argues that even historical research into a subject as arcane as the traditional Chinese art/science of fengshui can lead to a greater understanding of the context of business in China and therefore of Chinese business practice itself.

I started working as an academic in the Faculty of Economics at the University of Sydney in November 1995. Since that time the Faculty has undergone profound changes with a substantial reorientation towards a faculty based on the teaching of business rather than the broader aspects of social science. In that readjustment the Department of Economic History disappeared to be replaced by the discipline of International Business and I was informed that I could no longer continue my research into the history and philosophy of science in China, focussing on *fengshui*, a traditional Chinese art/science. This paper outlines the history of the movement in the Faculty towards business education particularly reflecting on the work of Ryan and Guthrie,¹ who criticise the instrumentalist direction of university business schools in Australia. The telling of this history is intertwined with the experiences of the author in the Faculty within this steering towards to commodification of business education, especially in relation to research. The final section of this paper argues that a subject seemingly as arcane as *fengshui* can actually give great insight into Chinese and East Asian culture and thus business practices in an area of the world that is substantially related to Australia's business present and future.

Economics Becomes Business

In 1996, the Faculty of Economics consisted of the departments of accounting, commercial law, economics, economic history, econometrics, finance, government, industrial relations, marketing, political economy and the Australian Centre for Industrial Relations Research and Training. In that year there were 3,045 students enrolled in the Faculty, of whom 550 were postgraduate including 106 doctoral or masters by research students. In 2009, the Faculty of Economics and Business consists of the disciplines of accounting, business information systems, business law, economics, finance, international business, marketing, operations management and econometrics, and work and organisational studies as well as the Centre for International Security Studies, Graduate School of Government, Institute of Transport and Logistics Studies and Workplace Research Centre. This year, there are 8,389 students enrolled in the Faculty, of whom 4,228 are postgraduate, including 180 doctoral or masters by research students. Thus it can be seen that there has been a more than 100% increase in the total number of students in the Faculty with the most marked being in the numbers of postgraduate students with an approximate 750% increase in postgraduate student numbers. There also seems to be a comparative shift away from research education.²

This increase in postgraduate student numbers has coincided with a substantial shift in the Faculty towards business education. As can be seen from the above there was a change to the name of the Faculty to include business. Moreover, the traditional economics focus of the Faculty has been superseded by business studies due to demand from both local and international students. The Bachelor of Commerce was started in the 1990s and quickly became the degree of choice of high achieving students as compared to the much older Bachelor of Economics. The Master of Commerce, which was launched in 1994, immediately became the postgraduate coursework degree of choice.

The shift towards business education in the Faculty has coincided with a general shift towards a market focus for Australian universities due to lack of government funding and the adoption of New Public Management systems by public services around the western world where procedural models of governance have been replaced by those related to markets and corporations.³ This reliance on market forces has led to the concept of 'academic consumerism' holding sway in some Australian educational institutions, especially those teaching business studies.⁴ The two quotes below from Ryan and Guthrie indicate the problems that such a mixing of knowledge and business create:

The acceptance, either implicit or explicit, by the School of 'consumer' pressure on academic standards and content weakens both the entrepreneurial 'product' and the collegium as the keeper of values.⁵

[T]ensions arise when individual academics are pressured to change content or lower standards in deference to external or 'market' factors. Academic consumerism in the sense of 'student as customer' is an important issue for the faculty as it is in this relationship, perhaps more than anything else, that the academic feels what it is like to be torn between the values of the profession and those related to business.⁶

Besides the issue of standards, however, another important aspect to academic consumerism is its effect on knowledge. The focus of knowledge with the advent of academic consumerism has become one of short term profit rather than long term understanding. This can be seen in the negation of economic history as a major subject in the Faculty of Economics and Business. For the first seven years of my tenure in the Faculty, I was part of the Faculty management structure and would regularly attend Faculty Management committee meetings. From the outset of my participation, it became evident that the then Department of Economic History was seen as the poor cousin of the other departments. Student numbers were comparatively low but still healthy in economic history, but the representatives of the other departments, particularly the newly formed departments of marketing and finance, would often complain that Economic History was not 'pulling its weight' in relation to attracting students, and that the other departments were subsidising Economic History's existence. The department was, nevertheless, able to continue until a year after the Faculty was organised along a school model in 1999 when the Head of the School of Economics and Political Science, ironically himself a former economic historian, abolished the department completely. Interestingly, the University Medal recipient for economic history in 1997 went on to complete a doctorate at Harvard University and is now a faculty member at the Booth School of Business at the University of Chicago after a stint at the Sloane School of Management at the Massachusetts Institute of Technology. It is also somewhat ironic that the following should be written in the Department of Economic History Teaching Report, especially in that management and international business were the disciplines that superseded economic history.

Weaknesses include a shortage of staff to pursue new initiatives. The discipline unit has only four full time members and our large courses rely on fractional appointments for tutorial assistance. We need more staff in regional area, especially Asia Australia, and the United States. We need additional staff in the business history, international business, and management areas.⁷

'Voluntary' Redundancy

The history of my research experience in the Faculty very much follows the experiences of the Department of Economic History. I was seconded from the English Support Unit in the University of NSW late 1995 to take the role of the Faculty Teaching Quality Fellow for one year. The basis of this role was to help the Faculty with the teaching of academic communication skills, especially but not exclusively to students with English as another language. Because of the positive reaction to my work this turned into a second year of secondment, which then became a tenured position at senior lecturer level. During my interview for the tenured position, I explained to the committee that my research focus was history and philosophy of science in China, having just completed my doctorate in this area. The interview committee readily agreed to this research focus, and in fact stated that my background in history and philosophy of science would very much enhance my work in the Faculty.

By 2001, my research profile had just begun to wax. I had my first sabbatical in that year and spent time researching at various prestigious universities such as the University of Hong Kong, Cambridge University and the University of Pennsylvania. I gave a very well received colloquium for the School of East Asian Studies at the latter university, which resulted in an open invitation to lunch at the Benjamin Franklin Club, the oldest and most renowned intellectual club in the United States of America.

However, by 2002 the Faculty was starting its first moves towards focusing solely on business education. Moreover, there was a concurrent issue developing around the fact that undergraduate international students were progressing in the Faculty at a 10% worse rate than local students.⁸ Because of the latter issue in particular, a meeting in April 2002 between the Pro Vice Chancellor (Teaching and Learning), Pro Vice Chancellor (College of Humanities and Social Sciences), and the Dean, Associate Dean (undergraduate) and Associate Dean (postgraduate) of the Faculty of Economics and Business made a decision to establish a Centre for Teaching and Learning in the Faculty, known later as the Office for Learning and Teaching (OLTEB). According to a letter circulated among those attending the meeting and copied to me, the original brief of the Office was especially to help students with their language issues. Nevertheless a finance/accounting academic with a learning and teaching background in eLearning was employed to be the director of this office and I was invited to become part of it. I was initially somewhat reluctant as the new director had questioned my research focus, but I agreed to join when the Dean assured me that he would never try to affect an academic's research profile. However, when I made a study leave application in October 2004, which I made based around an invitation to present a seminar at the Needham Institute for the History of Science in China at Cambridge University, my application was refused. Nevertheless, I took long service leave to enable to continuation of my research. A year later, I was offered 'voluntary' redundancy to leave the Faculty, an offer that I declined.

A similar situation occurred to a fellow academic in the Faculty whose doctorate and subsequent research had been focused on labour history. He was 'encouraged' to rethink his research focus towards a more business oriented field to enhance the opportunity to attract research funding and support from the Faculty. It is interesting to note

that all of this occurred when the concept of a multi-disciplinary approach to research was being touted by the Faculty hierarchy.

Chinese Value Systems

In the context of the personal history as outlined above, I thought it instructive to consider what, if anything, research into *fengshui* could add to the academic literature on business. It should be noted that *fengshui* literally means ‘wind and water’, and my first degree in geology led me to translate a number of classical Chinese texts from different dynasties to garner an understanding of the development of its theories in relation to the history and philosophy of environmental science and its relationship to culture.

A cursory search of the China National Knowledge Infrastructure (CNKI) database shows that over two hundred academic articles on *fengshui* have been published in Chinese since 1994 with the great majority of these being on the architectural aspects of *fengshui*. If this search is restricted to the subject area of economics and management, the total number of papers is twenty six. Most of these such as Yu, Li & Li⁹ and Han et al.¹⁰ are papers on present day sustainable development from the perspective of the traditional environmental scientific aspect of *fengshui*. However, there are also papers such as that by Ong¹¹ directly related to business. Ong researched the accumulation of cultural and economic capital in relation to the purchase of properties in the San Francisco area by Hong Kong immigrants with the purchasing decisions being mainly based on the cultural logic of *fengshui*, which is defined as ‘investment in places defined as being propitious for reaping good fortune’.¹² Another study on *fengshui* directly related to business published in a Chinese language journal is that of Wall et al.¹³ This study surveyed 90 small to medium sized businesses from various industries in urban, rural, inland and coastal China to ascertain how the respondents cultural beliefs in relation to business had changed over the period 1990 to 2007, particularly in relation to ‘Use of *fengshui*, Traditional Forbidden Activities, Company Naming Responsibility, Company Name Basis, Use of Numbers, Use of Physiognomy, and Prediction of a Company’s Future’.¹⁴ It was found that of all these cultural beliefs the importance of *fengshui* had risen most markedly over the past sixteen years, with a statistical significance level of 0.99. Wall et al. propose that this is because *fengshui* is to a great extent used in the design of new facilities with architects working alongside *fengshui* practitioners in developing these designs. The researchers postulate that there has been a strong element of national pride in this process. This accords with the research of Bruun¹⁵ who argues that the resurgence of *fengshui* is related to economic liberalisation and the resultant increasing competition. In fact, Mayfair Yang¹⁶ shows that a new hybrid form of Capitalism has arisen in Fujian Province based on traditional funereal rites associated with *fengshui*.

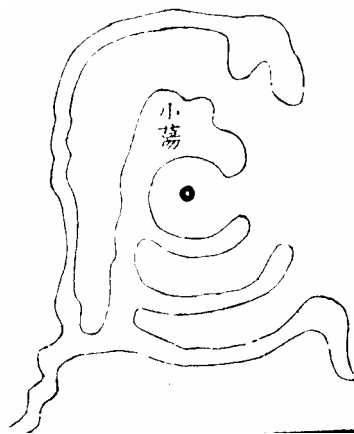
Many other studies have been recently published in the English language literature on the relationship between *fengshui* and Chinese business practices. Tsang¹⁷ undertook an extensive study of the role of superstition in decision making in the Chinese business communities of Singapore and Hong Kong and found that superstition ‘constitutes a crucial part of business life in Chinese societies’.¹⁸ In particular, he found that *fengshui* practitioners have a substantial role as advisers in strategic business decisions, a role which he likens to management consultants in the Western world. Gao and Handley-Schachler¹⁹ even argue that *fengshui* as the most important part of traditional Chinese culture had a profound impact on the development of accounting systems in China in relation to bookkeeping methods, accounting information, accounting profession/accountants, regulation and standardisation of accounting practices, and both public and private-sector accounting.

In fact, it is in the attempt to understand Chinese value systems that research into the historical development of *fengshui* can most add substance. Much of the business literature points to Confucian values as being the basic component of Chinese ethical thought with some reference otherwise only to Buddhism, saving face and *guanxi*.²⁰ Paton and Henry²¹ show that this is very much an oversimplification of the ethical basis of the people and thus business in China and amongst the Chinese Diaspora. They argue that Daoism, Legalism, Mohism, Yangism and *fengshui* traditionally, and Christianity, Marxism and the Will to Power of Nietzsche in the more recent context have had and still have strong influences on Chinese value systems.

In relation to *fengshui*, for instance, if the late Ming dynasty (circa 1600) text, the *Water Dragon Classic*, is taken into consideration, a great deal of cultural and ethical understanding can be garnered. Firstly and perhaps most importantly is the concept of ancestor worship. A substantial proportion of the *Water Dragon Classic* is on the siting of gravesites to ensure a peaceful burial site for the ancestors and related prosperity of the living. In this context, it is interesting from an East Asian cultural perspective to note that Yoon²² points out that the past two presidents of South Korea moved the gravesite of their most important ancestor to a more favourable position before becoming president. Secondly, the consequences of good or bad siting for both houses and gravesites as outlined in the *Water Dragon Classic* give a glimpse into some of the nuances of Chinese cultural and ethical thinking. The best sites produce ‘a hundred sons and a thousand grandsons’, and the ‘vermilion and the purple²³ for the whole family’. The worst sites lead to one ‘moving, being adopted, changing surname and leaving one’s hometown’, ‘the sons and grandsons being licentious, idle, frivolous and wild, drifting along without fixed lodging and neglecting their business’, ‘ruination of the family and no offspring’, and ‘entering the wife’s family²⁴ or taking another path and registering in another name’.²⁵

An example of ‘good’ siting from the first chapter of the *Water Dragon Classic* is shown below. Note the importance of becoming a ‘posted scholar’. This is indicative of the high esteem in which education continues to be held in Chinese society.

Branching Water Intersecting the Border Pattern
small pool



In this situation, water is only received from the back. On the right side, it approaches and surrounds the Dark Warrior. Even though the water does not turn its head, at the left side at the back of the situation it meanders and departs. Therefore, there is true *qi*. Moreover, it is wonderful that a single branch watercourse is inserted where the great watercourse departs.

Upward to the left and to the front, (the watercourse) bends, embraces and passes to the right and then there is reception, creating an exterior which binds. Moreover from the left to the right, a single branch of water is inserted and it separates into two limbs. One limb goes to the border at the back of the situation to manifest a dragon vein. The other goes to the front of the situation gathering water to form a pool. The sand and water collectively turn their heads to the left. This is also called a node of approaching laterally but connecting at an angle. At the front there is a small marsh which gathers water. If the node is created opposite the small marsh, it will create the fame of a posted scholar.²⁶

The relationship between the siting of tombs and houses and the importance of both in fengshui and Chinese culture is indicated by the quote below from the 5th century CE *Yellow Emperor's Classic of House Siting*:

Houses and tombs which govern sites symbolise the origins of glory and splendour. Those who obtain advantage follow their heart in what they do. Those who lose advantage live reckless lives against their wishes. If the site of the tomb is inauspicious and that of the house is auspicious, then the descendants will become officials and prosper. If the tomb is auspicious and the house inauspicious, then the descendants will not have enough clothes nor food. If the tomb and the house are both auspicious the descendants will have glory and splendour. If the tomb and the house are both inauspicious then the descendants will move from their native home and be without progeny. The spirits of their ancestors will blame the land for their misfortune which will continue for all of 7 generations with their lost souls grieving and suffering. The descendants will not be able to establish themselves and will scatter to other lands, roving from place to place like vagabonds, and dying on the bank of a river.²⁷

Those who doubt that such an understanding of the relationship between grave sites and prosperity are still an integral part of Chinese culture should heed the following anecdote. Early in 1997, I was asked to a meeting with Macquarie Bank executives in relation to the possibility of my employment with the bank in China. The executives included gentlemen of Chinese background. I was asked during the meeting what I would do if I found that Chinese were stealing money from the bank in Shanghai. I replied that I would seek out their ancestors' graves and desecrate them. I was offered the position the next day. Thus, it would seem that the higher echelons of the banking world with some understanding of Chinese culture and business practices realise the extent to which the traditional practice of *fengshui* is engrained in every day life in China.

Conclusion

In this paper, I have attempted to argue that history has been lost in the instrumentalist conception of a business school by outlining the story of the closure of the Department of Economic History in the Faculty of Economics and Business at the University of Sydney and my own struggles with such instrumentalism in regards to my research into the historical development of *fengshui*. From consideration of the literature both past and present and in both Chinese and English it can be seen that historical research into cultural practices such as *fengshui*, instrumentalist business schools do themselves, their staff and their students a great disfavour. They offer 'an unacknowledged politicized account not only of management but also of society' and 'play a pivotal role in the ideological projects

... of globalized capitalism in promoting and, especially, socializing students into a sanitized representation of corporate management'.²⁸ However, in doing so students lose an in-depth understanding of the world, which is crucial to university research, teaching and learning. They are left in the dark as to the position of business and management in both time and place and 'it is this darkness we must strive to avoid so that we don't repeat the wrongs of the past and proceed into the future without direction'.²⁹ As the President of Harvard concluded in a recent address as she bemoaned the fact that business studies had twice as many undergraduate students than any other discipline:

Higher learning can offer individuals and societies a depth and breadth of vision absent from the inevitably myopic present. Human beings need meaning, understanding and perspective as well as jobs. The question should not be whether we can afford to believe in such purposes in these times, but whether we can afford not to.³⁰

As a final comment, it should be noted that history has achieved somewhat of a greater acceptance in the Faculty in some quarters over the past two years. The Business and Labour History Group has been formed and is being funded by the Faculty, the Faculty supports the journal *Labour History* financially, there is a postgraduate unit taught in business history and there has been a professorial appointment in business and labour history. However, it remains to be seen whether the instrumentalists to our detriment will steer us away from the continuum that is knowledge.

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Endnotes

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