Tao Te Ching: How leaders establish a virtuous circle of non-action and action

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Abstract

This study aims to find a way to establish a virtuous leadership cycle through the exploration of Taoist philosophy. Taoism was created to help ancient Chinese emperors to rule for a long time, and some of its views were also studied and used by some dynasties. Its classic work, *Tao Te Ching*, includes many discussions about governance, such as action and non-action, and leadership like water. This thesis interprets Taoism from the perspective of modern leadership through the reappearance of its practical history and the textual analysis of *Tao Te Ching*. Surprisingly, the results show that its content involves at least four modern management fields: leadership, motivation, organizational structure, and strategic planning. It is more like a map to guide leaders on how to use relevant skills.

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Chapter One: Introduction

The *Tao Te Ching* is an ancient Chinese book with a long history. It is believed to have been written before the 4th century BCE, and its earliest manuscripts to date have been found in tombs from about the 3rd century BCE. Chan (2018) states that today the text has widespread influence around the world, and its content touches many fields such as politics, philosophy, and management. In the 21st century it still attracts the interest of many scholars in a variety of fields. Here I examine it in the light of today's understandings of leadership.

Chen (2018) claims that most versions of the *Tao Te Ching* contain more than 5,000 ancient Chinese characters and that the text can be divided into two parts, *Daojing* and *Dejing*, including 81 chapters. However, Chen also argues that archaeology still does not support this division. It may be that later generations were more willing to summarise the text into two themes: promoting Taoism and solving socio-political problems.

There are discrepancies in receptions of the text's content (Chen, 2018). Some believe it expresses a mythic consciousness with metaphysical implications. That may be because of its exploration of the universe and humanity. Several experts are also convinced that it is a religious belief. China's native religion, Taoism, was born under its influence and has survived to this day. However, the earliest manuscripts found by archaeologists show that it was used to help ancient rulers solve governance problems.

Chen (2018) claims that the *Tao Te Ching* was probably created during the Spring and Autumn Period (770–476 BCE) in ancient China and was completed during the

Warring States Period (475–221 BCE). At that time, there was political turmoil, and wars were frequent. The rulers of the states were eager to get the help of some theory to enable them to rule for a long time, giving rise to various schools of thought, but Taoism was not one that attracted the ruling classes. It did, however, become the main ideological theory for kings to govern the country in following eras. It had a profound influence on some dynasties, including Western *Han* (202 BCE–9 CE), Eastern *Han* (25–220 CE), and the *Tang* Dynasties (618–907 CE). These practical histories will be explored later, showing that the text used to affect the governance of society.

Some scholars still believe that *Tao Te Ching* can contribute to today's leadership development. Heider (1996) wrote in the introduction, "as a teacher, I have found the *Tao Te Ching* an indispensable text in workshops for group leaders, psychotherapists, and humanistic educators" (p. XI), because the content in the text can bring some inspiration to leaders. There are similar points of view that several contemporary management theories seem to have their roots in the text (McManus & Perruci, 2015). Perhaps, these explorations imply that a several-millennia-old Chinese book can help organisational managers.

A current debate concerns whether leaders should act more or less in the organisation in recent years. Some scholars point out that they should promote the development of enterprises through direct actions and strong leadership (Buch, Martinsen & Kuvaas, 2015; Wong & Giessner, 2018). However, other studies show that leadership should be reflected through the development of followers rather than imposing control and excessive demands (Liu & Fu, 2007; Yang, 2015; Zhan & Zhou, 2014).

Nonetheless, some scholars have been inspired by the exploration of *Tao Te Ching*. Studies show that the leadership it portrays is achieved through 無為 *wuwei* (Ma & Tsui, 2015; McManus & Perruci, 2015), that it warns leaders not to take any extreme actions. Furthermore, Ma and Tsui also believe that the text is helpful to the development of modern leadership. It can be seen from Taoist thought that managers should implement less compulsive supervision, that is, reduce issuing orders, controlling, and acting. Non-action seems to be the core of it. However, different views hold that inaction is a misunderstanding of Taoism. The text promotes a method similar to servant leadership (McManus & Perruci, 2015). No matter which point of view, they all agree that Taoism has a positive impact on leadership development, and the ideas it expresses seem to be more profound than some current leadership theories.

Therefore, the interpretation and research of the ancient book *Tao Te Ching* might help leaders explore how to establish a virtuous circle of leadership. It is the topic of this thesis. This research has two goals:

a. Explore how the text helps leaders in their work.

b. Whether and how the exploration of the text can help promote the establishment of a virtuous leadership cycle.

Chapter Two: Literature Review

2.1 The Influence of *Tao Te Ching*

The *Tao Te Ching* has a wide range of influence, which has exceeded geographical restrictions. Since it was introduced to England in the 18th century, it has been translated into over 250 languages (Lafargue & Pas, 1998). Its spread is astonishing. Even in the 21st century, new translations are published almost every year (Chen, 2018). Many believe it can affect many areas of human society, which may be why the text is fascinating.

Tao Te Ching is often mentioned as a theory of philosophy. Scholars have focused on its contribution as a philosophical theory to ancient human development (Jaspers, 1974), affecting social development today. Currently, more attention is focused on the impact of the text on contemporary thought (Clarke, 2002). Ames and Hall's (2004) interpretation and translation explore the philosophical impact it has on individuals. It guides people to realise themselves and make life meaningful as the title of their text attests: *Daodejing "Making this Life Significant": A Philosophical Translation*.

Other exponents point out that the main contribution of *Tao Te Ching* lies in the political field. Self-cultivation is important in the text, but its ultimate goal goes beyond personal achievement (Moeller, 2006). It is a political masterpiece for the ruling class, and its primary focus is on socio-political order or peace-making.

Additionally, some scholars have pointed out that the philosophical and political attributes of the text are inseparable (Koptseva & Kirko, 2015). They believe that

Taoist philosophy is the integration of universal moral laws with a political system and that its purpose is to train or create more perfect rulers. Therefore, transposed into our contemporary milieu, it could be called a leadership text. Heidegger (1996) confirms this view by claiming that "It was originally addressed to the sage and to the wise political ruler (leader)" (p. XI).

2.2 The Connection Between *Tao Te Ching* and Leadership

The primary purpose of *Tao Te Ching* is to guide leaders on how to exercise their roles (Pheng, 1995). Its main emphasis is to guide them towards a flexible style. It requires people to avoid extremes (Ma & Tsui, 2015). Selfless leaders are considered positive. However, this view holds that inaction is at the core of Taoist thinking, which could be regarded as a manifestation of laissez-faire leadership.

Amaghlobeli and Celepli (2012) believe that Taoism requires leaders and followers to establish high-level values by realising collective rather than personal interests. In addition, Zhang and Foo (2012) state that Taoism emphasises the balance necessary for wise leadership, by observing followers' power along with their own. Furthermore, Taoism requires that the ultimate goal of any leader is responsibility (Zu, 2019). Establishing harmony between humanity and nature is an inescapable responsibility of leaders, which shows that its core should be sustainable development.

In addition to these, McManus and Perruci (2015) pointed out that Taoist thought contains many management theories, such as servant leadership and theory X and Y, but with some distinctive differences. It guides leaders to achieve the purpose of leading the organisation through cooperation with the laws of nature. In other words,

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its core is not only to guide leaders on whether they should act or not but also to enable leaders to realise how they should act through their understanding of natural laws.

This variety of interpretations shows that a unified view is all but impossible, and this adds to the text's appeal. However, as Heider (1996) titled his book, *The Tao of Leadership*, the exploration of *Tao Te Ching* may contribute to the development of contemporary leadership. Therefore, that is the most appropriate response to why the text should be interpreted within our current context.

2.3 The Problem of Contemporary Leadership

Currently, there are two conflicting ideas. On the one hand, some studies have shown that direct actions and strong leadership can promote the development of enterprises, which means that leaders need to exercise strict control and supervision of subordinates to ensure that they can remain effective. On the other hand, distributed models are becoming more popular where the senior staff reduce their actions and let the members develop themselves. Both of these two views seem to suggest that leaders should do more or not. However, they represent different mind-sets about how followers relate to organisational development. There are three representative styles that articulate these two approaches: transactional, laissez-faire, and transformational leadership.

Transactional leadership is considered the traditional type of leadership (Flynn, 2020). The leaders usually exchange material rewards for the efforts of followers. They rely on their authority that cannot be challenged to motivate their subordinates (Biscontini,

2020). Flynn also believes that people should perform repetitive tasks under strict rules, rewards and punishments, and clear goals. This style may be more focused on maintaining high work efficiency than the development of organisational members.

McCleskey (2014) shows that the transactional style can bring some advantages to organisations, by helping leaders achieve performance goals. Through the transaction with the subordinates, the manager makes them understand that completing the task is the only way to obtain material rewards, which makes the followers increase their motivation to complete their work. This style is also conducive to giving members a clearer understanding of organisational and personal work goals to reduce costs, improve product quality, and increase output (Sadeghi & Pihie, 2012). In addition, Zhu, Sosik, Riggio, and Yang (2012) have shown that it is related to efficient work. Leaders and their followers are more like a mutually beneficial market. People work harder to complete the tasks assigned to obtain more benefits.

However, the traditional transactional leadership style is not conducive to team innovation (Liu, Liu & Zeng, 2011). People's creativity is limited due to the plethora of directives and demands from leaders. Furthermore, Groves and LaRocca (2011) state that the leadership of these managers is mainly derived from altruism rather than ethics such as corporate and social responsibility. It means that the effectiveness of their instructions and supervision can only depend on material rewards, which affects the cohesion of the organisation members. Therefore, using instructions, rewards, and punishments to maintain the leadership mind-set of the organisation cannot meet its development needs.

Laissez-faire is a French term that means "leave to do" and invokes a no leadership style (Flynn, 2020). Guidance, supervision, and feedback are not needed under it with leaders seeming to be doing nothing (Biscontini, 2020). The development of followers is the basis of this style.

The positive effects of laissez-faire leadership on the organisation can be seen as two aspects. First, it helps increase the participation of members (Liu & Fu, 2007). Under this style, the goal of the organisation is the goal of the members. The members act as leaders so that they can have longer-term motivation. Another aspect is that laissez-faire leadership is believed to facilitate the creation of an innovative environment (Zhang & Zhou, 2014). In self-management, members are better able to develop their potential and form unique perspectives. These are conducive to the creation of innovation. In practical applications, laissez-faire leadership is applied to innovative teams (Yang, 2015). That is the embodiment of its advantages.

However, the laissez-faire style also has shortcomings. Wong and Giessner (2018) state that it is inappropriate for leaders to delegate excessive rights and responsibilities to followers. If people do not have sufficient capabilities, they may attribute the responsibility to a lack of leadership. Furthermore, laissez-faire leadership is also considered unable to meet followers' expectations (Buch, Martinsen & Kuvaas, 2015). When team members' opinions diverge in some decisions, they expect leaders to participate in the decision.

Additionally, Breevaart and Zacher (2019) claim that the higher the degree of laissez-faire, the more significant the negative impact on employees' work. Employees will

have long-term doubts about work goals when there is no clear task instruction, and the enthusiasm of employees will be reduced in the absence of supervision and a reward and punishment system.

Therefore, a leadership mind-set that supports followers in developing in an unrestricted environment helps realise people's potential. Nonetheless, it is difficult for people without guidance to contribute their strengths to the progress of the organisation.

Transformational leadership is considered an effective style (Flynn, 2020). Leaders of this type usually develop and motivate their followers through four aspects: idealised influence, inspirational motivation, individualised consideration, and intellectual stimulation (Bass, Avolio, Jung & Berson, 2003). Bass (2008) states that the main characteristic is that they regard the development of followers as the core of their leadership. This mind-set does not emphasise whether leaders should act or not, but they will neither strictly supervise the entire organisation, nor do they lack actions.

Transformational leadership can improve organisational performance (Gundersen, Hellesøy & Raeder, 2012). When leaders pay more attention to the development of followers, they will perform better at work. In addition, other studies have shown that its degree is positively related to the creativity of followers (Jyoti & Dev, 2015). Transformational leaders are committed to developing the potential of followers, which is of great help in enhancing the personal capabilities of employees.

However, not all research results are positive. Anderson and Sun (2015) believe that the cooperation between followers will decrease because they rely too much on

transformational leaders. Further, such managers cannot promote cooperation among team members, especially in organisations with many members (Zhu, Newman, Miao & Hooke, 2013), because they pay more attention to developing the abilities of individual followers rather than the entire team. In addition, the transformational leadership theory lacks conceptual clarity (Sarros & Santora, 2001). In practice, it is sometimes considered a synonym for other styles, such as charismatic leadership.

The three leadership styles described put leaders into a dilemma: they all have positive and negative aspects that make it difficult for individuals to choose between them. However, *Tao Te Ching* is probably not limited by contemporary mind-sets. The interpretation of it may bring some special ideas or inspiration to break through the bottleneck of leadership development.

Chapter Three: Methodology

This research aims to interpret the content of *Tao Te Ching* and find out what it contains about leadership. Therefore, the analysis of text content is essential. The text is an ancient Chinese book that involves numerous metaphors, and its authors cannot be identified at present (Chen, 2018). That makes it difficult to understand, so the choice of research method is important.

As the *Tao Te Ching* is a text with interpretive challenges, this thesis uses textual analysis as the research method in order to gain a holistic understanding of the text (Rholetter, 2018). In addition, the creative background and practical history of the text should also be explored because its authors are unknown. This contextual analysis can help construct a perspective to understand the text and its many metaphors.

The scriptive reading of Monin (2004) is a textual analysis method, and it will be used to read and analyse the data. Since the *Tao Te Ching* was written in classical Chinese, it requires an English translation. Therefore, this thesis uses the editions of Ames and Hall (2004) and Linnell (2015) to assist in reading.

3.1 Textual Analysis

Textual analysis is a method that helps researchers explore the meaning of texts. McKee (2003) states that this method can be used in many disciplines, including sociology and philosophy. It provides scholars with a way to integrate the project and interpret its content. In addition, "text" is a cultural artefact covering many types, such

as books, magazines, and advertisements. McKee also claims that textual analysis is a main method for exploring text.

Guerra (2014) states that both quantitative and qualitative methods can be used in textual analysis. Quantitative or mixed approaches can be applied to large amounts of data. For example, Rholetter (2018) claims that a form of the method, content analysis, starts with a quantitative approach, such as counting the number of times a certain word appears in a text. Rholetter also believes that it can gain a qualitative dimension, albeit quantitative, while people interpret their findings. It requires researchers to classify texts and analyse content patterns or meanings.

On the other hand, qualitative procedures are used due to the limited amount of data and the wide variation in the scope of studies. Researchers need to use specific methods depending on the situation.

This thesis uses qualitative textual analysis. It aims to explore whether and how an ancient Chinese book can contribute to understanding leadership. The text contains many metaphors, ideas, and cultural traditions which are hard to quantify. Qualitative text analysis can help researchers interpret the meaning of texts as a whole (Rholetter, 2018). It can also help readers discover the diversity of textual meanings (Phillipov, 2013). Therefore, this method facilitates the interpretation of the text. Specifically, Monin's (2004) scriptive reading was used in this case.

3.2 Scriptive Reading Method

Scriptive reading is one of the textual analysis methods (Monin, 2004). It requires readers to see themselves as co-producers of the text. Monin also believes that reading a text is like conversing with its authors so that we can understand it in context. *Tao Te Ching* is an ancient book, and the era it represents is very different from contemporary society. Researchers need to adapt to its context in order to decipher its meaning and face a variety of metaphors and Monin's method helps with this approach.

Monin's (2004) method attempts to help researchers connect with authors of texts. It is able to show a story between readers and writers. Monin states that readers' direct experience of the text is the source of interpretation. She wants people to be "naive reader (s)" (Monin, 2004, p. 80) before reading, meaning they have only limited knowledge of interpretive or critical commentary on the text. It helps ensure the purity of exploration. Therefore, an introduction about my own background might be a useful start to the whole story.

After introducing myself, I will explore the authors. Monin (2004) believes that understanding the author's intention is one of the centres of interest. Investigating the background of text creation helps researchers integrate into its context. In addition, the metaphors in an ancient text may confuse contemporary people, but bringing them back to their original era helps to explore the meanings.

Critical reading is at the heart of the method. Monin (2004) claims that readers need to understand the meaning of the text from the readers' perspective. First, they need to

identify the main points of the text and choose what are going to be explained and analysed. Then, researchers focus on deciphering the meanings of the content, paying particular attention to the role of metaphors. Next, researchers set out to reconstruct the theory of the text. They should reassemble their explanations into a complete system and explore or show what it means. All of this should be supported by evidence.

Overall, the *Tao Te Ching* is an ancient book, and Monin's (2004) scriptive reading method can help to explore and reproduce its meaning. Building connections between readers and authors, and then doing a critical reading of the content is the process of study.

3.3 The Editions of *Tao Te Ching* Selected for the Study

Tao Te Ching was probably written before the 4th century BCE, and the earliest manuscripts found so far are from bamboo slips about the 3rd century BCE (Chen, 2018). The most widely circulated version, however, is the one edited by Wang Bi of the Han Dynasty in about the 2nd century CE. The editions of Ames and Hall (2004) and Linnell (2015) are translated and edited on the basis of Wang Bi's version. They both include classical Chinese and English translations.

Linnell's (2015) edition is closer to a literal translation, as it does not have much embellishment or commentary. In addition, Ames and Hall (2004), however, pay more attention to the philosophical value of the text. Their translations are poetic and easy to understand, and they also comment on the text's content. For instance, Linnell uses Chinese Pinyin to translate the core concept of *Tao Te Ching*, "道," into "*dao*."

However, Ames and Hall use "way-making" to translate it. Ames and Hall's use of translations of English phrases makes it easier to read than Linnell's edition, but that of Ames and Hall can provide a potential guide to people's understanding. These two editions have their own characteristics and complement each other; therefore, they were used as sources in this study. A detailed discussion involving translations and versions will be developed in chapter 7.

3.4 Data Collection and Analysis Process

Monin's (2004) scriptive reading method requires people to integrate into the context of the text. Building a connection between readers and authors, and doing a critical reading of the content are the key points of the method. Therefore, the following process will be performed.

For the first step, I will talk about what I knew about *Tao Te Ching* and Taoism as a Chinese boy before reading it. This section will show the process of how I came to know it and how it affects individuals, societies, and cultures in my eyes.

In the second step, the original author's background and the practical history of the text will be explored. At present, there is no evidence to show the exact author or authors of the *Tao Te Ching*. Therefore, extensive exploration of the background of the text is required. I will explore its changes of meaning for society and the ruling class, starting from the era of its possible creation.

During step three, my attention will start to turn to the text content. *Tao Te Ching* is composed of ancient Chinese, so there are some translation problems. I will explore

how to translate Old Chinese into English in this part. In addition, I will discuss why the editions of Ames and Hall (2004) and Linnell (2015) are used to help interpret the text.

Then critical reading will begin in step four. I will identify and categorise key points in the *Tao Te Ching* and explain or comment on selected chapters and passages. I also explore the meaning of some essential metaphors. These are to give people a general view of Taoist thought.

After that, I will try to reconstruct the Taoist philosophy and leadership system by using the meanings and comments that have been obtained. I will also discuss some important metaphorical connections. In addition, I will explore the impact of the text on contemporary leadership tentatively.

In conclusion, the thesis needs to embody explorations of reader and text background, content interpretation, reconstruction, and possible effects.

Chapter Four: *Dao* and a Young Boy

Monin's (2004) scriptive reading method requires researchers to connect with texts. Therefore, allow me to describe some intersections between my personal and Taoist philosophy before everything starts. I had never forgotten that my father once told me a story about Chef Ding when I was very young. In ancient China, a chef named Ding was very good at cutting oxen. In that era, most chefs used brute force to cut oxen into beef, which was a time-consuming and laborious method. Chef Ding was different from them. He focused on finding the texture of muscles and the gaps between the bones and then used a knife to scratch these places. He was able to complete his work rhythmically and quickly in this way. After that, he always looked up at the sky with a relaxed and proud expression.

My father told me that it was amazing that Chef Ding seemed to blend in with everything around him when he cut. He seemed to know its sharpness better than a knife, and he seemed to know the lines on its body better than a scalper. He cut precisely along the gap between flesh and blood, all of which seemed so relaxed and quick. His exquisite skills were considered by later generations to imply the main ideas of Taoism. The story of my dad ends here in my memory. Although I asked him more than once what Taoism is, his answer was that no one can make it clear.

However, although Taoism failed to impress a child, there is usually a picture in my mind that depicts Chef Ding looking up at the sky after finishing his work and showing a relaxed and proud expression. Even now, I sometimes think that if leaders can complete their leadership work as easily and effectively as he did, they may be

able to establish a virtuous management cycle. Therefore, the Taoism mentioned by my father once again aroused my interest.

Taoist philosophy is often mentioned in Chinese students' textbooks, but it is a confusing concept. On the one hand, Zhu (2010) states that Chairman Mao (1893–1976) defined it as a revolutionary and naive materialistic thought. Its innovation is that it began to realise that the world is made up of matter rather than the will of God. However, some of its thoughts were biased toward metaphysics in the subsequent development due to science and technology limitations. Hence, this view seems to imply that it is difficult for people to affect contemporary society because it is only a vision of the ancients.

On the other hand, according to my experience, Taoist thought has a ubiquitous influence on the daily life of individuals. For example, when people are faced with something that makes them feel powerless or frustrated, they may go with the flow. This attitude of non-interference and inaction is considered a manifestation of Taoism (Linnell, 2015). In addition, some Taoist concepts are sometimes used as metaphors for mystical things. For example, people use the word 玄 *xuan* to describe things that cannot be explained. *Tao Te Ching* records the sentence, "玄之又玄 The obscurest (*xuan*) of the obscure (*xuan*)" (Ames & Hall, 2004, p. 77). So I feel that the influence of Taoism seems to be rooted in Chinese traditions.

In essence 道 *dao* is the core idea of Taoism and exists in all things. In Taoist philosophy, sages practice by observing all things in nature. They look forward to gaining or understanding *dao* in the process.

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Additionally, Moon (2004) claims that 無為 *wuwei* is a form of *dao*. Since it has the function of making things work harmoniously, it is not recommended to interfere with things artificially. A more straightforward understanding is that it represents non-interference and non-management (Moon, 2015). Things follow *dao* to change and develop so that any actions of people are superfluous to things. Non-action seems to be what it means.

Most of the exploration of Taoist philosophy come from people's interpretation of *Tao Te Ching*. Chan (2018) believes that it is the core classic of Taoism. It is the first comprehensive record of Taoist philosophy. It contains many discussions about how people know *dao* and follow it. Therefore, the direct way to study Taoism is to try to interpret the *Tao Te Ching*. Unfortunately, it is difficult for people to understand. Johnson also believes that it is like an anthology of proverbs. There are many metaphors that people cannot understand. In addition, the logic between chapters and even lines is not always obvious. These put a layer of mystery on Taoist philosophy.

Sometimes I brag that *Tao Te Ching* is not unfamiliar to me, and I can even recite some fragments of it. However, I am not sure that the few words in my memory really came from it. In fact, I never read even a single chapter of it, so it is like a complete stranger to me. As shown in the previous paragraphs, what I know about it basically comes from other people's descriptions. It is obscure in my mind and trying to interpret it is a huge challenge.

However, as a postgraduate student at the School of Management, I am curious about the studies of *Tao Te Ching*. Moon (2015) claims that inaction can be used for

organisational leadership, and sometimes inaction is more meaningful to leaders. This is a form of not being an extreme leader. Reducing the supervision of employees is conducive to the development of the organisation. In addition, Taoist philosophy has a lot of content similar to management theory (McManus & Perrucic, 2015). These views show that Taoism, as ancient philosophy, may help contemporary managers lead employees.

Therefore, I decided to explore the *Tao Te Ching* in depth, and I thought that Monin's (2004) scriptive reading method could help me face the challenge. Monin claims that readers should develop a connection with the text's authors. It gave me an idea that although the authors of the *Tao Te Ching* may not be identified, I could have a broad understanding of it starting from its creative background and practical history. After that, maybe it would not feel like a stranger to me anymore.

Chapter Five: Talking About *Tao Te Ching*

Monin (2004) believes that understanding the author's intention is an essential step in exploring texts. In this chapter, I will discuss some background information on *Tao Te Ching*.

5.1 What Is *Tao Te Ching*?

Tao Te Ching is also called *Lao-Tze* or *Laozi* (Ellwood, 2008). Others named it *the Five Thousand Character Classic*, for it is composed of more than five thousand ancient Chinese characters (Chan, 2018). Today the earliest *Tao Te Ching* is found to be recorded on bamboo slips and silks from the 4th century BCE to the 3rd century BCE (Chan, 2018). Chan also believes that it is the most basic classic text of Taoism. The main ideas of Taoist philosophy are discussed in it.

However, the content of the *Tao Te Ching* is obscure to most people (Chen, 2018) and its metaphors may be confusing to us today. Contemporary readers may find it difficult to get the logical connection between chapters and paragraphs. Therefore, the exploration could start with the problem of the division of the text.

5.2 Chapters of *Tao Te Ching*

Nowadays, *Tao Te Ching* is divided into two parts and 81 chapters (Chan, 2018). Chan also believes that according to archaeological findings, the first part is called 德 *de*, and the second part is called 道 *dao*. *De* means morality in Chinese. It is often used to describe personal characteristics. The second part, *dao*, is considered the core

idea of Taoism (Hu & Yan, 2013). In a nutshell, it can be considered the origin of the world and will be discussed in detail later. The *dao* theory is more conducive to guiding leaders' actions (Ma & Tsui, 2015).

There is a question of whether the layout of *Tao Te Ching* is the same as when it was created. As mentioned earlier, its content is more like a record of someone's remarks (Welch, 1966). Given that archaeological work on the origin of the text is still on-going, the possibility that it was first generated within an oral tradition should be considered in the process of interpretation, even if there is no reliable evidence to support this view so far.

Additionally, the number 81 has a special meaning in Chinese traditional culture. The number 9 represented a lot and meant huge in ancient China (Kim, 2012). The reason is that the number 9 is the last single digit, so it is considered to represent the largest. 81 is the result of adding the nine numbers 9, which gives it infinite meaning. Thus, the number 81 is believed to represent the deity (Kim, 2012).

Therefore, the order of the chapters might not be representative of its logical order, which increases the difficulty of understanding. Nonetheless, people do not need to be restricted by order of chapters and are free to engage at will with the text.

5.3 Author or Authors

Laozi is considered to have a significant influence on *Tao Te Ching*. 老子 *Laozi* means a respected older man in Chinese (Baxter, 2014) but there has been controversy

regarding Laozi's actual identity. Baxter believes that Laozi's name is 李耳 *Li Er* or 李聃 *Li Dan*. It means that Laozi's surname is 李 *Li*, and his given name is 耳 *Er* or 聃 *Dan* which suggests that Laozi was an ancient Chinese named 李耳 *Li Er* or 李聃 *Li Dan*.

On the other hand, others believe that the historical records are wrong. Some experts believe that Laozi's name should be 老聃 *Lao Dan* instead of 李聃 *Li Dan* or 李耳 *Li Er* (Rainey, 2014). For example, Confucius is called 孔子 *Kongzi* because his surname is 孔 *Kong*. It suggests that Laozi's surname is 老 *Lao* instead of 李 *Li*. Laozi is also called 老聃 *Lao Dan* in other ancient Chinese books such as Zhuangzi and Han Feizi (Rainey, 2014). However, there is no direct evidence to prove which of their arguments is correct. It also has to make people wonder whether Laozi was an actual person.

In addition, Laozi's birth and death years are unclear. Sima (91BCE/1974CE) claims that Laozi lived to the age of 160 or 200. This legend suggests Laozi's longevity. Confucius's story of asking Laozi for advice is recorded in some other ancient books in China (Ivanhoe, 2013). Therefore, Laozi is considered to be a figure older than Confucius. They probably lived in the same period, the 6th century BCE (Chan, 2018). It was the Spring and Autumn Period (770–476 BCE) in Chinese history, and society was undergoing turbulence and change. *Tao Te Ching* could have been affected by this period.

More than one author having written *Tao Te Ching* is now the mainstream view. In the records of ancient books, Laozi's students also participated in its creation. For example, Sima (91BCE/1974CE) states that Laozi wrote *Tao Te Ching* at the request of 尹喜 *Yin Xi*, but after completing the writing, Laozi disappeared. Chan (2018) believes that its creation could have been in the middle of the third century BCE, even if the specific participants cannot be determined. This period is the Warring States Period (475–221 BCE) in ancient China, which followed the Spring and Autumn Period (770–476 BCE). At that time, there were frequent wars, and people still had trouble surviving, and the feudal empire had almost replaced the dominance of the slave empire. The thinking of scholars may be the embodiment of social change.

Therefore, there may be more than one author of *Tao Te Ching*. It is impossible to determine which part came from whom, further suggesting that the original logic cannot be followed in the interpretation. While interpreting the text, it is necessary to select and classify the content. However, the era when it was created can probably be determined to be the Spring and Autumn Period (770–476 BCE) and the Warring States Period (475–221 BCE).

5.4 Creation Background: The Spring and Autumn Period

Generally speaking, the Spring and Autumn period is considered to range from 770 BCE to 476 BCE (Wilkinson, 2015). It was the end of the Zhou Dynasty's (1046–771 BCE) rule, the last slavery dynasty in ancient China. Sima (91BCE/1974CE) believes that Laozi was the historian in charge of the Zhou Dynasty library. This experience gave Laozi access to many ancient and contemporary classics, which may have

influenced his thinking. These classics are now impossible to find, but the exploration of this period may help understand Laozi's ideas.

The Zhou Dynasty (1046–771 BCE) once had a special ruling system. Chin (2007) claims that the Zhou Dynasty was based on religious and blood relationships, and the ritual and music system advocated by Confucius was its embodiment. At that time, the supreme rulers were called the sons of gods, and they enfeoffed the land to their vassals (Hucker, 1987). The governance of the rulers represents the rule of god over man.

However, in the later period of the Zhou Dynasty (1046–771 BCE), the vassal state gradually became stronger, which led to the collapse of the Zhou Dynasty's ruling system (Wilkinson, 2015). In 770 BC, Emperor Zhou was forced to move his capital from 鎬京 *Haojing* to 洛邑 *Luoyi* due to the invasion of ethnic minorities and the decline of royal power. It was also the beginning of the Spring and Autumn Period (770–476 BCE). At this time, the Zhou Dynasty needed to rely on the protection of its vassals, who had also begun to control the decision-making power of the Zhou Dynasty.

The social turmoil during this period triggered changes in thinking among scholars. People in the Zhou Dynasty (1046–771 BCE) and before were more willing to believe that gods were ruling people (Zhu, 2010). Nevertheless, when the authority of the Zhou Dynasty ruler, the representative of the gods, declined, people began to pay attention to the influence of mortals. Moreover, Zhu believes that due to the frequent occurrence of natural disasters, some simple materialistic ideas had also begun to

develop, such as 阴阳 *Yin Yang* and 五行 Five Elements. Therefore, the status of people and material things started to replace gods. Since then, more and more scholars have begun to study how people and things can influence the leadership practices of the ruler.

As a librarian in Zhou Dynasty (1046–771 BCE), both the historical records and the turmoil of society influenced Laozi. He might have discovered that the current and past management systems were very flawed. He hoped that through exploring the origin of the world, he could find better and more durable governance for the country (Feldt, 2010). It means that he needed to find a way to establish a virtuous management cycle. Furthermore, the ancients' scientific knowledge of nature was much more limited than it is now, so the material world was classified as some elements. This cognitive difference also creates difficulties in understanding *Tao Te Ching*. Hence, when interpreting the metaphors, the essence of the things they represent should be paid attention to.

5.5 Creation Background: The Warring States Period

The Warring States Period was after the Spring and Autumn Period (770–476 BCE). It is believed to be from 475 BCE to 221 BCE (Zhu, 2010). During this period, the feudal system was gradually established. It also made the society more turbulent than in the Spring and Autumn Period. Just like its name, frequent wars defined it. The Zhou Dynasty (1046–771 BCE), which once had supreme authority, had already lost control of the country at that time. Its vassals had evolved into independent countries, and they were fighting with each other. Additionally, the collapse of slavery and the

rise of the feudal landlord class required scholars to find new ways to manage the country.

This period was like a breeding ground for academic thought. The rulers urgently needed new ideas to help them manage the country so that the ideas of many schools had the opportunity to be put into practice. Therefore, a large number of scholars began to spread their ideas in various places. *Tao Te Ching* was probably written at the time.

Therefore, *Tao Te Ching* might initially be a classic that taught rulers how to rule. In later developments, it tends towards metaphysics. The interpretation of it should not be affected by this, however. Its purpose should be to develop leadership and management, so it should be understood from this organising perspective.

Unfortunately, although *Tao Te Ching* is a book on management, its content did not meet the needs of the rulers at the time. They hoped that some academic ideas could strengthen the centralisation of power. Hence Taoism was not practised in the Spring and Autumn Period (770–476 BCE) and the Warring States Period (475–221 BCE).

Chapter Six: The Practical History of Taoism

Since we cannot identify the authors of the *Tao Te Ching*, it is necessary to explore the practical process of the text in order to meet the requirements of the scriptive reading method for understanding the authors of the text.

After the Warring States period (475–221 BCE), ancient China was under the brief rule of the Qin Dynasty (221–206 BCE) but Taoism was still not used to rule the kingdom. In the next dynasty, the Western Han Dynasty, Taoism became the main idea that helped govern the country. However, this situation did not last long, and by the middle of the Western Han Dynasty, the status of Taoist thought declined.

After the Western Han Dynasty (202 BCE–9 CE), the rulers of the Eastern Han Dynasty (25–220 CE) had a new understanding of Taoism based on their predecessors, and they once again applied it to the governance of the country. The actions at this time were a little different than before.

With the demise of the Eastern Han Dynasty (25–220 CE), Taoism also became silent in its political application. However, in the Tang Dynasty (618–907 CE), a few hundred years later, it once again influenced the ruling class at that time, although it was no longer the most mainstream thought in society.

The above is the practical history of Taoist thought. The exploration will begin in the Western Han Dynasty (202 BCE–9 CE).

6.1 Taoism in the Western Han Dynasty

Taoism was founded in the Spring and Autumn Period (770–476 BCE) and the Warring States Period (475–221 BCE), but the rulers did not give it enough attention. After that, it was first used in management in the early Western Han Dynasty which is considered to range from 202 BCE to 9 CE (Zhu, 2010). This dynasty was China's second period as a unified feudal country. Due to the unique background of the time, the rulers began to pay attention to and reform Taoist philosophy to help them lead the country. Therefore, the characteristics of that period had a direct impact on its use. That is its first practice in leadership, which helps to explore the role it can play in this field.

6.1.1 Background

Change was the primary characteristic of the early Western Han Dynasty (202 BCE–9 CE), which manifested in the three aspects of leadership, production, and social change. First, the leadership system had been changing at that time. Loewe and Shaughnessy (1999) believe that state power had begun to be concentrated in the hands of one ruler at the end of the Zhou Dynasty (1046–771 BCE). However, in the early years of the Western Han Dynasty, many people thought that this leadership system was not feasible. They had asked for the continuation of the previous Zhou Dynasty's method of entrusting land. Under these circumstances, a leadership system that can avoid the disadvantages of decentralisation, and centralisation, is what the rulers need.

The other aspect is the transformation of production relations, which in an agricultural society, usually refers to changes in land ownership. Loewe and Shaughnessy (1999) state that the system of land ownership by the state was destroyed during the Spring and Autumn Period (770–476 BCE) and the Warring States Period (475–221 BCE). In the Zhou Dynasty (1046–771 BCE), although the nobles held the actual management rights to the land, it was nominally owned by the state. By the time of the Western Han Dynasty (202 BCE–9 CE), however, the owners of the land included aristocrats, military landlords, and ordinary farmers. Moreover, there was a lot of un-owned wasteland. This situation meant that the rulers needed to find different ways to reconcile conflicts and mobilise the motivation of their followers.

In addition, the destruction of society by long-term divisions and wars is also a pertinent aspect. Sima (91BCE/1974CE) claims that the emperor could not find four horses of the same colour in the early Western Han Dynasty (202 BCE–9 CE) when traveling, and officials could only take ox carts to work. Ordinary people did not even have a place to live. Furthermore, the population is the foundation of an agricultural country. All these circumstances led to low taxes in the empire. Therefore, if the rulers could not find a suitable leadership system, their rule would be difficult to maintain.

These three aspects may have prompted the rulers of the early Western Han Dynasty (202 BCE–9 CE) to start looking for a new way of leadership. Zhu (2010) believes that they began to attach importance to Taoist philosophy at that time, and through studying and revising Taoist thought, it was the guiding ideology for maintaining their rule.

6.1.2 Actions and Effects

Taoism influenced many actions of the rulers in the early Western Han Dynasty (202 BCE–9 CE). They made some changes to Taoist thought to make it suitable for ruling the kingdom. Zhu (2010) claims that Taoist content *wuwei* had a great influence on the society at that time, and it was embodied in four aspects: reducing government orders, penalties, and taxes, and protecting people's lives.

The government orders were reduced. Emperors and ministers rarely issued new or changed previous policies (Sima, 91BCE/1974CE), bringing continuity. In addition, the intervention of leaders in their followers' lives was reduced, which also reflects the interpretation of Taoist philosophy by the rulers.

The reduction of taxes is also an aspect. Sima (91BCE/1974CE) states that several emperors in the Western Han Dynasty (202 BCE–9 CE) had issued edicts to reduce taxes. The taxation level was much lower than that of the previous period. Taxation affects the vested interests of the rulers. It is also equivalent to the expectations and requirements of leaders for their followers. The influence of Taoism was one of the reasons why the rulers reduced taxes at that time.

Another aspect is the reduction of penalties. Before the Western Han Dynasty (202 BCE–9 CE), there were many cruel punishments in the Qin Dynasty (221–206 BCE). Most of these were abolished by the rulers of the early Western Han Dynasty (Sima, 91BCE/1974CE). In Taoist philosophy, leaders should guide followers to take positive actions instead of supervising them through punitive measures. The abolition of those penalties is probably due to the influence of Taoism on the leaders of the time.

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For instance, an emperor in the Western Han Dynasty once said that crime and punishment are bad things, so it is absurd to use bad things to guide people to do good things (Sima, 91BCE/1974CE). This view should be regarded as the embodiment of Taoist philosophy.

Additionally, rulers also issued some decrees to protect the lives of the people at that time. In Taoist philosophy, safeguarding the lives of the people is considered the foundation of *wuwei*. Land is the most important production resource for people in an agricultural society. The leaders of the early Western Han Dynasty (202 BCE–9 CE) determined private ownership of land while trying to ensure that every family owned land as much as possible (Zhu, 2010). They rewarded soldiers and ministers with land and distributed it to ordinary people and some slaves.

This series of measures brought some positive effects. Sima (91BCE/1974CE) states that during that period, not only did people have great enthusiasm for production, but the crime rate also dropped sharply. Individuals owned the land, so their basic living problems were solved, and the social economy was restored. The difficult situation improved, and the country's tax revenue also grew steadily. All of these made citizens more satisfied with the ruling class, which also became the basis for social stability and development.

However, rulers' leadership had also begun to have some potential crises. As the rulers reduced their intervention in the development of the country, this also reduced their restraint on local managers. Zhu (2010) claims that nobles and landlords united through marriage to annex land and enslave farmers; sometimes, they even confronted

the government. More land was in the hands of a few landlords, giving them great power. Sima (91BCE/1974CE) believes that local separatist forces had often appeared since the establishment of the Western Han Dynasty, owing to inaction of the rulers. At that time, the law lost its force, which is also the negative effect of inaction.

In sum, the early Western Han Dynasty (202 BCE–9 CE) rulers likely interpreted Taoism as a way of non-interference or even inaction. They reduced the issuance of decrees and relaxed restrictions on followers. They had also hoped to guarantee the basic livelihood of the people, but this was not maintained. These measures became an important factor in promoting social stability and development at that time but also contributed to the collapse of the ruling system.

6.2 Taoism in the Eastern Han Dynasty

After the rapid recovery and development of the social economy in the Western Han Dynasty (202 BCE–9 CE), Taoist philosophy gradually decreased its involvement in managing the country (Zhu, 2010). It still influenced the decision-making of the ruling class, but many measures did not persist. From 9 BCE to 25 CE, the Western Han Dynasty was destroyed (Zhu, 2010). During this period, wars occurred throughout the country.

In 25 CE, the successors of the Han Dynasty regained power in the country, which was called the Eastern Han Dynasty (Knechtges, 2010). The social situation at this time was similar to before. The prolonged war caused tremendous damage to the social order and economy. The government faced several problems, such as low labour and production efficiency. On the other hand, the power of ordinary people

began to be feared by the ruling class because of previous peasant uprisings. All these made Taoist philosophy the most suitable theory for governing the country. Zhu (2018) believes that the emperor of the Eastern Han Dynasty (25–220 CE) hoped to use Taoist philosophy to govern the country. He also explored Taoism more deeply than his predecessors.

Zhu (2010) states that during this period, the first emperor of the Eastern Han Dynasty (25–220 CE) had a different understanding of Taoist philosophy from his predecessors. He began to attach importance to helping and guiding people to change. He asked his officials to improve their behaviour and education so they could affect ordinary people. For example, he once said that personal morality is the basis for leaders to govern the country (Zhu, 2010).

In addition, the emperor issued some policies to guide and help the people to develop production. Zhu (2010) believes that he learned from his ancestors to reduce taxes and penalties on the one hand, while on the other, he strengthened the internal supervision of the management and established a special department to teach the people the techniques of farming. These all showed that he tried to lead the people to make changes, which is consistent with Taoist philosophy.

The implementation of these measures brought some positive effects. First, reducing people's penalties and strengthening the internal supervision of the ruling class were in sharp contrast. At the time, the restrictions on ordinary people were relaxed, but the demands on officials were raised. Then, officials could set an example for the citizens. Zhu (2010) states that many government members were respected and praised by the

people in the early Eastern Han Dynasty (25–220 CE). In addition, Zhu also believes that the socio-economic recovery was rapid, and the production technology and efficiency were considerably improved. The reason was that the policy of teaching the people about production techniques achieved some success.

These influences all showed that the emperor's attempts to guide and help the people make positive changes were beneficial to managing the country. However, he still failed to solve the limitations brought by the feudal system, such as land annexation. In addition, his understanding of Taoist thought was limited because he could only represent the interests of the feudal ruling class. It also made these measures unsustainable. With the decline of the Eastern Han Dynasty, ancient China entered a long period of division (Zhu, 2010). Taoist philosophy also was not practiced in governance.

6.3 Taoism in the Tang Dynasty

The Tang Dynasty was established in 618 CE (Zhu, 2010). It was another kingdom that could maintain long-term rule after the Han Dynasty. After 220 CE, China fell into a period of centuries-long division. During this period, there were many feudal countries and frequent wars between them, and the situation lasted almost until the founding of the Tang Dynasty (618–907 CE). After that, Taoist philosophy gained opportunities for practice and development.

Zhu (2010) claims that Taoist thought was not the primary philosophical basis for the leaders of the kingdom during the Tang Dynasty (618–907 CE), but it could still affect the governance of the country. Zhu also believes that the emperors of the Tang

dynasty regarded Laozi, the founder of Taoism, as their ancestor, which shows that the leaders paid considerable attention to Taoism, even more than the previous dynasties. Therefore, it could be spread and developed and could even affect the formulation of policies, mainly during Emperor Taizong's reign.

Emperor Taizong was the second king of the Tang Dynasty (618–907 CE). He led the entire empire from 626 to 649 CE, and the period of its rule was called the Reign of Zhenguan by later generations (Liu, 1975). There was a rapid development of all aspects of the country during this period. Chen (2020) states that the emperor often mentioned the classic theses of Taoism when he and his ministers discussed how to govern the country. Chen also believes that he also tried to establish a management system based on Dao. Therefore, exploring the social background and policies of this period will help discover the development of Taoist philosophy in management.

6.3.1 The Social Background

The social situation faced by the Tang Dynasty (618–907 CE) at the beginning of its establishment was similar to that of the Han Dynasty (202 BCE– 220 CE). Due to the war that lasted for several years, the production and economy of society were destroyed (Liu, 1975). Many labourers left the farmland, which damaged the production system.

The first emperor of the Tang Dynasty (618–907 CE) tried some ways to solve these problems. He learned from the practices of the Han Dynasty (202 BCE– 220 CE) to grant land to the people and reduce taxes (Zhu, 2010). The measures positively affected the restoration of the social economy and the protection of people's lives.

However, he only served as emperor for eight years. When Taizong, the second emperor of the Tang Dynasty, succeeded him, the development of society was still low.

6.3.2 The Philosophy of Emperor Taizong

Zhu (2010) states that Emperor Taizong of Tang governed the country differently from the previous emperors. It was mainly reflected in his in-depth thinking about managing the country. He usually thought about the relationship between leaders and followers; in this process, some views of Taoism were used.

Since the Han Dynasty (202 BCE– 220 CE), reducing interference with the people was regarded as *wuwei*'s management practice. However, Tang Taizong further explored the relationship between the monarch and the people. Zhu (2010) believes that Emperor Taizong often discussed it with his ministers. For example, he repeatedly warned the ministers that the people are the foundation of the country so their status should be higher than that of emperors. It means that respecting and guiding the people in a positive way is the key to governing the country. Similar thoughts are an essential part of Taoist philosophy. Therefore, Emperor Taizong understood that leaders should take the initiative to lower their status.

At that time, agricultural production could directly affect the destiny of a country. During the Han Dynasty (202 BCE– 220 CE), a department dedicated to teaching farming techniques was set up to help and guide people to develop production. However, the method used by Taizong was different. Lui (1975) claims that he tried to avoid recruiting labour when the farming sector was busy, and even the coming-of-

age ceremony of the prince could be postponed. In addition, he worked in the fields himself every year (Liu, 1975). These examples made people scramble to imitate him, and they had high motivation to work without government actions and supervision. Thus, he seemed to be able to get his followers to work hard of their own accord, which is one of the core concepts of Taoist philosophy.

Taizong's education and guidance of the people could also be reflected in the law. He had high demands on himself and members of the government. He even agreed to place everyone, including the royal family and aristocrats, under the restraint of the law (Zhu, 2010). It made the behaviour of the ruling class a model for the common people.

On the other hand, he protected the individuals more than punishing them. He repeatedly said that the death penalty should be prudent and often pardoned death row prisoners (Zhu, 2010). The citizens were grateful to him. It made them consciously abide by the law to prevent letting down the emperor. Zhu also states that after several years of governance, there were fewer than 30 death row prisoners in the country each year in the Tang Dynasty, which showed that the social order at that time was very stable.

Emperor Taizong also made some changes to the structure of government. Chen (2020) believes that he once said that the personnel who manage the country need to be excellent, and the number of them should not be too large. Then, he abolished many positions, making the government smaller but more efficient. Chen also states that this action reflected his attempts to establish a management system based on *dao*.

Emperor Taizong also showed a willingness to accept the suggestions of ministers, especially those who opposed his views (Chen, 2020). As a result, they were more willing and encouraged to make different suggestions. It allowed him to respond more quickly to problems in governance. This method can be considered a potential guide for managers by a leader, and it is like the sea holding all rivers.

The external environment faced by the Tang Dynasty (618–907 CE) was complicated. Its territory bordered many countries with other cultures and was often harassed by barbarians (Hung, 2013). However, its diplomatic strategy still reflected the characteristics of more cooperation than confrontation, which is also included in Taoist philosophy. On the one hand, Emperor Taizong expressed a friendly attitude towards other countries. He allowed the royal princess to marry the leader of the southwest tribe and spread the culture and production technology to this area (Hung, 2013).

Emperor Taizong also advocated facing foreign cultures with a learning attitude. For instance, a Tang monk went to India to learn Buddhist culture (Bingenheimer, 2003). In addition, the strategy for hostile forces and potential enemies was also a combination of war and cooperation. He used to appoint the surrendered leaders of the northern nomads to return to their territory and lead their tribes (Hung, 2013). The emperor used this method to achieve regional stability.

In short, these policies all indicate that he was more willing to provide potential guidance than to rule harshly. The empire was managed but not through many

mandatory orders. It is the scene depicted in Taoist philosophy. Thus, the impact of these measures needs to be further explored.

6.3.3 The Impacts on Society

These measures brought some positive effects. Zhu (2010) believes that Emperor Taizong of Tang achieved remarkable results in governing the country. The society was rapidly restored and developed. The government did not intervene too much in the production and life of the people who worked hard to cultivate diligently.

The Tang Dynasty's (618–907 CE) foreign policy also achieved remarkable results. It not only won the respect of many countries, but even the hostile barbarians also admired the emperor. According to Skaff (2010), "The chiefs of the four barbarians went to the palace and ritually requested that the emperor take the title of Heavenly Qaghan" (p. 120). It shows that even the previous enemies were also willing to accept its rule.

Unfortunately, these policies were gradually abandoned as Emperor Taizong aged (Zhu, 2010). After his death, this management method never appeared in Chinese history again.

In general, the Taoist philosophy in managing Tang Taizong's administration showed different characteristics than before. It was no longer recognised as the theoretical basis for governing the country. However, its contents were reflected in all aspects of governance. In addition, the management scene it displayed was reflected at this time. Internally, people could go to work and follow the rules conscientiously. To the

outside world, there was more spontaneous cooperation than confrontation. These realisations were not the result of too much action but a kind of potential guidance. Therefore, it was closer to the core theory of Taoism.

6.4 A Short Summary

The above exploration shows that ancient Chinese rulers' use of Taoist philosophy has shown different characteristics over time. At first, it was understood to resemble a representation of inaction. Reduction in action became its greatest influence on statecraft at the time.

After that, the rulers began to realise that Taoist philosophy required members of the ruling class to self-improve as a basis for guiding ordinary people. Less action is more about easing citizens' restrictions than the overriding strategy.

By the Tang Dynasty (618–907 CE), the rulers seemed to have a deeper understanding of the metaphor of water in Taoism. They tried to bridge the gap between themselves and their followers, that is, to integrate into the common people and to lead and influence others by their own example. They began to realise the need to help civilians solve some practical problems encountered in production and life. In addition, they also appeared to be tolerant when faced with different perceptions and cultures.

Chapter Seven: Text Selection Analysis

7.1 Translation Problems

There are many problems in the process of translating ancient texts. Taking the translation of ancient Greek texts as an example, Lengauer (2013) states that translations are false to some extent or at least artificial. Reasons for potential inaccuracies can be divided into several aspects, namely, determining the veracity of oral traditions, knowing details of the cultural and sociological context, accounting for changes of textual forms, and deciding on the accuracy of words. Additionally, some unique problems arise in translating classical Chinese, such as word segmentation, textual differences of synonyms, and implicit interpretation.

The veracity of oral traditions is not determined easily. According to Vansina (2017), "testimony is no more than a mirage of the reality it describes" (p. 76), because the person who first relayed their ideas has put his or her personal understanding above the content. However, that does not mean that it is worthless. Vansina also believes that a comprehensive understanding of the historical source of the text is the primary way to interpret its meaning. In addition, understanding the literal meaning and subject of the text will help readers understand its overall meaning. Therefore, these two aspects should be identified when interpreting historical documents.

There is no evidence to prove that *Tao Te Ching* is an oral tradition. However, its content contains numerous metaphors and colloquial expressions. Therefore, in the process of exploring it, we should try our best to understand the meaning of keywords, and put them in the context of the time. In addition, Vansina (2017) states that

establishing hypotheses is also a way to interpret ancient texts. Hypothesising requires researchers to be able to make reasonable speculations about expressions and metaphors.

Lengauer (2013) believes that it is difficult to reproduce the culture and situation of ancient texts when they were created. The creative background of their authors cannot be restored, such as the social situation and their psychological state. For instance, most ancient Greek texts are records of certain people's speeches and conversations. The personal backgrounds and psychological activities of the speakers are difficult to consider. In addition, speaking in front of many people was a part of the citizens' daily lives at that time, a habit that is not reflected today in the same way. Similarly, translating *Tao Te Ching* also faces this problem. Chan (2018) claims that it is more like a record of Laozi's remarks. Thus, its original meaning is difficult for translators to understand.

Additionally, the form of ancient texts may be changed in translation, which affects the understanding of their original meaning. Lengauer (2013) claims that translators need to transform them into a form generally recognised by readers, to overcome the distances in time and cultural backgrounds. For example, Jan Parandowski, the translator of Homer's 8th Century BCE *Odyssey*, preferred to translate it into prose, but it was a poem in its original form. This discursive shift from poetry to prose may lead to misunderstandings without the original rhythms. For *Tao Te Ching*, it might have been first generated within an oral tradition. This process gave it a new logical sequence. Therefore, these changes could hinder people's understanding of its content.

In ancient texts, every word or character may be irreplaceable (Lengauer, 2013), and each sentence should be considered with a holistic logic. Thus, any changes in one place may affect the understanding and reasoning of the content that follows. For instance, Lengauer also states that the translation of Herodotus' book *The Histories* is inaccurate. The original author thought that he explored great and marvellous deeds, while the word 'history' is too rigorous and emotionless. Therefore, changes in wording could bring about different interpretations. Similarly, Chen (2018) claims that there is a discrepancy between the earliest manuscript of the *Tao Te Ching* found and the circulating version. In this way, interpreting the text is also plagued by similar translation problems.

7.2 Translating Classical Chinese

There are other problems with the translation of classical Chinese. Yin (2016) claims that there is a difference between ancient Chinese and modern languages, which is that most ancient words consist of only one character. That same character could be used as a phrase or sentence, and sometimes it contains much meaning. Furthermore, translators face many choices. In addition, Yin also states that many ancient Chinese texts do not have punctuation because they were carved on bronze or bamboo slips, leading to a difficult challenge in how to combine characters, because different combinations have multiple interpretations.

There are also differences between ancient and modern Chinese. Yin (2016) believes that the simplified characters used now were developed from traditional characters, which was formally confirmed in 1997. However, traditional characters were also

formed by the evolution of ancient characters over a long period. Especially before 206 BCE, the characters used at that time had many forms. The simplification process could be thought of as splitting and concretising the meaning of individual characters into some words. Therefore, many of them have various synonyms in modern times (Yang, 2021). It is difficult for people to maintain an objective attitude in the process of translation. They may choose words based on their cultural background.

Another problem is that many implicit expressions often appear in ancient Chinese texts (Yang, 2021). Most of them are metaphors, which are meant to explain what is being stated. However, these are expressions based on the cultural background and living habits of the ancients which are not reflected in the same way today. Furthermore, because people have different world views and ways of thinking, the metaphors used by the authors might not resonate. They tended to pay more attention to some of the features contained in things rather than the things themselves. All of these could affect the accuracy of the translation.

Therefore, the existing translations of *Tao Te Ching* also need to be critically discussed. In this process, it is necessary to restore the background of the creation and the thinking logic of the author as much as possible. In addition, how to organise characters and understand their meaning needs to be explored. It is also necessary to describe old things and their characteristics when interpreting metaphors.

7.3 Version Selection

There are many versions of *Tao Te Ching*. So far, archaeologists have discovered that it was first recorded on bamboo slips dating from 300 BCE, and it was not divided into chapters (Chan, 2018). However, that manuscript was incomplete. Chan also states that scholars from ancient China edited the most common editions, similar to the original manuscript. Hence, they also have the value of research.

Ames and Hall (2004) believe that the manuscript of the *Tao Te Ching* found in the ancient tombs of Ma Wang Dui should be used as the basis for exploration since it is the most primitive version at present. Unfortunately, it is not complete, so the reading process still needs the assistance of other editions. Ames also claims that the *Tao Te Ching* edited by ancient Chinese scholar Wang Bi can be used for reference. Wang Bi lived in the Three Kingdoms period. That era was influenced by the Taoist philosophy prevailing in the previous Han Dynasty. He completed the compilation of Taoist documents handed down at that time in about 240 CE. Therefore, in the Ames edition, the versions of both Ma Wang Dui and Wang Bi are included.

In addition, Linnell (2015) argues that there are at least six known versions of the *Tao Te Ching*. They can be divided into two categories: pre-Qin period manuscripts, and later editions. Some of the original manuscripts have been preserved for thousands of years, and many have been lost. They were not widely circulated. However, later editions were widespread. There are three most recognised by people, which are Wang Bi's and the other two versions that became popular in 300 and 600 CE. Their two editors He Shang Gong and Fu Yi were also knowledgeable. Linnell also believes

that these three versions should be the basis for interpretation. Therefore, they are the basis of Linnell's edition.

In this thesis, the texts in the editions of Ames (2004) and Linnell (2015) were used for critical reading. Some of them and their translations will be quoted for comparison and discussion. This selection is not restricted by the order of the chapters.

7.4 Starting from Three Questions

Tao Te Ching is a work containing ancient Chinese philosophy (Ames, 2004). Ames also states that it is important to locate problems in the process of exploring philosophical issues. It means that philosophical thoughts are based on reflecting on problems people faced at that time. In this thesis, the text is organised into three aspects for interpretation.

The question of what *dao* is will be discussed. The core of Taoist philosophy is *dao* (Chan, 2018). In short, it was Laozi's consideration of the generation and operation of everything in the world. Related content appears in many places throughout the book. Many of them are composed of characters and metaphors with specific meanings, which are difficult to understand. Hence, they should be assembled for understanding, and then a complete context can be established. It helps lead people into the author's thinking.

In addition, how *dao* affects the world will also be discussed. Describing *dao*'s operation is a crucial part of *Tao Te Ching* (Chan, 2018). The related discourses sometimes appear simultaneously with their meaning and sometimes appear

separately, which increases the difficulty of interpretation. If these contents can be put together, it will help people to establish an overall vision.

Following this discussion I will explore how *dao* is used in leadership. In *Tao Te Ching*, how to follow *dao* to lead the people is one of its topics (Gerstner, 2011). Exploring whether Taoist philosophy contributes to the development of management is also the goal of this research.

In conclusion, this thesis is based on the editions of Ames (2004) and Linnell (2015), and the content of *Tao Te Ching* will be extracted and reorganised into three aspects, namely, defining *dao*, how it affects the world and how to follow its lead. This process is not restricted by chapter division and punctuation.

Chapter Eight: Exploring *Tao Te Ching*

The critical reading of Monin's (2004) scriptive reading method begins with this chapter. I will identify the main points of the text and interpret them.

The core of *Tao Te Ching* is *dao*. It is the foundation of the Taoist worldview. and the starting point to discuss personal cultivation and leadership issues. Thus, the exploration will start with *dao*.

8.1. What Is 道 *Dao*?

Dao's meaning in *Tao Te Ching* is unique. It is different from modern Chinese; even in ancient Chinese, it is difficult to find its exact interpretation. It should be a name that is used to define something specific.

At the beginning of *Tao Te Ching*, there is a discussion about *dao*. Ames and Hall edition (2004) shows that:

> 道,可道也,非恆道也。
> 名,可名也,非恆名也。
> Way-making (*dao*) that can be put into words is not really way-making.
> And naming (*ming*) that can assign fixed reference to things is not really naming. (p. 77)

Two unique words are introduced here. One is 道 *dao*, which is translated as way-making. The other is 名 *ming*, which is used as naming. The description of the two of them in the text is similar. They both refer to something that cannot be described in

the appropriate language. Therefore, it is likely that they are explaining the same thing rather than two.

The ordinary meaning of the word 道 *dao* in Chinese is similar to that of the word 'way' in English. One of its meanings is the road. The other is the method. However, it can also be used as a verb in Chinese. In this case, it is reflected in the second appearance in this text. Ames and Hall (2004) translate it as "be put into words" (p. 77).

Nonetheless, what is unusual in this sentence is that it has a different literal meaning when used as a noun. It has been described as something that cannot be summarised in a word. Therefore, it is just a name or pronoun. People cannot find its connotation and characteristics from the original meaning of this word. Similar usages often appear in *Tao Te Ching*, which is one of the reasons why it is difficult for readers to understand. Then maybe they should not be translated. This translation is similar to the direct quotation that is used in Linnell's (2015) edition. "The *dao* that can be spoken of is not the ever-constant Dao" (Linnell, 2015, p. 12). A thing that can be called *dao* cannot be summed up in words. This expression might avoid misunderstandings about it.

The usage of 名 *ming* here is worthy of in-depth thinking. It also has two parts of speech: noun and verb. It is expressed in Linnell's (2015) translation. "The name that can be named is not the ever-constant name" (Linnell, 2015, p. 12). From this perspective, it should refer to the name of something or someone when used as a noun. Since it and the previous sentence describe the same thing that cannot be described in

words, it can be explained as a synonym for 道 *dao*. Therefore, the objects discussed in these two paragraphs are the same concept rather than different.

The explanation of *dao* in this part of the content seems to be meaningless. However, it can encourage readers to explore further. It is the text's potential guidance to them, which reflects *dao*. The purpose of these two sentences is to make people feel it with their hearts and not just rely on language explanations. Thus, that is a way to mobilise their thinking.

There is a further explanation and generalisation of it in Chapter 25. Ames and Hall's edition (2004) shows that:

> 有物混成，
> 先天地生。
> 寂呵寥呵，
> 獨立而不改，
> 周行而不殆，
> 可以為天地母。
> 吾未知其名，
> 字之曰道，
> 吾強為之名曰大。
> There was some process that formed spontaneously
> Emerging before the heavens and earth.
> Silent and empty,
> Standing alone as all that is, it does not suffer alteration.
> (All pervading, it does not pause.)
> It can be thought of as the mother of the heavens and the earth.
> I do not yet know its name (*ming*).
> If I were to style it,
> I would call it way-making (*dao*).
> And if forced to give it a name,
> I would call it grand. (p. 115)

These contents show that it is a concept formed before the heavens and earth. In classical Chinese, 天 *tian* usually refers to the sky, the universe. Then 地 *di* represents

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everything on earth. When they are put together, this phrase is a representation of everything. Therefore, 道 *dao* is depicted as something born before everything in the world and universe.

Then, the text has a general description of *dao*. It is silent and invisible. It is difficult for people to perceive its existence. In addition, its operation is not affected by external forces. It appeared before the universe and world, and neither of these two can change it. Not only that, its operation is dynamic; being cyclical, it never stops. In this process, all things in the world are produced, and they follow it to develop and change. It has no name. Here it is called 道 *dao* or 大 *da*.

After the above exploration, the origin of the name 道 *dao* is clear. It refers to something that exists before everything in the universe and world. However, this explanation is still vague and general. That raises some new questions, such as why everything arises from it. Thus, its meaning should be further explored.

8.1.1 The Two Elements of Dao: 無 Wu and 有 You

In the *Tao Te Ching*, two elements are described as the keys to making up the *dao*. Ames and Hall's edition (2004) records that:

> 無名，萬物之始也；
> 有名，萬物之母也。
> The nameless (*wuming*) is the fetal beginnings of everything that is happening (*wanwu*),
> While that which is named is their mother. (p. 77)

Two incomprehensible concepts in the *Tao Te Ching* appear here for the first time. They are 無 *wu* and 有 *you*. They are not considered separate characters in Ames and Hall's edition (2004). Both of them are combined with the following 名 *ming* to become a phrase, which is 無名 *wuming* and 有名 *youming*. They are translated as nameless, and the one that is named. Linnell's (2015) edition has a similar translation as well. However, these translations may have been affected by punctuation.

In the above Chinese, 無名 *wuming* and 有名 *youming* are marked with a comma, which makes people think that they are two phrases. However, previous research showed that *Tao Te Ching* had no punctuation at first (Yin, 2016). They have all been marked up later. If readers ignore them, these sentences seem to be easy to understand.

As mentioned earlier, the word 名 *ming* has two parts of speech. Both editions above have translated it as a noun because it is regarded as part of a phrase. After ignoring the punctuation, it can be understood as a verb. Then the translation will be completely different. The one is that 無 *wu* can be named (名 *ming*) or thought of as the beginning of the universe and world. Another sentence is that 有 *you* can be named (名 *ming*) or regarded as the mother of all things. In this way, they are just the explanations of these two incomprehensible concepts, which is their definition.

Therefore, the usage of 無 *wu* and 有 *you* is similar to that of *dao* here. They are all words that have been given a unique meaning. Their literal meaning does not match the context. A sentence in the second chapter of *Tao Te Ching* supports this point of view. According to Ames and Hall (2004),

有無之相生也
Determinacy (*you*) and indeterminacy (*wu*) give rise to each other (pp. 79–81).

The two characters 無 *wu* and 有 *you* are used alone instead of in phrases here. It is a corroboration of the previous view. In addition, they are translated into "determinacy" and "indeterminacy" by Ames and Hall (2004). Both of these words appear for the first time, which makes them abrupt. In Linnell's (2015) edition, their translation is even more puzzling. "Being and non-being create each other" (Linnell, 2015, p. 13). The big difference between the two versions may be due to their inability to restore the original intention of the author. These two words do not have their literal meaning here. Therefore, a direct quotation like 道 dao discussed earlier may be more appropriate, namely *wu* and *you*. Then, it means that *wu* and *you* influence each other.

In short, 無 *wu* and 有 *you* are two unique concepts. The text defines them as the beginning and mother of all things. A deeper exploration of these two words is the key to understanding the core of Taoism.

8.1.2 The Meaning of 無 Wu

無 *wu* is interpreted as a sort of nothingness before the universe and world are produced, so all things originated from it. In other words, it is the most fundamental reason for creating the world and universe. The emergence of everything is based on some special conditions. The result of continuous exploration of these factors is called *wu*.

無 *wu* is considered "the fetal beginnings of everything" in *Tao Te Ching* (Ames and

Hall, 2004, p. 77). All things have reasons or are all composed of some factors.

Exploring these causes and factors to the root is the process of discovering *wu*. The

result of this process is defined as 無 *wu* by the text.

Hence, 無 *wu* is explained here as a nihility that precedes the universe and world. It is

their cause. This concept is entirely different from its literal meaning that is "none". It

is the keyword of the full text and appears in many places. Therefore, if readers are

not clear about its definition, they are likely to misunderstand the content of *Tao Te*

Ching.

8.1.3 The Meaning of 有 *You*

In the text, 有 *you* appears after 無 *wu*. It is defined as the mother of everything

(Ames & Hall, 2004). This metaphor is more concrete than nothingness. The origin of

things is intangible. Then their emergence, development, and demise follow specific

laws. People can perceive these compared to nothingness. They are the original laws

that things follow and are called 有 *you*.

Therefore, 有 *you* are the laws followed by the emergence and development of all

things. This point of view is further elaborated in the sixth chapter of *Tao de Ching*.

Ames and Hall's edition (2004) records that:

谷神不死，
是謂玄牝。

玄牝之門，
是謂天地之根。
綿綿呵若存，
用之不勤。
The life-force of the valley never dies—
This is called the dark female.
The gateway of the dark female—
This is called the root of the world.
Wispy and delicate, it only seems to be there,
Yet its productivity is bottomless. (p. 85)

The above is a further interpretation of the creation of the world by the mother of all things. It is a dynamic, continuous, and hard-to-find process. One of the reasons for anthropomorphising it is to make it more vivid. The ancients believed that life is conceived in the mother's body, so comparing the root of all things to a woman is more appropriate. However, they knew that no creature can be immortal. The image of 有 *you* in the text is immortal, which shows that it is the law followed by the operation of things rather than a life. These are the meanings of 有 *you*.

8.1.4 The Discussion of 無 *Wu*, 有 *You* and 道 *Dao*

The meanings of 無 *wu*, 有 *you,* and 道 *dao* have all been discussed separately. Then, the connection between them is also explored. Ames and Hall's edition (2004) shows that:

兩者同出異名，
同謂之玄。
玄之又玄，
眾妙之門。
These two (*wu* and *you*) emerge from the same source yet are referred to differently.
Together they are called obscure.
The obscurest of obscure,

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> They are the swinging gateway of the manifold mysteries. (p. 77)

無 *wu* and 有 *you* both have the same root, and their interaction is the reason for the creation, operation, and demise of all things. It is *dao*.

For instance, the process of *dao* producing all things is further described. Linnell's edition (2015) shows that:

> 道生一
> 一生二
> 二生三
> 三生萬物
> Dao creates one.
> One creates two.
> Two creates three.
> Three creates the ten thousand creatures. (p. 58)

It is a literal translation, so it is not easy to understand. Ames and Hall's interpretation (2004) is detailed:

> Way-making (*dao*) gives rise to continuity,
> Continuity gives rise to difference,
> Difference gives rise to plurality,
> And plurality gives rise to the manifold of everything that is happening (*wanwu*). (p. 142)

Nothingness is before the universe and world. The first thing that appears is called "one." Various things appeared after it, which led to the birth of everything. 無 *wu* and 有 *you* are the roots of the universe and world; 道 *dao* is their beginning.

This view is further confirmed in the text. According to Linnell (2015):

孔德之容，
唯道是從。
道之物，
唯恍唯惚。
忽呵恍呵，
中有象呵；
恍呵忽呵，
中有物呵；
窈呵冥呵，
其中有精呵；
其精其眞，
其中有信。
自今及古，
其名不去，
以順眾父。
吾何以知眾父之然也？
以此。

Those of magnificent character (*de*)
Are committed to way-making (*dao*) alone.
As for the process of way-making (*dao*),
It is ever so indefinite and vague.
Though vague and indefinite,
There are images within it.
Though indefinite and vague,
There are events within it.
Though nebulous and dark,
There are seminal concentrations of *qi* within it.
These concentrations of qi are authentic,
And have within them true credibility.
From the present moment back into antiquity,
Praise for way-making (*dao*) has never ceased,
And it is through way-making (*dao*) that we can act in accordance with the desire of the many.
How do I know that the sire of the many is so?
By this. (p. 107)

Among them, "Confusing and indistinct" and "obscure and dark" refer to a primitive state of nothingness, which is 無 *wu*. The concretised things "image," "things," and "essence" refer to 有 *you*. They are intertwined and inseparable, which is 道 *dao*. The reason why people can use it to know the multitudes is that it is not only the reason for the emergence of everything but the law of their operation.

Therefore, 無 *wu* and 有 *you* are two essential components of 道 *dao*. It is also

defined as the origin of all things and the laws they follow.

8.2 Eight Characteristics of *Dao*

The concept of 道 *dao* has been explored. To put it simply, the occurrence,

development, and demise of things are all under its influence. However, this

explanation is still not detailed enough. Its eight characteristics and how people

perceive it are further discussed in *Tao Te Ching*. These are also the basis of Taoist

leadership.

8.2.1 Relative and Non-Relative

The *Tao Te Ching* describes that everything in people's minds is relative, such as

there are positive and negative things. However, the essence of everything should not

be labelled as good or bad. These are just the products of human subjective

consciousness.

There is a discussion in the *Tao Te Ching*. Ames and Hall's edition (2004) shows that:

> 天下皆知美之為美，
> 斯惡已；
> 皆知善之為善，
> 斯不善矣。
> 有無之相生也，
> 難易之相成也，
> 長短之相形也，
> 高下之相盈也，
> 聲音之相和也，

先後之相隨，
恆也。
是以聖人居無為之事，
行不言之教，
萬物作而弗始也，
為而弗持也，
成功而弗居也。
夫唯弗居，
是以弗去。

As soon as everyone in the world knows that the beautiful are beautiful,
There is already ugliness.
As soon as everyone knows the able,
There is ineptness.
Determinacy (*you*) and indeterminacy (*wu*) give rise to each other,
Difficult and easy complement each other,
Long and short set each other off,
High and low complete each other,
Refined notes and raw sounds harmonize (*he*) with each other,
And before and after lend sequence to each other—
This is really how it works.
It is for this reason that sages keep to service that does not entail coercion
(*wuwei*)
And disseminate teachings that go beyond what can be said.
In all that happens (*wanwu*),
The sages develop things but do not initiate them,
They act on behalf of things but do not lay any claim to them,
They see things through to fruition but do not take credit for them.
It is only because they do not take credit for them that things do not take their
leave. (pp. 79–80)

This paragraph points out that everything in the world is relative. Absolute things do not exist. It can be felt in people's daily life. Some things are universally defined as beautiful, and then they become positive images. Others that are opposite or different from them may be considered ugly, representing the negative. These are the definition of human beings, not the essences of things. Additionally, things develop and change. Therefore, there is no absolute good or bad in the world.

The production and influence of all things have objective reasons and laws that they follow. People's subjective definition of them does not affect their essence. They are

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not originally good or bad, which is also how 道 *dao* affects things. There is no positive or negative distinction in their formation and operation. Humans give them various labels, such as beauty and ugliness, kindness and unkindness, wealth and poverty. Nonetheless, they do not have these 'essential' characteristics. They are just a part of this world, which means they are non-relative.

The sages described here include wise leaders because it explains how they use 無為 *wuwei* to lead the people. They understand this characteristic of 道 *dao* so that they can break the shackles of traditional concepts to seek the causes and laws of the origin of things. Then, they respect and follow these and use them to guide others.

In short, things look relative under the influence of 道 *dao*, but there is no absolute positive or negative. Wise leaders can discover this and help them achieve their goals.

8.2.2 Blunt and Dim

Dao is not a sacred thing; rather, it is most ordinary, and it is neither sharp nor shiny.

Linnell's edition (2015) records that:

> 道 (盅) 而用之(有) 不盈
> 淵兮似萬物之宗
> 挫其銳
> 解其紛
> 和其光同其塵
> 湛兮似或存
> 吾不知誰之子
> 象帝之先

Dao is like a cup or bowl (*zhong*), yet use it and there exists no need to fill it. Profound and deep! It appears to be the ancestor of the ten thousand creatures.
It blunts their sharpness,
Loosens their tangles,
Softens their brightness,
Makes them the same as the dust of the world.
Deep and profound! It seems to barely exist.
I do not know whose child it is—
Its image came before that of god. (p. 15)

This paragraph unfolds with a metaphor. The author compares 道 *dao* to a 盅 *zhong* that is a drinking vessel in ancient China. Its interior is empty, which is similar to today's wine glasses. Although there is nothing inside it, it is not nothingness. It is filled with air. Thus, the explanation of it should be that *dao* is intangible but exists objectively.

Then, there is a further depiction of 道 *dao*. It has no sharpness, tangles, or brightness, which shows that it is the most plain. In other words, humble things reflect the existence of that more than others, and those who look glamorous are not its representatives. According to Ames and Hall (2004), "Way-making (*dao*) is really nameless (*wuming*)" (p. 126). Hence, it is so ordinary that it does not even have its name.

Dao's unpretentiousness makes it difficult for people to discover. Ames and Hall's edition (2004) shows that:

上士聞道，
僅能行之；
中士聞道，
若存若亡；
下士聞道，

大笑之。
弗笑不足以為道。
When the very best students learn of way-making (*dao*)
They are just barely able to keep to its center.
When mediocre students learn of way-making
They are sporadically on it and off it.
When the very worst students learn of way-making
They guffaw at the very idea.
Were they not to guffaw at it
It would be something less than way-making. (p. 140)

Although 道 *dao* affects everything, it is intangible. Even though nothing can run away from it, it is unpretentious and cannot be described in elegant language. Therefore, people can only feel its existence from the most ordinary things. They can only realise its importance by reducing their sharpness, tangles, and brightness. The best student here refers to the sages, that is, the wise leaders.

Dao has no glamorous appearance, but it is everywhere. It is vital for everything but hard to discover. These are one of its characteristics. Wise leaders should pay attention to this and learn from it.

8.2.3 Equal Influence

Dao affects everything equally. Although everything has different characteristics and follows a variety of laws, nothing can escape these influences.

Ames and Hall's edition (2004) records that:

天地不仁，
以萬物而為芻狗；
聖人不仁，
以百姓為芻狗。

天地之間如橐籥與？
虛而不屈，
動而愈出。
多聞數窮，
不若守於中。
The heavens and the earth are not partial to institutionalized morality.
They take things (*wanwu*) and treat them all as straw dogs.
Sages too are not partial to institutionalized morality.
They treat the common people as straw dogs.
The space between the heavens and the earth—
Isn't it just like a bellows!
Even though empty it is not vacuous.
Pump it and more and more comes out.
It is better to safeguard what you have within
Than to learn a great deal that so often goes nowhere. (p. 84)

Some metaphors appeared at the beginning of this paragraph. The heavens and earth refer to the universe and world. Straw dogs are paper animals used for sacrificial ceremonies in ancient China. Putting these together is a compound metaphor that everything in the world is the same for 道 *dao*. It is the root cause of all things and the laws they follow, and human subjective thinking cannot change its impact on things.

Sages understand this characteristic so that their subjective wishes cannot affect their judgment of things. They know that the birth of everything has some causes and has some influence on others. These objective facts are not subject to changes despite people's perceptions. Therefore, regardless of individual preferences, 道 *dao* has an equal impact on everything.

Then, there is a metaphor about the bellows. It is a tool used for blowing wind into a bloomery furnace. It is wooden and hollow. It is driven by the handle to compress the internal space to generate wind energy repeatedly. That is why it shows that "Even though empty it is not vacuous" (Ames and Hall, 2004, p. 84). It also shows that 道

dao is invisible but does exist. In addition, the author also tries to make readers feel that the flow of air is equal to other things. No one can break it.

Therefore, 道 *dao* has equal influences on all things. No one can break this characteristic. Wise leaders can understand and follow it.

8.2.4 Dao Does Not Live for Itself

The *Tao Te Ching* discusses why the *dao* can last forever. The text is inspired by observations and reflections on the universe, which find that supporting the growth and development of all things may be their common denominator.

Ames and Hall's edition (2004) shows that:

> 天長地久。
> 天地之所以能長久者,
> 以其不自生也,
> 故能長生。
> 是以聖人退其身而身先,
> 外其身而身存。
> 不以其無私與?
> 故能成其私。
> The heavens are lasting and the earth enduring.
> The reason the world is able to be lasting and enduring
> Is because it does not live for itself.
> Thus it is able to be long-lived.
> It is on this model that the sages withdraw their persons from contention yet find themselves out in front,
> Put their own persons out of mind yet find themselves taken care of.
> Isn't it simply because they are unselfish that they can satisfy their own needs? (p. 86)

The heavens and earth can exist in perpetuity because they do not live for themselves. On the one hand, they provide an environment for all things from birth, through development, and death without asking for rewards. On the other hand, the proliferation of things brings out their eternal existence. That is a symbiotic relationship. By imitating this, wise leaders can achieve over the long term.

This view looks similar to reciprocal altruism, but there are some differences between them. Barragan and Dweck (2014) state that people provide help to others and hope to be rewarded, which is a manifestation of reciprocal altruism. However, the heavens and earth are not helping anything. They have created an environment suitable for the survival of others and guided the development of things imperceptibly, which made their goals converge. In addition, human society is only one of its objects of influence. It is the carrier of the entire universe and world. It does not favour one of them but lives with them. That is also the characteristic of 道 *dao*.

Therefore, 道 *dao* has the characteristic of not living for itself, which is reflected in its symbiosis with all things and guiding them imperceptibly. That is one of the reasons why it can exist for a long time.

8.2.5 Tolerant and Peaceful Like Water

Water occupies an important position in the *Tao Te Ching*. Some of its features are used as interpretations of *dao*, such as tolerance and peace.

Ames and Hall's edition (2004) shows that:

上善似水。
水利萬物而又爭居眾人之所惡，
故幾於道矣。
居善地，
心善淵，
予善天，
言善信，
政善治，
事善能，
動善時。
夫唯不爭，
故無尤。
The highest efficacy is like water.
It is because water benefits everything (*wanwu*)
Yet vies to dwell in places loathed by the crowd
That it comes nearest to proper way-making.
In dwelling, the question is where is the right place.
In thinking and feeling, it is how deeply.
In giving, it is how much like nature's bounty.
In speaking, it is how credibly.
In governing, it is how effectively.
In serving, it is how capably.
In acting, it is how timely.
It is only because there is no contentiousness in proper way-making
That it incurs no blame. (p. 87)

The most important metaphor in *Tao Te Ching* appears here: water. In this paragraph,

it is considered the highest efficacy, which is a literal translation. That should be

understood as the closest thing to 道 *dao*. Many of its features are recognised by the

text and this explores its tolerance and peace.

The text shows that water nourishes life. "Water benefits everything" (Ames and Hall,

2004, p. 87). Things cannot grow without it, and it will not treat them differently

because of their diversity. Everything needs it as the foundation. In other words, it

provides an environment for survival and development for all things. That is the

tolerance of it or 道 *dao*.

Another characteristic of the water mentioned here is that it is peaceful or not

combative. It flows to low-lying and muddy places. People detest these environments.

Despite being so important to lives, water is willing to be dirty, which shows that it is

unwilling to compete with others. Healthy competition is conducive to development,

but extreme struggles cannot avoid the waste of resources. Ordinary or even low

status is usually closer to 道 *dao*.

The text further discusses the approach of sages. They are profound and humble. They

constantly try to create a suitable environment for others to develop, which reflects

their kindness. In addition, they are also honest, trustworthy, and good at leading,

which enables them to govern well. In dealing with problems, they have shown a

strong ability to act and seize opportunities. However, they are more willing to

cooperate and even coexist with others than exert excessive competition. This is what

they learn about the characteristics of water.

In short, the text describes water and 道 *dao* as both tolerant and peaceful. Sages also

try to provide a good development environment for others through learning from them.

They also show the characteristics of kindness, humility, and dislike of competition.

8.2.6 Flexible

Water has no shape, reflecting its weakness. However, no one can ignore its power.

> 天下莫柔弱於水，
> 而攻堅強者莫之能先也，
> 以其無以易之也。
> 柔之勝剛也，

弱之勝強也，
天下莫弗知也，
而莫之能行也。
是故聖人之言云：
"受邦之詬，
是謂社稷之主；
受邦之不祥，
是謂天下之王。"
正言若反。
Nothing in the world is as soft and weak as water
And yet in attacking what is hard and strong,
There is nothing that can surpass it.
This is because there is nothing that can be used in its stead.
There is no one in the world that does not know
That the soft prevails over the hard
And the weak prevails over the strong,
And yet none are able to act accordingly.
This is the reason that the words of the sages say:
Only the person who accepts invective against the state
Is to be called its legitimate ruler;
Only the person who accepts the misfortunes of the state
Is to be called its true king.
Appropriate language seems contradictory. (Ames & Hall, 2004, pp. 197–198)

In this paragraph, water is described as the softest thing in the world. It has no shape of its own so that anything can change it. However, it has been portrayed as invincible, because nothing can resist its power. For instance, even a hard rock has to succumb to the flood. Therefore, it is not weak but flexible.

Flexibility has two meanings here. One refers to being responsible and resistant to pressure. Although water shoulders the mission of providing for all things, it is in a dirty place, and even its shape can be controlled by others. That is the responsibility for everything and the commitment to setbacks.

The other is that it can change to adapt to new situations. Calm water can nourish life and become its most indispensable thing. However, turbulent floods can swallow

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everything, and everything is afraid of this disaster. Its transformation is not trivial, so this is a manifestation of flexibility.

Then the text also discusses what this characteristic means for the wise leaders of a country. "Only the person who accepts invective against the state is to be called its legitimate ruler; Only the person who accepts the misfortunes of the state is to be called its true king" (Ames and Hall, 2004, p. 198). It means that a person who wants to be the head of a state must have the ability to bear all its responsibilities and humiliation. That requires him or her to have both flexibility and perseverance.

Therefore, *dao* is as flexible as water. That means that they have both strong resilience and adaptability. A monarch can be called wise because he or she can bear the responsibility and humiliation of the whole country.

8.2.7 Dynamic and Cyclical

Dao's influence on things is not static. It all depends on the changes and development of things. In addition, it is also traceable.

Ames and Hall's edition (2004) shows that:

> 大曰逝，
> 逝曰遠，
> 遠曰反。
> 道大，
> 天大，
> 地大，
> 王亦大。
> 國中有四大，

而王居一焉。
人法地，
地法天，
天法道，
道法自然。
Being grand (*dao*), it is called passing,
Passing, it is called distancing.
Distancing, it is called returning.
Way-making is grand,
The heavens (*tian*) are grand,
The earth is grand,
And the king is also grand.
Within our territories
There are four "grandees"
And the king occupies one of them.
Human beings emulate the earth,
The earth emulates the heavens,
The heavens emulate way-making,
And way-making emulates what is spontaneously so (*ziran*). (p.115)

Being grand here refers to 道 *dao*. "逝 Passing" is a dynamic process. Then the

meaning of this sentence is that its impact on things is changeable rather than constant.

In other words, the factors that affect the development of things in multiple situations

are different, which is the characteristic that it embodies. After that, "遠 *distancing*"

can be interpreted as indicating the process is continuous and widespread. Therefore,

although the most fundamental causes and laws followed by anything are unbreakable,

their situations are constantly changing.

In addition, "反 returning" in the paragraph refers to its cyclical nature. It is not a

concept of reincarnation. Different things are affected by similar factors under the

same circumstances. The historic recurrence can be used to help understand its

meaning. In the history of the world, many specific events bear a noticeable similarity,

and they still continue to happen (Trompf, 1979). The exploration of what happened

in the past can help guide further actions. That is also the influence brought by the circulation characteristic of 道 *dao*.

In general, the influence of 道 *dao* on things is a dynamic and continuous process. The factors affecting their development are also cyclical and predictable.

8.2.8 Both 無 Wu and 有 You Are Inseparable

Everything has its most fundamental causes and laws of development, which cannot be separated and ignored. In addition, that also provides some enlightenment on the question of action or non-action.

Ames and Hall's edition (2004) records that:

> 卅輻共一轂，
> 當其無，
> 有車之用也。
> 埏埴而為器，
> 當其無，
> 有埴器之用也。
> 鑿戶牖以為室，
> 當其無，
> 有室之用也。
> 故有之以為利，
> 無之以為用。
> The thirty spokes converge at one hub,
> But the utility of the cart is a function of the nothingness (*wu*) inside the hub.
> We throw clay to shape a pot,
> But the utility of the clay pot is a function of the nothingness inside it.
> We bore out doors and windows to make a dwelling,
> But the utility of the dwelling is a function of the nothingness inside it.
> Thus, it might be something (*you*) that provides the value,
> But it is nothing (*wu*) that provides the utility. (p. 91)

Three metaphors lead this discussion. For the first one, thirty spokes and a hub are combined into a wheel, which is similar to that of modern bicycles. There are large gaps between its various parts, which makes it look like it is hollow. The second is that people make pottery to use, such as earthenware pots, bowls, or cups. They are empty in order to be useful. Solid vessels are useless. In addition, the construction of a house must have design objects such as walls and roofs. Windows and internal space are also essential. A room that is filled up is unacceptable. These all prove that 無 *wu* and 有 *you* are inseparable.

This paragraph contains two meanings. On the one hand, 無 *wu* and 有 *you* always appear together. The previous exploration shows that they refer to the most fundamental causes and laws. The birth, development, and demise of everything are under their common influence. That means they are indispensable. In other words, people should take both of them into consideration when analysing or dealing with problems.

On the other hand, the combination of tangible and intangible is the most fundamental feature of things reflected in those metaphors. The spokes, hub, and gaps form a wheel. Clay and emptiness constitute a pot. Building materials and space are built into a house. They are all made by visible and invisible things, which can be useful for people. It implies that action and non-action are indispensable.

Excessive actions only affirm tangible things. It is like a house full of building materials and no space. It cannot be inhabited. On the other hand, continuous non-

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action is also impossible. It is like a wheel without spokes and a hub, which does not exist. Therefore, the existence of both of them is recognised in Taoist philosophy.

In general, this part of the discussion once again emphasises that things also follow their most fundamental causes and laws. Additionally, it points out that the combination of tangible and intangible is the characteristic of 道 *dao*. Furthermore, it expresses that action and non-action are inseparable.

8.3 The Descriptions of Management in the *Tao Te Ching*

A common metaphor in *Tao Te Ching* will be explored first: the word 聖人 *sage*. It is always used to refer to the people who understand and follow 道 *dao* in the text. Then they use Taoist philosophy to carry out some management activities. Pheng (1995) states that the purpose of Taoism was to help ancient Chinese emperors to rule for a long time. Hence, those positive examples were to teach monarchs how to govern the country. Therefore, the meaning of this word should include wise leaders.

Under the influence of 道 *dao*, these wise leaders have demonstrated a distinctive management style. Related discussions constitute the Taoist leadership theory.

8.3.1 Everything Has Been Done with Less Action

The ultimate goal of Taoist leadership is achieving everything with less action. Since it involves 無為 *wuwei*, it confuses the reader. In the *Tao Te Ching*, the author further interpreted this concept to make people understand what it means for leadership.

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Linnell's edition (2015) shows that:

道常無為
而無不為
侯王若能守之
萬物將自化
化而欲作
吾將鎮之以無名之樸
無名之樸
夫亦將無欲
不欲以靜
天下將自定

Dao ever-constantly practices non-action,
Yet nothing is left undone.
If nobles and kings could maintain it,
The ten thousand creatures would naturally transform.
Transform, and if desire arises,
I would restrain it by means of the nameless uncarved block.
In the state of the nameless uncarved block,
Men also would be without-desire.
Not desiring, thus they would be still
And the world would naturally settle. (p. 51)

The first sentence is a summary of the leadership goals described in *Tao Te Ching*. 無為 *Wuwei* is translated as non-action here, which is a literal translation. The previous exploration shows that the word 無 *wu* does not mean "non." It represents the most fundamental causes of things, which is a part of 道 *dao*. 為 *Wei* here can be thought of as the meaning of action. Therefore, it is more appropriate that this phrase should refer to the behaviours which follow *dao*.

However, although the translation of 無為 *wuwei* as non-action is not accurate enough, it can also reflect another aspect of Taoism. In the *Tao Te Ching*, leaders are not advised to interfere excessively with the development of followers. Both inaction and action are extreme, which is contrary to Taoist philosophy. The previous discussion

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shows that 無 *wu* and 有 *you* are inseparable. That can be understood here as both actual actions and potential guidance are necessary. Therefore, another meaning of this phrase is that excessive actions should be reduced.

Then this sentence has a complete explanation. Wise leaders should understand and follow 道 *dao*. They need to reduce excessive orders and lead with appropriate actions and potential guidance. In this way, they can reach a state where everything has been done with less action. Even for monarchs, if they can follow this method, the world will naturally be peaceful.

This description may be too general. It is more like a generalisation of Taoist leadership goals. There is further discussion on this point of view in *Tao Te Ching*. Linnell's edition (2015) records that:

> 古之善為士者微妙玄通
> 深不可識
> 夫唯不可識
> 故強為之容
> 豫兮若冬涉川
> 猶兮若畏四鄰
> 儼兮其若客
> 渙兮若冰將釋
> 敦兮其若樸
> 曠兮其若谷
> 混兮其若濁
> 孰能濁以靜之徐清
> 孰能安以久動之徐生
> 保此道者不欲盈
> 夫唯不盈
> 是以能蔽而不成
> The virtue of the ancients made they who were scholars subtle, mysterious, obscure, deep, and penetrating.
> Their mysterious depths can not be understood.

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Now: only because they can not be understood,
Therefore we try to emulate their appearance:
Hesitant!, as if crossing a winter stream.
Wary!, as if afraid of their neighbors all around.
Respectful!, they are like a visiting guest.
Yielding!, like ice that is about to break off.
Honest and genuine!, they are like the uncarved block.
Wide and open!, they are like a valley.
Unclear!, they are like muddy water.
Who can take muddy water and use stillness to slowly and gently make it
pure and clear?
Who can take what is tranquil and use continual movement to slowly and
gently bring it to life?
He who maintains this way (*dao*) does not desire to be full.
Now: only because he is not full,
Thus he can be hidden and unfinished. (p. 26)

In this paragraph, there are some metaphors to summarise the qualities of wise leaders.

They are as cautious as those who swim across a stream in winter. They are as alert as

if keeping a safe distance from others. They are as respectful as if they are guests.

They are as humble as melting ice. In addition, they are honest and genuine, like un-

carved wood. They are also as inclusive as a valley.

The following metaphor is the core of this paragraph. This edition literally translated

this sentence, and it should be interpreted differently. Wise leaders are like a clean

stream in turbulent sewage. Although they are integrated with others, they are able to

remain clear. They can lead the whole river to calm down together, but no one can

feel their actions because they are still just a drop of water in this river. In addition,

they can also rejuvenate things that have been static for a long time in a subtle way.

This metaphor depicts how wise leaders lead. They blend into the followers, which

makes them look no different from ordinary people. However, they persevere in their

inner goals and use the principle of 道 *dao* to influence and guide others subtly.

Consequently, everyone pursues the goals of their own accord, which also contributes to the development of the organisation.

Leaders can achieve that result not only because they have unique qualities but also because they understand and follow 道 *dao*. Ames and Hall's edition (2004) shows that:

致虛極也，
守靜篤也。
萬物並作，
吾以觀其復也。
夫物芸芸，
各復歸其根。
歸根曰靜，
靜是謂復命。
復命常也，
知常明也。
不知常妄，
妄作，凶。
知常容，
容乃公，
公乃王，
王乃天，
天乃道，
道乃久，
沒身不殆。
Extend your utmost emptiness as far as you can
And do your best to preserve your equilibrium (*jing*).
In the process of all things emerging together (*wanwu*)
We can witness their reversion.
Things proliferate,
And each again returns to its root.
Returning to the root is called equilibrium.
Now as for equilibrium – this is called returning to the propensity of things,
And returning to the propensity of things is common sense.
Using common sense is acuity,
While failing to use it is to lose control.
And to try to do anything while out of control is to court disaster.
Using common sense is to be accommodating,

Being accommodating is tolerance,
Being tolerant is kingliness,
Being kingly is tian-like,
Being tian-like is to be way-making（*dao*）,
And the way-made（*dao*）is enduring.
To the end of one's days one will be free of danger. (p. 99)

Wise leaders learn about 道 *dao* through self-reflection and observation of the origins

and laws of all things. After that, they guide followers and other related resources to

fully develop and perform their duties. That can be called 容 *rong*, accommodating.

Those who can do this can be called the true king and lead the people for a long time.

The context of long-term leadership has also been further described. Ames and Hall's

edition (2004) records that:

執大象，
天下往。
往而不害，
安平泰。
樂與餌，
過客止。
故道之出言也，
曰淡呵其無味也，
視之不足見也，
聽之不足聞也，
用之不可既也。
Seize the great image
And the world will flock to you.
Flocking to you they come to no harm,
And peace and security prevails.
Passing travelers will interrupt their journey
For music and fine fare.
But were way-making(dao) to be put into words:
It could be said to be so bland and insipid that it has no taste.
Look for it and there is nothing to see,
Listen for it and there is nothing to hear,
And yet in availing oneself of it, it is inexhaustible. (p. 132)

In this paragraph, "大象 the great image" refers to 道 *dao*. People admire and obey

the leading of those who follow it. These followers perform their duties and do not

interfere with each other. They enjoy the happiness in life but stick to their inner goals.

That is the performance of long-term leadership.

In the views of followers, this leadership style is different from others. According to

Ames and Hall's edition (2004):

太上，下知有之；
其次，親譽之；
其次，畏之；
其下，侮之。
信不足案，
有不信。
猶呵，
其貴言也。
成功遂事，
而百姓皆曰：
我自然。
With the most excellent rulers, their subjects only know that they are there,
The next best are the rulers they love and praise,
Next are the rulers they hold in awe,
And the worst are the rulers they disparage.
Where there is a lack of credibility,
There is a lack of trust.
Vigilant, they are careful in what they say.
With all things accomplished and the work complete
The common people say, "We are spontaneously like this." (pp. 101–102)

They know that the leader exists but cannot feel his or her interference in their lives.

He or she does not give orders too much, but followers respect and trust every

command. Everyone's values and goals can be achieved so that the entire organisation

is continuously developing. However, people do not think the achievements should be

attributed to leadership. They think those are what they are supposed to do.

In short, the leadership goal described in the *Tao Te Ching* is to achieve all

organisational members' spontaneous pursuit of goals. That is based on the leaders'

understanding and learning of 道 *dao*. How they should develop their abilities is also

discussed further in the text.

8.4 The Requirements for Leaders

It is difficult for leaders to achieve the goal of Taoist leadership. Therefore, how they

can realise that is further discussed in the *Tao Te Ching*. It is presented based on the

understanding and learning of the eight characteristics of 道 *dao*.

8.4.1 Distinguishing Good from the Bad

Beauty and ugliness are human definitions of things. The real 道 *dao* acts on

everything, but it does not give them a good or bad label. People can tend to consider

important people as sages, but this does not conform to *dao* either. Ames and Hall's

edition (2004) shows that:

> 大成若缺，
> 其用不敝。
> 大盈若盅，
> 其用不窮。
> 大直如詘，
> 大巧如拙，
> 大贏如絀，
> 大辯如訥。
> What is most consummate seems defective,
> Yet using it does not wear it out.
> What is fullest seems empty,
> Yet using it does not use it up.
> What is truest seems crooked;

What is most skillful seems bungling;
What is most prosperous seems wanting.
What is most eloquent seems halting. (p. 147)

Things that seem flawless are divorced from reality. It is because there is no perfection in the world. Defects are a common feature of everything. The most general things are the closest to 道 *dao*. Therefore, the sages are not sacred but are more able to blend in with ordinary people, even though they sometimes look ugly and stupid.

Ames and Hall's edition (2004) records that:

明道如昧，
進道如退，
夷道若纇，
上德如谷，
大白如辱，
廣德如不足，
建德如偷；
質真如渝，
大方無隅，
大器晚成，
大音希聲；
大象無形。
Radiant way-making (*dao*) seems obscured,
Advancing way-making (*dao*) seems to be receding,
Smooth way-making seems to have bumps,
The highest character (*de*) seems like a deep gorge,
The most brilliant white seems sullied,
The most broadminded character seems deficient,
The most steadfast character seems dubious,
The most pristine and authentic seems defiled.
The greatest square has no corners,
The greatest vessel is last to be attended to,
The greatest sound is ever so faint,
The greatest image has no shape. (p. 140)

The purpose of these metaphors is to point out that sages do not seem perfect. Even the positive words that can describe them cannot be found. They sneer at the most tempting things in the world that people are pursuing, such as fame, wealth, and wisdom. That is such a foolish act. However, they are not stupid; they are just eager to achieve the most original life goal in their hearts.

Ames and Hall's edition (2004) shows that:

> 故必貴而以賤為本，
> 必高矣而以下為基。
> 夫是以侯王自謂孤、寡、不穀。
> 此其賤之本與非也？
> 故至譽無譽。
> 是故不欲琭琭若玉。
> 硌硌若石。
> Thus for something to be noble it must take the humble as its root;
> For something to be high it must take the low as its foundation.
> It is for this reason that the lords and kings use "friendless," "unworthy," and "inept" as terms to refer to themselves.
> This is a clear case of taking the humble as the root, is it not?
> The highest renown is to be without renown.
> They do not want to be precious like jade,
> But common like stone. (pp.137–138)

Wealth is from poverty, and no superstructure can be separated from low foundations. The emperors in ancient China called themselves friendless, unworthy, or inept, which is meaningful. No reputation is the highest. Sages lead the development of all things, but they are silent. That is like 道 dao, which affects everything but does not even have a name.

Therefore, Ames and Hall's edition (2004) shows that:

天下之所惡，
唯孤、寡、不穀。
而王公以自名也。
物或損之而益，
益之而損。
There is nothing in the world disliked more
Than the thought of being friendless, unworthy, and inept,
And yet kings and dukes use just such terms to refer to themselves.
For things, sometimes less is more,
And sometimes, more is less. (pp. 142–143)

Those who do not seek fame and fortune lose a lot, which makes them look stupid.

However, they put more energy into pursuing personal goals. They try to minimise

the influence of desires that hinder the process.

In this way, sages are ordinary but different from others. Ames and Hall's edition

(2004) records that:

絕學無憂，
唯與訶，
其相去幾何？
美與惡，
其相去何若？
人之所畏，
亦不可以不畏。
人恍呵，
其未央哉！
眾人熙熙，
若饗於大牢，
而春登臺。
我泊焉，
未兆若嬰兒未咳；
纍呵，
如無所歸。
眾人皆有餘，
我獨遺。
我愚人之心也，
惷惷呵！

俗人昭昭，
我獨若昏呵。
俗人察察，
我獨悶悶呵。
忽呵，其若海，
恍呵，其若無止。
眾人皆有以，
我獨頑以鄙。
吾欲獨異於人，
而貴食母。

Cut off learning and there will be nothing more to worry about.
How much difference is there really between a polite "yes" and an emphatic "no!"
How much difference is there between what is deemed beautiful and ugly?
Those whom people fear
Cannot but also fear others.
So indefinite! Does this humbuggery ever come to an end!
Most people are happy, happy,
As though feasting at the Tailao banquet
Or climbing some sightseeing tower in the springtime.
I alone am so impassive, revealing nothing at all,
Like a babe that has yet to smile;
So listless, as though nowhere to go.
Most people have more than enough,
While I alone have lost out.
I have the heart-and-mind of a fool—so vacant and dull!
The common lot see things so clearly,
While I alone seem to be in the dark.
The common lot are so discriminating,
While I alone am so obtuse.
So vague and hazy, like the rolling seas;
So indeterminate, as though virtually endless.
The common lot all have their purposes
While I alone am a dull-witted yokel.
My needs alone are different from other people,
Cherishing my mother's milk. (pp. 105–106)

Sages show different characteristics from ordinary people. They are usually calm and

quiet and even a little withdrawn. They are not bound by traditional rules and despise

the so-called authority. They do not pursue excessive enjoyment, and they even seem

to be a little slow to react because of this. Nonetheless, in the pursuit of personal goals,

they seem to be different people. They are quick and observant. They advance step-by-step and never stop.

Taoist philosophy points out that there is no perfect thing in the world. Wise leaders should know this. Furthermore, they can define their own goals in life, which is the foundation of long-term leadership. This process should eliminate distractions from outside boundaries, such as fame, wealth, traditional ideas, and so-called authority. They should have the courage to break through the shackles of inherent rules. At the same time, they should be down-to-earth and never stop pursuing their goals.

8.4.2 Blunt and Dim: Humble and Low Profile

In *Tao Te Ching*, *dao* is blunt and dim. It is portrayed as the most common thing, and its purpose is to express that leaders should also have similar characteristics.

Linnell's edition (2015) shows that:

> 持而盈之
> 不如其已
> 揣而銳之
> 不可長保
> 金玉滿堂
> 莫之能守
> 富貴而驕
> 自遺其咎
> 功遂身退，
> 天之道
> Holding and filling it
> Are not as good as your stopping short.
> Hammering and sharpening it
> Can not be forever maintained.
> When gold and jade fill a room,

There is no one who can protect it.
To have wealth and high rank, but with arrogance
Then naturally their loss is your own fault.
When the task is successful, the self should let go of it.
This is the way (*dao*) of heaven. (p. 20)

It is difficult to guarantee that a cup filled with water will not spill. People who put sharp things in their pockets are likely to hurt themselves. The individual's pursuit of goals is understandable and should be rewarded. However, many people display the results of their work by showing off. Some are willing to express their social status through arrogance. Both of these are incompatible with 道 *dao*. Wise leaders do not need them to achieve long-term leadership.

The appearance of wise leaders differs from their achievements. Ames and Hall's edition (2004) records that:

知之者弗言，
言之者弗知。
塞其兌，
閉其門，
和其光，
同其塵，
挫其銳，
解其紛，
是謂玄同。
故不可得而親，
亦不可得而疏；
不可得而利，
亦不可得而害；
不可得而貴，
亦不可得而賤。
故為天下貴。
Those who really understand it do not talk about it,
And those who really talk about it do not understand it.
Block up the openings,
Shut the gateways,

> Soften the glare,
> Bring things together on the same track,
> Blunt the sharp edges,
> Untangle the knots.
> This is what is called the profoundest consonance.
> Thus, there is no getting too intimate
> Or staying aloof from it;
> There is no benefiting
> Or causing it harm;
> There is no ennobling
> Or debasing it.
> It is thus the most precious thing in the world. (p. 164)

Wise leaders do not regard showing off their achievements as happiness. Their daily lives are no different from ordinary people and even more humble. That is because they have surpassed the traditional understanding of high and low or good and bad. It enables them to pursue their goals wholeheartedly. Therefore, "上德不德, 是以有德, 下德不失德, 是以無德 It is because the most excellent (*de*) do not strive to excel (*de*). That they are of the highest efficacy (*de*), and it is because the least excellent do not leave off striving to excel. That they have no efficacy" (Ames & Hall, 2004, p. 135). Their talents are shown in practical actions rather than glamorous appearance.

In general, wise leaders defined in Taoist philosophy can be integrated into ordinary people. Their achievements stem from their understanding and application of the most common and original laws in the world. Therefore, they show extraordinary humility and different values.

8.4.3 道 Dao Is Equal

The influence of 道 *dao* on things is objective, which means that the subjective wishes of people cannot change it. It exists equally in everything so that the

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fundamental causes of all things and their operating laws are not shifted by human will. It is discussed further in the *Tao Te Ching*. Ames and Hall's edition (2004) records that:

道大，
天大，
地大，
王亦大。
國中有四大，
而王居一焉。
人法地，
地法天，
天法道，
道法自然。
Way-making (*dao*) is grand,
The heavens (*tian*) are grand,
The earth is grand,
And the king is also grand.
Within our territories
There are four "grandees"
And the king occupies one of them.
Human beings emulate the earth,
The earth emulates the heavens,
The heavens emulate way-making,
And way-making emulates what is spontaneously so (*ziran*). (p. 115)

This paragraph lists four essential beings in the universe. The king refers to human beings. All essential beings have similar causes and operating laws, which embodies the equality of 道 *dao*. No one can break these. Therefore, people should not try to conquer or change them but should explore and use them.

Ames and Hall's edition (2004) shows that:

將欲取天下而為之，
吾見其弗得已。
弗天下神器也，

非可為者也。
為者敗之，
執者失之。
If someone wants to rule the world, and goes about trying to do so,
I foresee that they simply will not succeed.
The world is a sacred vessel,
And is not something that can be ruled.
Those who would rule it ruin it;
Those who would control it lose it.
In the way of things:
Some move ahead while others follow behind;
Some breathe to warm themselves while others breathe to cool themselves
down;
Some are strong while others are disadvantaged;
Some accumulate while others collapse.
It is for this reason that the sages eschew the excessive, the superlative, and
the extravagant. (p. 122)

The world is a metaphor here, and it refers to 道 *dao*. No one can conquer or change it.

Thus people can only follow the most fundamental causes and laws of things but

cannot destroy them. Those extreme practices lead to adverse effects. Therefore,

people cannot control it. Their actions are only one part of the natural cycle.

For instance, Ames and Hall's edition (2004) shows that:

以道佐人主，
不以兵強於天下，
其事好還。
師之所居，
楚棘生之。
大軍之後，
必有凶年。
善者果而已矣，
毋以取強焉。
果而毋驕，
果而勿矜，
果而勿伐，
果而勿得已，
居是謂果而不強。

物壯而老，
是謂不道，
不道蚤已。
Those who use way-making (*dao*) to minister to the ruler
Do not seek to make him the strongest in the world by force of arms.
Such a business would likely come back to haunt them.
Wherever armies bivouac
Brambles and thistles will grow.
In the wake of great armies
Lean years are sure to follow.
Able commanders look only to achieve the right results
Without seeing victory as a source of empowerment.
They get their results without arrogance,
They get their results without becoming self-important,
They get their results without bragging about them,
They get these results and accommodate them only as a last resort.
This is called getting the right results without forcing them,
And creates a situation that is likely to endure.
For something to be old while in its prime
Is called a departure from the way of things.
And whatever departs from the way of things will come to an untimely end.
(p. 123)

Extreme practices will lead to negative consequences. Therefore, understanding and using 道 *dao* is the foundation of long-term leadership. In addition, some behaviours keep leaders away from ordinary people, such as being domineering and vain. These are undesirable. Managers should be strict with themselves while leading others. That allows them to blend in with their followers.

道 *dao* is equal, which also means that its influence is objective. That requires wise leaders to have a pragmatic character. Ames and Hall's edition shows that:

知不知，尚矣，
不知知，病矣。
是以聖人之不病，
以其病病也，
是以不病。
Knowing that one does not know is knowing at its best,

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> But not knowing that one knows is suffering from a disease.
> Thus, the reason the sages are free of disease
> Is because they recognize the disease as a disease.
> This is why they are not afflicted. (p. 189)

It is unwise to ignore the facts and have fantasies. That is a dangerous condition. Thus, leaders should pay more attention to the objectivity of *dao*. It is also an important part of long-term leadership.

In conclusion, wise leaders should understand and respect the equality and objectivity of *dao*. It cannot be changed by human intention. Therefore, sages do not exhibit extreme behaviour and seek truth from facts. They can blend into the followers and lead them with it.

8.4.4 Achieving Others

Everything is born and nurtured between heaven and earth, which is how *dao* does not live for itself. It uses the way of helping others to achieve to set off its perpetual existence, which is also the interpretation of leadership by Taoist philosophy.

Ames and Hall's edition records that:

> 寵辱若驚，
> 貴大患若身。
> 何謂寵辱若驚？
> 寵之為下也，
> 得之若驚，
> 失之若驚，
> 是謂寵辱若驚。
> 何謂貴大患若身？
> 吾所以有大患者，

為吾有身也，
及吾無身，有何患？
故貴為身於為天下，
若可以托天下矣；
愛以身為天下，
如何以寄天下矣。

Favor and disgrace are cause for alarm.
Value your gravest anxieties as you do your own person.
What does it mean in saying "Favor and disgrace are both cause for alarm"
It means that whenever favor is bestowed, both gaining it and losing it should be cause for alarm.
What does it mean in saying "Value your gravest anxieties as you do your own person?"
The reason we have grave anxieties is because we are embodied persons.
If we were not such persons, what anxieties would we have?
Thus those who value the care of their own persons more than running the world can be entrusted with the world.
And those who begrudge their persons as though they were the world can be put in charge of the world. (p. 93)

A person who only considers personal interests will inevitably suffer from gains and losses. That is not conducive to him or her making decisions that benefit everything. The same applies to organisations. Leaders should bear the responsibilities and obligations of the entire organisation. They need to consider the needs and difficulties of each member seriously, and they should help and guide followers to pursue their goals. For example, "聖人無常心以百姓心為心 The sage does not have a constant heart or mind; thus the 100 families' heart or minds become his heart or mind" (Linnell, 2015, p. 65). Wise leaders can support the development of everyone.

That demands more from leaders. Ames and Hall's edition (2004) shows that:

道汎呵，
其可左右也。
成功遂事而弗名有也，
萬物歸焉而弗為主，
則恆，無慾也，可名於小。

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萬物歸焉而弗為主，
可名於大。
是以聖人之能成大也，
以其不為大也，
故能成大。
Way-making (*dao*) is an easy-flowing stream!
Which can run in any direction.
With all things accomplished and the work complete,
It does not assume any proprietary claim.
Since all things (*wanwu*) offer it allegiance
And yet it does not act as master,
It can be counted among things of the most minor significance.
And since all things offer it allegiance
And yet it does not act as master,
It can also be counted among things of the greatest significance.
It is thus that the capacity of the sages to become great
Is simply because they do not try to do great things.
This is why they are indeed able to be great. (p. 130)

Leaders are the guides of the entire team to lead the way forward. They cannot put themselves in a great position, which may separate them from others. They should not only make decisions based on the interests of the organisation, but they should also care about each member with empathy. Managers should give their followers scope to develop their talents while formulating rules to regulate their behaviour and make their goals consistent with the development direction of the organisation through potential guidance.

In short, wise leaders put organisational development above their personal interests. They try to create an environment suitable for everyone to use their talents. That makes all things symbiotic. In addition, they formulate rules and potential guidance to regulate the behaviour of followers and ensure their goals can be achieved in the organisational development process.

8.4.5 Learning from the Water

As an essential metaphor in the *Tao Te Ching*, water is also described as an object from which wise leaders should learn. Some of its characteristics are considered unique, such as peacefulness, cooperation, and keeping a low profile.

Ames and Hall's edition (2004) shows that:

江海之所以能為百谷王者，
以其善下之也，
是以能為百谷王。
是以聖人之欲上民也，
必以其言下之；
其欲先民也，
必以其身後之。
故居前而民弗害也。
居上而民弗重也。
天下皆樂推而弗厭也。
非以其無爭與，
故天下莫能與之爭。
What enables the rivers and seas to be king over all the valleys
Is that they are good at staying lower than them.
It is this that enables them to be the king of all the valleys.
This is the reason that the sages in wanting to stand above the common people
Must put themselves below them in what they have to say;
In wanting to stand before the common people
They must put themselves behind them in their personal concerns.
Hence, they dwell above them yet the people do not find them a heavy burden,
They dwell in front of them yet the people do not find that they block the way.
The entire world delights in promoting them, and never tires of doing so.
Is it not because they strive without contentiousness (*wuzheng*) that no one in the world is able to contend with them? (p. 181)

The rivers and the sea are low-lying places because the water flows down, but no life can survive without it. In this way, it should have a higher status. It is low because it

does not like to compete with others. It has nurtured everything, and what else can it compete for? It has insisted on its own goals without caring about the status, not to waste too much energy and resources.

Ames and Hall's edition (2004) records that:

夫兵者，
不祥之器也。
物或惡之，
故有欲者弗居。
君子居則貴左，
用兵則貴右，
故兵者非君子之器也。
兵者，不祥之器也，
不得已而用之，
恬淡為上，
勿美也，
若美之，
是樂殺人，
不可以得志於天下矣。
是以吉事上左，
喪事上右。
是以偏將軍居左，
上將軍居右，
言以喪禮居之也。
殺人眾，
以悲哀莅之，
戰勝以喪禮處之。
Military weapons are inauspicious instruments,
And are so generally despised
That even those who want things
Cannot abide them.
Rulers under normal circumstances take the left side as the seat of honor,
But when they go to war, they honor the right.
Thus, military weapons are not the instruments of true rulers.
Military weapons are inauspicious instruments,
And so when you have no choice but to use them,
It is best to do so coolly and without enthusiasm.
Do not glorify weapons,
For to do so is to delight in killing people,

And anyone who delights in killing people
Will come up short in the world.
It is for this reason that on auspicious occasions we honor the left side,
While at funerals we honor the right.
Analogously, the lieutenant commander stands to the left
And the supreme commander takes up his position on the right.
This means that they are positioned as they would be at a funeral.
When the casualties are high,
Inspect the battleground with grief and remorse;
When the war is won,
Treat it as you would a funeral. (pp. 124–125)

The ancient Chinese culture involved in the text should be interpreted. In the past, the male owner of the house should eat while sitting on the left side of the dining table (Zhou, 2021). That shows his status in the family. So, the kings also used the left side to symbolise authority. In contrast, the right side represents sad things. However, generals were often on the right, and the deputy was on the left side in ancient armies. It shows that war is turning the cart before the horse, which represents disaster.

Contentiousness in ancient times often evolved into war. Today it is mainly manifested in cruel competition between people or organisations. It is inevitable and can sometimes have a positive impact. However, excessive competition can not only lead to waste of resources but may even affect personal lives.

Additionally, cooperation is beneficial. Water has no fixed form, and anything can change it, but no life can survive without it. No object is hard enough not to be damaged by its impact and erosion. It can have unparalleled power because it does not compete with everything and is good at accumulating power. The process in which people cooperate with others aims to use their help and to gather their strength.

Ames and Hall's edition (2004) shows that:

善為士者，不武。
善戰者，不怒。
善勝敵者，弗與。
善用人者，為之下。
是謂不爭之德，
是謂用人之力，
是謂天，古之極也。
Those who are good as students are not militant;
Those who are good at waging war are not belligerent;
Those who are good at vanquishing their enemies do not join issue;
Those who are good at employing others place themselves beneath them.
This is what is called having noncontentious efficacy (de).
It is what is called making use of others.
It is what is called an axis that is as old as the heavens. (pp. 184–185)

Being not combative is to borrow the power of others. Cooperation is to gather everyone's talents. Teamwork is often better than working alone. Excessive competition often leads to the severe waste of resources.

In addition, cooperation is not limited to humans. Ames and Hall's edition (2004) records that:

含德之厚者，
比於赤子。
蜂蠆虺蛇弗螫，
攫鳥猛獸弗搏。
骨弱筋柔而握固。
未知牝牡之會而朘怒，
精之至也。
終日號而不嗄，
和之至也。
知和曰常，
知常曰明，
益生曰祥，
心使氣曰強。
物壯即老，
謂之不道，
不道蚤已。

One who is vital in character (*de*)
Can be compared with a newborn baby.
Wasps and scorpions will not sting a baby,
Snakes and vipers will not bite him,
And birds of prey and ferocious beasts will not snatch him up.
Though his bones are soft and his sinews supple
His grip is firm.
As yet oblivious to the copulation of male and female
His member still stands erect:
Such is the height of potency.
He screams through the entire day
And yet his voice does not get hoarse:
Such is the height of harmony (*he*).
Understanding harmony is common sense,
And using common sense is acuity (*ming*).
On the other hand, trying to increase one's quantum of life is certainly a bad omen,
While allowing the heart-mind to use up the *qi* one has, is to overdo things.
For something to be old while in its prime
Is called a departure from the way of things (*dao*).
And whatever departs from the way of things will come to an untimely end.
(pp. 162–163)

Human beings cannot be conquerors of nature because they cannot live without it. Any extreme attempts will harm people's living environment. Therefore, cooperation with all things is a positive approach. For instance, poisonous insects and snakes are fearsome creatures that cannot be destroyed. Individuals should learn their habits and reduce the behaviours that trigger their attacks. That is to be one with them. In this way, their power can even be borrowed. It is to use *dao* to live in symbiosis with all things. It can not only lead to receiving more help but also reduce the waste of resources. Frugality in Taoist philosophy is like that.

Another characteristic of water is that it is low-lying. The people who can take the initiative to lower their stance can get more help. Ames and Hall's edition (2004) shows that:

信言不美，
美言不信。
知者不博，
博者不知。
善者不多，
多者不善。
聖人無積，
既以為人己愈有，
既以予人矣己愈多。
故天之道，
利而不害；
聖人之道，
為而不爭。
Credible words are not eloquent;
Eloquent words are not credible.
The wise are not erudite;
The erudite are not wise.
The adept are not all-around;
The all-around are not adept.
The sages do not accumulate things.
Yet the more they have done for others,
The more they have gained themselves;
The more they have given to others,
The more they have gotten themselves.
Thus, the way of tian is to benefit without harming;
The way of the sages is to do without contending. (pp. 203–204)

Helpful suggestions often come from opposing voices. The most humble people may

be the most capable. Therefore, leaders can listen to and take advice from others. That

is like the wise men seeming less knowledgeable because they are constantly learning.

The reason why sages are successful is that they do not fight against others for

personal fame and gain so that they can gather the strength of everyone.

There is further discussion on how to learn from water. Ames and Hall's edition

(2004) shows that:

天下皆謂我大，
大而不肖。

夫唯不肖，
故能大若肖久矣，
其細也夫！
我恆有三葆，
持而葆之：
一曰慈，
二曰儉，
三曰不敢為天下先。
夫慈，故能勇；
儉，故能廣；
不敢為天下先，
故能為成器長。
今舍其慈且勇，
舍其儉且廣，
舍其後且先，
則死矣。
夫慈，
以戰則勝，
以守則固。
天將建之，
如以慈垣之。

The entire world knows me as "great."

I am great, and yet bear a resemblance to nothing at all.

Indeed, it is only because I resemble nothing at all that I am able to be great.

If I did bear a resemblance to something else,

For a long time now I would have been of little consequence.

I really have three prized possessions that I cling to and treasure:

The first of these is compassion,

The second, frugality,

And the third is my reluctance to try to become preeminent in the world.

It is because of my compassion that I can be courageous;

It is because of my frugality that I can be generous;

It is because of my reluctance to try to become preeminent in the world that I am able to become chief among all things.

To be courageous without compassion,

To be generous without being frugal, And to take the lead without holding back –

This is courting death.

Compassion will give you victory in waging war,

And security in defending your ground.

When nature sets anything up

It is as if it fortifies it with a wall of compassion. (pp. 182–183)

Wise leaders should learn three qualities. The first is compassion. If everyone can nourish others like water, there will be no extreme competition. People can gain power by cooperating with everything and integrating into nature. They can reduce waste if they do not have the mentality of a conqueror. The other quality is frugality. It is a manifestation of tolerance. In addition, sages never think they are preeminent in the world, so they are more able to accept different opinions. It is like a low-lying sea that can gather unmatched power.

In sum, extensive cooperation is better than excessive competition. Compassion, frugality, and never trying to become preeminent in the world are characteristics that wise leaders should possess.

8.4.6 Water Is Flexible

Soft water can defeat strong things because it has three characteristics. One is that it is resistant to pressure. Another is that it can change to adapt to new situations. Additionally, showing weakness is also one of them. Wise leaders should learn these qualities.

First of all, firmness and stability are the foundation of flexibility. Ames and Hall's edition (2004) shows that:

> 重為輕根，
> 靜為躁君。
> 是以君子終日行不離其輜重。
> 唯有環觀，
> 燕處則超。
> 若若何萬乘之王，

而以身輕於天下？
輕則失本，
躁則失君。
The heavy is the root of the light;
Equilibrium (*jing*) is the lord of agitation.
It is for this reason that the ruler in traveling the entire day
Will not take leave of his heavy wagons.
It is only when he is ensconced in familiar chambers encircled by
watchtowers
That he rises above such concerns.
How could someone be the king of a huge state
And treat his own person as less important than the world?
If he treats his person lightly, he loses the root;
If he becomes agitated, he loses his throne. (p. 117)

Although the river and the sea are soft, they are deep and steady. They will not change

their position easily. Water droplets can penetrate the stone because they keep falling

on one point. These are the performance of firmness and stability. Therefore, wise

leaders cannot easily change their positions when things happen and cannot act

impetuously.

Ames and Hall's edition (2004) records that:

受邦之詬，
是謂社稷主；
受邦之不詳，
是謂天下之王。
正言若反。
Only the person who accepts invective against the state
Is to be called its legitimate ruler;
Only the person who accepts the misfortunes of the state
Is to be called its true king.
Appropriate language seems contradictory. (pp. 197–198)

Only those who endure humiliation can be kings. Only those who can bear the

responsibility of the entire organisation can be regarded as wise leaders. They may not

have really suffered much, but they must have the courage to bear the pressure and the

mentality to deal with it calmly.

In addition, Ames and Hall's edition (2004) also shows that:

> 勇於敢者，則殺，
> 勇於不敢者，則活。
> 此兩者，或利或害。
> Those who are courageous in feats of daring will die because of it;
> While those whose courage is tempered by prudence will preserve their lives.
> In these two cases, courage can either put one in harm's way or be beneficial.
> (pp. 191–192)

Perseverance is not inflexibility. The people who can change to adapt to new

situations are able to avoid unnecessary losses. It requires leaders to be flexible.

The softness of water also implies showing weakness. Ames and Hall's edition (2004)

records that:

> 欲將翕之，
> 必固張之；
> 欲將弱之，
> 必固強之；
> 將欲去之，
> 必故與之；
> 將欲奪之，
> 必故予之。
> 是謂微明。
> 柔弱勝剛強。
> 魚不可脫於淵，
> 邦之利器不可以示人。
> Whatever is gathered in
> Must first be stretched out;
> Whatever is weakened
> Must first be made strong;
> Whatever is abandoned

Must first be joined;
Whatever is taken away
Must first be given.
This is what is called the subtle within what is evident.
The soft and weak vanquish the hard and strong.
Fishes should not relinquish the depths.
The sharpest instruments of state should not be revealed to others. (p.133)

Water looks weak, but the power of the flood is terrifying. That is because it is good at hiding itself. The strength of the organisation should not be overstated. Wise leaders know how to hide.

In short, wise leaders should learn tenacity, flexibility, and showing weakness from the water. These are the foundations for them to build a benign nature.

8.4.7 Treating the Problem from the Perspective of 道 Dao: Dynamic and Cyclical

The influence of 道 *dao* on things is dynamic and cyclical. It exists in everything and continues to affect them. The fundamental laws they follow cannot be broken, but external factors are constantly changing. These are not traceless. People can find them in daily affairs.

Ames and Hall's edition (2004) shows that:

不出於戶，以知天下；
不窺於牖，以知天道。
其出也彌遠者，
其知彌少。
是以聖人不行而知，
不見而明，

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弗為而成。
Venture not beyond your doors to know the world;
Peer not outside your window to know the way-making (*dao*) of tian.
The farther one goes
The less one knows.
It is for this reason that sages know without going anywhere out of the ordinary,
Understand clearly as without seeing anything out of the ordinary,
And get things done without doing anything out of the ordinary. (p. 150)

There are great principles in minor matters. It is impossible for a person to have seen all the situations in the world or learn all the knowledge, and attempting to do so is expensive. Instead the ways to deal with problems can be found in the most ordinary lives. Environmental factors do change a lot, but *dao* cannot be broken.

Ames and Hall's edition (2004) records that:

天下有始，
以為天下母。
既得其母，
以知其子。
既知其子，
復守其母，
沒身不殆。
The world has its fetal beginning
That can be considered the mother of the world.
You have to have gotten to this mother,
Before you can understand her progeny.
And once you have understood her progeny,
If you go back and safeguard the mother,
You will live to the end of your days without danger. (pp. 157–158)

無 *Wu* is the beginning of all things, and 有 *you* is their mother. People should seek the causes and laws of any minor matter. The results of these explorations should also continue to be explored. Those constantly changing external factors should also be

taken into consideration. That is her progeny. The methods to deal with problems

exist in this series of processes.

In addition, problems should be explored based on what is happening and in past

experiences. Linnell's edition (2015) shows that:

執古之道
以御今之有
能知古始
是謂道紀
Hold fast to the way (*dao*) of the ancients
In order to master the present moment.
The ability to know the ancient beginning
This is called the main principle of *dao*. (p. 25)

People can also obtain solutions to problems by analysing the experiences of others or

themselves. It shows that *dao* is circular. Therefore, wise leaders should pay attention

to reviewing the past.

In short, everything has its causes and laws. People can discover the 道 *dao* in them as

long as they explore them in depth and ceaselessly. Minor matters and past

experiences are more worthy of analysis because the cost of exploring them is

relatively low. Then, it is possible to know the world.

8.4.8 無 *Wu and* 有 *You: Action and Non-Action*

無 *Wu* is the root cause of all things, and 有 *you* is the law they follow in their

operation. They are inseparable. Furthermore, inaction can make things develop

naturally, and people can achieve their goals by guiding them. They should also be used together.

Ames and Hall's edition (2004) records that:

道恆無名。
樸雖小，
而天下弗敢臣。
侯王若能守之，
萬物將自賓。
天地相合，
以降甘露，
民莫之令而自均焉。
始制有名，
名亦既有，
夫亦將知止。
知止所以不殆。
譬道之在天下也，
猶小谷之與江海也。
Way-making (*dao*) is really nameless (*wuming*).
Although in this unworked state it is of little consequence,
No one in the world would dare to condescend to it.
Were the nobles and kings able to respect this,
All things (*wanwu*) would defer of their own accord.
The heavens and the earth would come together
To send down their sweet honey,
And without being so ordered,
The common people would see that it is distributed equitably.
When we start to regulate the world we introduce names.
But once names have been assigned,
We must also know when to stop.
Knowing when to stop is how to avoid danger.
As an analogy to describe way-making in the world:
The small creeks flow into the rivers and seas. (pp.126–127)

Knowing when to stop is a manifestation of control. Nature without restrictions and guidance is inundated like a flood, but the creek can merge into the river and the sea because it is dredged. Therefore, non-action and excessive action are both extreme, which is undesirable.

Ames and Hall's edition (2004) shows that:

> 希言自然。
> 飄風不終朝，
> 暴雨不終日。
> 孰為此？
> 天地。
> 天地而弗能久，
> 又況於人乎？
> It is natural to speak only rarely.
> Violent winds do not last a whole morning
> And torrential rains do not last a whole day.
> What is behind these occurrences?
> It is the heavens and the earth.
> And if the heavens and the earth cannot sustain things for long,
> How much less the human being. (p. 111)

No extreme things can exist for a long time. That is the influence of 道 *dao* on things.

The whole world also follows this method, so people cannot break it. Then action and non-action are indispensable, like wheels and spokes. Wise leaders will consider how to guide and regulate their followers without restricting their development. That is like dredging the river. Whether it is excessive governance or letting go, it will lead to floods.

In short, action and non-action are complementary. The absence of either of them is extreme.

8.5 Motivation

The sages in *Tao Te Ching* can guide people to pursue their goals and contribute to the development of the organisation spontaneously. This process requires motivating followers. The discussion of it begins with an obscure passage in the text.

不上賢，
使民不爭；
不貴難得之貨，
使民不為盜；
不見可欲，
使民不亂。
是以聖人之治也，
虛其心，實其腹；
弱其志，強其骨。
恆使民無知無欲也。
使夫知不敢弗為而已。
為無為則無不治矣。
Not promoting those of superior character
Will save the common people from becoming contentious.
Not prizing property that is hard to come by
Will save them from becoming thieves.
Not making a show of what might be desired
Will save them from becoming disgruntled.
It is for this reason that in the proper governing by the sages:
They empty the hearts-and-minds of the people and fill their stomachs,
They weaken their aspirations and strengthen their bones,
Ever teaching the common people to be unprincipled in their knowing (*wuzhi*)
And objectless in their desires (*wuyu*),
They keep the hawkers of knowledge at bay.
It is simply in doing things noncoercively (*wuwei*)
That everything is governed properly. (Ames & Hall, 2004, pp. 81–82)

The literal translation of this paragraph confuses readers. It seems to deny the abilities

of individuals and limit the cognition of people. It even seems that the more ignorant

the followers, the easier they are led. However, this is not what it means; its true

meaning is hidden in the text. We will explore it based on the content of the text.

Ames and Hall's edition (2004) shows that:

五色使人目盲；
馳騁田獵，使人心發狂；
難得之貨，使人之行妨。
五味使人之口爽，
五音是人之耳聾，

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是以聖人之治也，
為腹而不為目，
故去彼而取此。
The five colors blind the eye,
The hard riding of the hunt addles both heart and mind,
Property hard to come by subverts proper conduct,
The five flavors destroy the palate,
And the five notes impair the ear.
It is for this reason that in the proper governing by the sages:
They exert their efforts on behalf of the abdomen rather than the eye.
Thus, eschewing one they take the other. (p. 92)

Because humans are affected by primitive desires, they lack self-control over precious and rare things. That may cause them to lose the motivation to pursue their goals in life, which is the meaning of colours blinding eyes. Saints live simple lives because they pursue their goals uninfluenced by inconsequential things like wealth and fame. It is not that they cannot get those glamorous or valuable things, but that they do not want to live for them. Hence, "not prizing property that is hard to come by" (Ames & Hall, 2004, p. 81) should mean guiding people to pursue meaningful goals rather than wealth for its own sake.

Ames and Hall's edition (2004) records that:

故大道廢案，
有仁義；
知慧出案，
有大偽；
六親不和案，
有孝慈；
邦家昏亂案，
有貞臣。
It is when grand way-making is abandoned
That authoritative conduct (*ren*) and appropriateness (*yi*) appear.
It is when wisdom (*zhi*) and erudition arise
That great duplicity appears.
It is when the six family relationships are disharmonious
That filiality (*xiao*) and parental affection (*ci*) appear.

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> It is when the state has fallen into troubled times
> That upright ministers appear. (p. 103)

When leaders show a preference for people with specific characteristics, followers may disguise themselves as such people. That is contrary to managers' expectations. When employees work for praise or rewards, they may not really be concerned about their performance. They are likely to use some improper methods for vanity or profit. That is the meaning of "not promoting those of superior character" (Ames & Hall, 2004, p. 81).

In addition, people's pursuit of fame is often motivated by vanity or profit. These hinder their development. Sages are less eager to be recognised by others because they need to focus most of their energy on achieving life goals. The behaviour of chasing fame and fortune will only waste their resources.

"Not making a show of what might be desired" (Ames & Hall, 2008, p. 81) means that leaders should not motivate people with things that can arouse people's desires, such as fame and fortune. Linnell (2015) claims that:

> 絕聖棄智
> 民利百倍
> 絕仁棄義
> 民復孝慈
> 絕巧棄利
> 盜賊無有
> 此三者以為文不足
> 故令有所屬
> 見素
> 抱樸
> 少私
> 寡欲
> Renounce sacredness, abandon wisdom,

And the citizens benefit 100-fold.
Renounce kindness, abandon morality,
And the citizens return to being devoted children and loving parents.
Renounce cleverness, abandon profit,
And thieves and bandits will not exist.
These three things thus make a civilized society, but are not enough.
Therefore: to ensure the citizens have a place to belong –
See the simplicity,
Embrace the concept of the uncarved block,
Less selfishness,
Fewer desires. (p. 30)

There are many drawbacks to using fame and fortune to seduce followers. It should be replaced by giving them a strong sense of belonging. That is the meaning of "ensure the citizens have a place to belong" (Linnell, 2015, p. 30). Wise leaders should make members feel that any of their efforts is an essential part of organisational development. The realisation of team goals can solve the problems they face in their lives and reflect their achievements. It helps guide them to reduce the influence of desire.

Ames and Hall's edition (2004) shows that:

夫民之難治也，
以其知也。
故以知知邦，
邦之賊也；
以不知知邦，
邦之德也。
What makes it difficult to bring proper order to the people
Is that they already know too much.
Thus to use knowledge in governing the state
Is to be a bane to that state;
To use a lack of knowledge in governing the state
Is to be its benefactor. (p. 179)

According to the previous exploration, people already knowing too much refers to their pursuit of desire. 知 *Zhi* in this paragraph is literally translated as knowledge, which is not its meaning. It means people have too many unfair tactics to fight for fame and fortune. If leaders encourage followers to pursue wealth and reputation recklessly, it cannot bring long-term development to the organisation. It deviates from 道 *dao*.

Another part that needs to be explored is the sages governing the country. The method they use is that "虛其心，實其腹；弱其志，強其骨 they empty the hearts-and-minds of the people and fill their stomachs, they weaken their aspirations and strengthen their bones" (Ames & Hall, 2004, pp. 81–82).

Wise leaders first meet the basic needs of their followers, such as food and health. Then, they try to reduce the negative influence of fame and fortune and other temptations on the members, which is the meaning of weakening their aspirations. Then, 虛 *xu* was translated as empty, which is controversial. 谦虛 *Qianxu*, humility, is more suitable for its interpretation because Taoist philosophy does not believe in absolute emptiness. This sentence refers to making people humble rather than arrogant and complacent. Thus, they are more willing to cooperate to achieve their goals. It is to use 道 *dao* to lead.

Ames and Hall's edition (2004) shows that:

以正治邦，
以奇用兵，

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以無事取天下。
吾何以知其然也哉?
以此:
夫天下多忌諱,
而民彌貧;
民多利器,
而邦家滋昏;
人多知慧,
而奇物滋起;
法物滋章,
而盜賊多有。
是以聖人之言曰:
我無為,
而民自化;
我好靜,
而民自正;
我無事,
而民自富;
我無欲,
而民自樸。

Bring proper order to the state by being straightforward
And deploy the military with strategies that take the enemy by surprise,
But in ruling the world be non-interfering in going about its business (*wushi*).
How do I know that this is really so?
From the following.
The more prohibitions and taboos there are in the world,
The poorer the people will be.
The more sharp instruments in the hands of the common people,
The darker the days for the state.
The more wisdom hawked among the people,
The more that perverse things will proliferate.
The more prominently the laws and statutes are displayed,
The more widespread will be the brigands and thieves.
Hence in the words of the sages:
We do things noncoercively (*wuwei*)
And the common people develop along their own lines;
We cherish equilibrium (*jing*)
And the common people order themselves;
We are non-interfering in our governance (*wushi*)
And the common people prosper themselves;
We are objectless in our desires (*wuyu*)
And the common people are of themselves like unworked wood. (pp. 165–166)

Therefore, wise leadership should be based on satisfying the basic needs of the people. Furthermore, managers should try to reduce the influence of the temptation of desire on members and help them find their goals. This process cannot be realised by numerous commands and pressures, which is not conducive to individuals' development. This series of motivational methods helps achieve the leading goal of everything being done with less action.

Additionally, there is also a discussion of punishment in the text. Ames and Hall's edition (2004) records that:

> 若民恆且不畏死，
> 奈何以殺懼之也？
> If the common people are really not afraid of dying
> How can one frighten them by threatening to kill them? (p. 193)

People become numb when they have been afraid for a long time. Leaders should not use fear to limit followers. They should be the closest partners rather than enemies. The establishment of organisational discipline is only to reduce the confusion and losses of members. It is the basis for establishing punitive measures.

In short, satisfying the basic needs of followers is the basis of motivational measures. Managers should not use fame and fortune to seduce them. Wise leaders guide everyone to become members of the organisation and give them a strong sense of belonging. They can also clearly feel that their efforts contribute to the development of the organisation, which can also solve the problems they face in their lives.

8.6 The Strategy of Organisations

Some content in the *Tao Te Ching* involves discussions on formulating organisational strategies. The formulation of a strategic plan can be divided into three aspects: the principle of cooperating with everything, leading like cooking, and attaching importance to all challenges.

Wise leaders are good at cooperation and symbiosis of all things. It can also be reflected in the corporate strategy. Linnell's edition (2015) records that:

善行無轍迹
善言無瑕謫
善數不用籌策
善閉無關楗而不可開
善結無繩約而不可解

A good traveler is without wagon track or footprint. A good speaker is without flaw or disgrace.
A good accountant does not use counting tokens.
A good barrier is without bar or lock, yet can not be opened.
A good binding is without cord or restraint, yet can not be loosened. (p. 40)

Those who take things to the extreme seem to blend themselves with related things. So they can do whatever they want. It is because they have mastered the fundamental causes and laws contained in things. They put themselves in various related factors and follow the law to use strength. For example, a good traveller understands the habits of the land so that he or she walks lightly without leaving a trace. People merge into all things without conquering them, which is the performance of using 道 *dao*. It also applies to organisations.

Organisations that have achieved results in a specific field must use the advantages of related resources and personnel and avoid their disadvantages. That is to blend with the environment as much as possible. Therefore, the basis for formulating long-term strategic goals should be to seek joint development of related things. Leaders should analyse the characteristics of all related things and people from a comprehensive perspective to use all forces and avoid risks. It embodies the content of cooperation with everything in Taoism.

Leaders also need to pay attention to avoid wasting resources in the process of formulating strategies. Linnell's edition (2015) shows that:

治人事天
莫若嗇
夫唯嗇
是謂早服
早服謂之重積德
重積德
則無不克
無不克
則莫知其極
莫知其極
可以有國
有國之母可以長久
是謂深根固柢
長生久視之道
When governing people or doing heaven's duties,
It is better to be sparing.
Now: only when you can be sparing,
This is called early acceptance.
Early acceptance is called doubling your accumulation of *de*.
With a double accumulation of *de*,
Then everything can be overcome.
When everything can be overcome,
Then no one knows your limits.
When no one knows your limits,
You can possess the nation.
Possessing the mother of the nation,

You can forever endure.
This is called having a deep source and a firm foundation,
The way (*dao*) of long life and enduring sight. (p. 75)

Cherishing resources is a manifestation of cooperation with everything. Wise leaders know how to plan for it in their strategy. On the one hand, they put the labour and energy of the organisation members in an important position. They are not willing to waste the labour of people, which is also the respect and protection of their followers. On the other hand, they also try to make the best use of external material resources. A small amount of waste can have serious consequences and cause widespread impact. The reason why a person is believed to have the ability to govern the country is that she or he attaches importance to details.

Therefore, wise leaders should adopt an attitude of cooperating with all things to formulate organisational development strategies. A comprehensive analysis of related people and things is the key. Cherishing all resources should also be reflected in this process.

Leading like cooking is an interesting metaphor in *Tao Te Ching*. Ames and Hall's edition (2004) records that:

治大國若烹小鮮。
以道莅天下，
其鬼不神。
非其鬼不神也，
其神不傷人也。
非其神不傷人也，
聖人亦弗傷也。
夫兩不相傷，
故德交歸焉。
Bringing proper order to a great state is like cooking a small fish.

When way-making (*dao*) is used in overseeing the world,
The ghosts of the departed will not have spiritual potency.
In fact, it is not that the ghosts will not have spiritual potency,
But rather that they will not use this potency to harm people.
Not only will the ghosts not use their potency to harm people,
But the sages will not harm people either.
It is because the ghosts and sages do no harm
That their powers (*de*) combine to promote order in the world. (p. 171)

On the one hand, this paragraph re-emphasises the truth in minor matters, which has been discussed before. That is also important for organisational development. Leaders should establish mechanisms to reflect and analyse what has been done or coped with in formulating strategies. It could help the group to face similar incidents that may occur in the future.

On the other hand, achieving ambitious goals takes similar steps to dealing with trivial matters. They all need to go through quantitative accumulation to a qualitative leap. It has the same truth as cooking. Completing a dish requires a comprehensive plan, preparation of ingredients, exercise of knife skills, and familiarity with fire. A skilled chef seems to be integrated with the entire kitchen. So many dangerous factors such as fire and knives not only cannot hurt him or her, but they can also contribute to their strength, which is the meaning of "it is because the ghosts and sages do no harm that their powers (*de*) combine to promote order in the world" (Ames & Hall, 2004, p. 171). Therefore, the achievement of any strategic goal is not achieved overnight.

Ames and Hall's edition (2004) shows that:

大小多少,
報怨以德。
圖難乎其易也;
為大乎其細也。

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天下之難作於易；
天下之大作於細。
是以聖人終不為大，
故能成其大。
夫輕諾必寡信，
多易必多難。
是以聖人猶難之，
故終於無難。

Treat the small as great
And the few as many.
Requite enmity with character (*de*).
Take account of the difficult while it is still easy,
And deal with the large while it is still tiny.
The most difficult things in the world originate with the easy,
And the largest issues originate with the tiny.
Thus, it is because the sages never try to do great things
That they are indeed able to be great.
One who makes promises lightly is sure to have little credibility;
One who finds everything easy is certain to have lots of difficulties.
Thus, it is because even the sages pay careful attention to such things
That they are always free of difficulties. (p. 175)

The lofty goal is made up of many small ones. Solving difficult things also needs to start from simple aspects. That requires wise leaders to formulate realistic plans based on the current organisational situation when establishing development strategies. The accumulation of quantity in this process needs to be taken seriously. Excessive pressure does not mean the full use of resources but an unrealistic fantasy, which may lead to negative consequences.

Therefore, Taoist philosophy requires leaders to pay attention to analysis and reflect on various situations. In addition, they should pay attention to the accumulation of quantity and the transition from easy to difficult when formulating strategic goals.

Wise leaders should pay attention to all possible situations and challenges in formulating and implementing strategies. Ames and Hall's edition (2004) records that:

用兵有言：
曰吾不敢為主，
而為客；
吾不進寸，
而退尺。
是謂行無行，
攘無臂，
執無兵，
扔無敵。
禍莫大於無敵，
無敵近亡吾葆矣。
故稱兵相若，
則哀者勝矣。
There is a saying about using the military:
I would not think of taking the offensive
But only of defending my ground;
I would not think of taking an inch
But only of giving up a foot.
This is what is called
Deploying forward without bringing the troops,
Throwing a punch without raising a hand,
Grasping tightly without having a weapon in hand,
Launching an assault without confronting an enemy.
There is no calamity greater than underestimating the enemy,
For underestimating the enemy is tantamount to losing your treasures.
Hence, when two armies, evenly matched, cross swords in combat,
It is the side that laments the need to do so that wins the day. (p. 186)

Contempt for problems often becomes the source of failure. Leaders should maintain a high degree of alertness to any challenge when leading the development of the organisation. They should ensure that any situation that arises can be handled appropriately. That not only needs to be reflected in the strategic plan but it should also be implemented in daily management.

In short, wise leaders can aim for symbiosis and cooperation when formulating organisational development strategies. They know how to achieve their goals through accumulation and constantly reflect on their practice. In addition, they will give enough attention to the challenges.

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8.7 The Structure of Organisations

There is no content in the *Tao Te Ching* that discusses issues of organisational structure directly. However, some of the metaphors and descriptions can inspire readers about related problems, such as the size and functions of the team, internal cooperation, the authority of managers, and the deployment of personnel.

Ames and Hall's edition (2004) records that:

小邦寡民。
使有十百人之器而勿用；
使民重死而遠徙。
有舟車，
無所乘之；
有甲兵，
無所陳之。
使民復結繩而用之。
甘其食，
美其服，
樂其俗，
安其居。
鄰邦相望，
雞狗之聲相聞，
民至老死，不相往來。
You want a small state with a minimal population.
Have ready to hand weaponry for a sufficient number of military units
Yet have no recourse to use them.
Make sure that the common people take dying seriously
So that they have no taste for venturing far from home.
Though you have ships and chariots enough
Have no reason to man them;
Though you have armor and weapons enough
Have no reason to parade them.
Bring the common people back to keeping their records with knotted string,
To relishing their food,
To finding beauty in their garments,
To enjoying their customs,
And to finding security in their homes.
Although your neighboring states are within eyesight

> And the sounds of their dogs and cocks are within earshot,
> Your people will grow old and die without having anything to do with them.
> (pp. 201–202)

This paragraph seems to be an unrealistic fantasy because it asks people to return to the state of primitive society. However, all these sentences can be regarded as a metaphor. The literal meaning cannot express its true meaning.

The metaphor depicts the internal structure of an ideal organisation. Its internal division of labour is shallow and clear. Each department should not have too many responsibilities, and the staffing should not be excessive. Each team is made up of people with similar goals. They cooperate with each other to pursue their goals and achieve joint development. It is the meaning of "you want a small state with a minimal population" (Ames & Hall, 2004, p. 201).

The members of these teams have a strong sense of belonging to the entire organisation. Due to the influence of 道 *dao*, they also have some understanding of other people's work. As a member of the whole, they can communicate, cooperate, or compete with other groups at any time. However, they never interfere with nor influence the activities of other departments. That is the interpretation of "Though you have ships and chariots enough have no reason to man them; Though you have armor and weapons enough have no reason to parade them" (Ames & Hall, 2004, p. 201). In addition, "(leaders) bring the common people back to keeping their records with knotted string" (Ames & Hall, 2004, p. 201). It seems to let people go back to the living environment of primitive society to record things with ropes, but it is actually a metaphor for people's inner peace. Although they are eager to realise their goals, they

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disdain using improper means such as deception and malicious competition for their benefit. That makes them look different.

Therefore, people can get good material rewards and enjoyment. They perform their duties. They are also happy to communicate and cooperate with other members but never try to interfere with others' work.

In addition, there are discussions of the management system. Ames and Hall's edition (2004) shows that:

> 夫代司殺者殺，
> 是代大匠斲也。
> 夫代大匠斲者，
> 則希不傷其手矣。
> To stand in for the executioner in killing people
> Is to stand in for the master carpenter in cutting his lumber.
> Of those who would thus stand in for the master carpenter,
> Few get away without injuring their own hands. (p. 193)

Any problems need to be handled by specialists. It is unreasonable to use laypeople to manage professional matters. Leaders who are proficient in 道 *dao* know the development of many things, but they still lack the skills to face special situations. Therefore, their duty is to grasp the development direction of the organisation or group and create an environment suitable for everyone to develop rather than interfere in the work of others.

Furthermore, leaders need to adjust the team according to the situation. Ames and Hall's edition (2004) shows that:

天之道，猶張弓者也？
高者抑之，
下者舉之，
有餘者損之，
不足者補之。
故天之道，
損有餘而益不足。
The way of tian is like archers drawing their bows.
To hit something high in the air, they pull the string downward;
To hit something lower, they pull the string upward.
When they have drawn the string too far back, they let some go,
And when they have not drawn it far enough, they pull harder.
The way of tian is also to let some go where there is excess
And to augment where there is not enough. (p. 196)

Leaders should constantly make adjustments based on the performance of their followers. It is meant to guide team members to gear with each other. Both excessive action and inaction are extreme. Therefore, managers need to find a balance. In addition, this principle can be used not only in personnel deployment but also in many aspects. Nothing in the organisation can be accomplished overnight. Everything needs to be constantly adjusted.

In sum, Taoist philosophy suggests that wise leaders should not assign too many responsibilities to a single department or team. Although they are good at contacting and cooperating with other people, they will not interfere with each other. Specialists are responsible for professional work to ensure that others cannot influence their decision-making. In addition, the staffing needs to be adjusted continuously, but the training of the members also takes time.

Chapter Nine: The *Dao* in the 21st Century

So far, I have explored the creation background, practical history, and some contents of the *Tao Te Ching*. Indeed, the text presents leaders with a unique perspective that differs somewhat from today's leadership theories. My analyses assume that the ideas in this ancient text are timeless and that all generations could draw inspiration from it, even though its interpretation is limited by many constraints such as time and place. Hence, the attempt to reconstruct Taoist leadership is meaningful.

Tao Te Ching is a work of philosophy (Ames & Hall, 2004). The fusion of philosophical vision and leadership also manifests its uniqueness. From the beginning, the text presents a worldview by discussing the origin and operation of all things in the universe. Nonetheless, it differs from metaphysics because it focuses on the causes, laws, and effects of situations. This orientation forms the basis of Taoism and sets the tone for further instruction to leaders.

In this chapter, I use critical reading in Monin's (2004) scriptive reading method to reconstruct the contents of the *Tao Te Ching* and show how they frame the Taoist worldview and influence leaders. In addition, some important metaphors are highlighted again to explore their roles. I will also describe how the content of the text supports these analytical results or how they were derived.
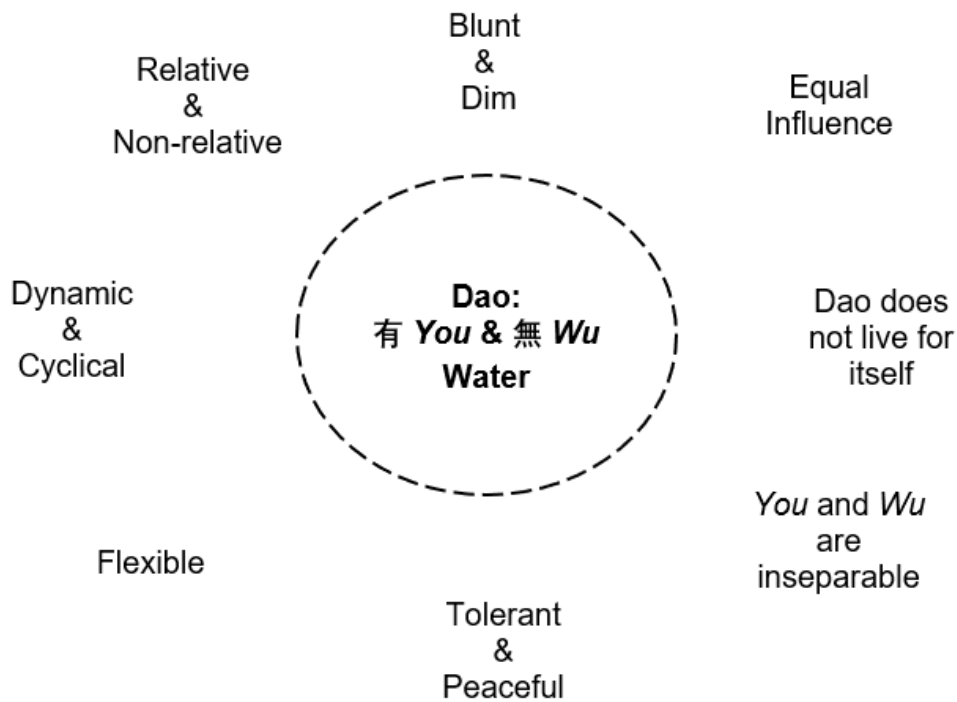
9.1 Taoist Philosophy

Figure 1 Taoist philosophy

It can be seen from Figure 1 that the discussion of Taoist philosophy can be divided into two parts. One is the definition of *dao*, and the other is its eight characteristics that contain the two discovered from the observation of water.

The basic element of Taoist philosophy is 道 *dao* (Ames & Hall, 2004). In the *Tao Te Ching*, almost everything in the universe undergoes birth, development, and death, which is under the influence of *dao*. Therefore, all things cannot exist without it. The text also discusses its two essential components, 無 *wu* and 有 *you*, for further explanation.

In the *Tao Te Ching*, 無 *wu* is defined as the state before the birth of the universe, which is "the fetal beginnings of everything that is happening" (Ames & Hall, 2004, p. 77). It symbolises the root causes of all things. In other words, nothing can arise from the void. *Wu* refers to the origin of everything.

Another component of *dao* is 有 *you* that is arranged after 無 *wu*. It is named the mother of everything. "This is called the root of the world. Wispy and delicate, it only seems to be there, yet its productivity is bottomless" (Ames & Hall, 2004, p. 85). That shows that it is the foundation of things, which means that everything follows its guidance to arise, develop, and die. Thus, *you* should be referring to the fundamental laws and effects on which things operate.

無 *Wu* and 有 *you* constitute *dao*, which can be interpreted as the fundamental causes, operating laws, and influences of everything. It is part of the guidance that Taoist philosophy gives people. Nothing is so independent that a comprehensive and in-depth analysis of all issues is necessary. Individuals knowing how to explore the nature of things is the basis for further practical activities.

Dao exhibits some characteristics in the process of influencing all things, and these are also an important part of Taoist philosophy. First, *dao* is relative but also non-relative. "As soon as everyone in the world knows that the beautiful is beautiful, (and then) there is already ugliness. As soon as everyone knows the able, (and then) there is ineptness" (Ames & Hall, 2004, pp. 79–80). Things usually display relative properties, such as beauty and ugliness, or ability and ineptness. However, the situations are in constant movement and change so that there is no absolute final state.

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The natures of things do not show good or bad; these labels are given by human beings. The text insists that everything has only causes, laws of operation, and effects. Subjective consciousness does not change their attributes, even though perceptions can be affected by different conditions.

Another feature of *dao* is being blunt and dim. All things have causes, laws, and effects, but it is hard for people to find them. They do not have a glamorous appearance. Instead, they can hide in general situations; "it blunts their sharpness, loosens their tangles, softens their brightness, makes them the same as the dust of the world" (Ames & Hall, 2004, p. 15). Since *dao* is inconspicuous, it is able to incorporate its influence into all things without appearing distinctive.

In the *Tao Te Ching*, equal influence is also believed to be a characteristic of *dao*. "The heavens and the earth are not partial to institutionalized morality. They take things (*wanwu*) and treat them all as straw dogs. Sages too are not partial to institutionalized morality. They treat the common people as straw dogs" (Ames & Hall, 2004, p. 84). The operation of things cannot avoid causes, laws, and effects, and nothing can change that. The equality of *dao* does not mean it has the same influence on everything. It refers to all situations that have their most fundamental reasons and rules, which cannot be broken.

Dao is considered not to live for itself, which means it can achieve things for others. It brings guidance and influence to all things, but it is not the conqueror. "The heavens are lasting and the earth (is) enduring. The reason the world is able to be lasting and enduring is because it does not live for itself" (Ames & Hall, 2004, p. 86). It carries

the birth, development, and demise of everything. In turn, the existence of things underlines its longevity. This are not an exploitative relationship but a mutually supporting symbiotic relationship.

Another characteristic is that *dao*'s influence on everything is a dynamic and cyclical process. The causes, operation trajectory, and development direction of a thing are diverse under different circumstances and conditions rather than being fixed. Thus "being good (*dao*), it is called passing" (Ames & Hall, 2004, p. 115).

However, things in different spaces and times may have the same reasons, laws of operation, and effects. "It is called returning" (Ames & Hall, 2004, p. 115). That is a cognition similar to the historic recurrence. The text attempts to inform people that they can find the trail of *dao* through reflection.

For *dao*, the two elements of 無 *wu* and 有 *you* are inseparable. One is that everything is a link in a chain. The factors, laws, and influences contained therein are all indispensable. Another is that both excessive action and non-action are flawed. They should be combined rather than seen in isolation. "The thirty spokes converge at one hub, but the utility of the cart is a function of the nothingness (*wu*) inside the hub" (Ames & Hall, p. 91). Solid wheels are not durable, and voids in utensils are essential. By extension the development of things or people needs adequate space, which means that any action should try not to interfere and limit them.

However, the operation of a wheel is also inseparable from the spokes and hubs, and they symbolise the guidance of the development of things or people. In an

environment of absolute freedom, forces from all sides cannot be gathered together. Hence, if things and people are expected to become as useful as wheels, they need to be guided and regulated.

Therefore, the two elements of 無 *wu* and 有 *you* answer the question of action or inaction from one perspective. People and things need space to develop, but they also need to be guided to gather strength. Excessive action and non-action are undesirable, and leaders need to find a balance between them.

In addition, water is an important metaphor in the text. "The highest efficacy is like water" (Ames & Hall, 2004, p. 87). It is believed to contain many Taoist philosophical views, and through observation and exploration of it, people may discover some of the characteristics of *dao*.

For instance, water is tolerant and peaceful. "It is because water benefits everything (*wanwu*), yet vies to dwell in places loathed by the crowd that it comes nearest to proper way-making (*dao*)" (Ames & Hall, 2004, p. 87). It nourishes all kinds of life, which means it can tolerate everything. Even though it is essential for the world, it chooses to flow to the detested and dirty low-lying places, showing its unwillingness to compete for status with others. Because of these characteristics, it can be needed by all things and gather more strength.

Moreover, water is flexible. On the one hand, it nourishes everything, so it can be considered indispensable. However, it does not want to put itself above others but

chooses to take on the burden of supporting the lives of others and bear what they do not like, which shows its responsibility and resilience.

On the other hand, "nothing in the world is as soft and weak as water. And yet in attacking what is hard and strong, there is nothing that can surpass it" (Ames & Hall, 2004, p. 197). It is the softest in the world, and it does not even have its own shape. However, it contains enormous energy that can destroy things as hard as rocks. An important reason is that it can quickly adapt to new environments; as it flows it gathers strength whether on the plains or mountains. Small streams and large rivers end in the ocean, and nothing can stop them. Therefore, softness is not weak, and flexibility is better than stubbornness.

In general, 道 *dao* is the core of Taoist philosophy. As the *Tao Te Ching* begins, "Way-making (*dao*) that can be put into words is not really way-making (*dao*)" (Ames & Hall, 2004, p. 77), so it is not easy to give an accurate and detailed definition. However, through the interpretation of the text, it can be found that *dao* contains a generalisation of the fundamental causes, operation laws, and influences of everything. It warns readers to recognise any problem from these three dimensions: causes, laws, and influences. In addition, it shows some characteristics in the process of it affecting things. In addition water, as the closest thing to *dao*, also contains some characteristics similar to it. Then, the text describes how people should learn and imitate them, which is the cornerstone of Taoist leadership.

9.2 Taoist Leadership

In the text, sages are considered to govern a country or organisation to achieve continuous development without much action. "*Dao* ever-constantly practices non-action, yet nothing is left undone" (Linnell, 2015, p. 51). The bosses lead people to contribute to the progress of themselves and their organisations spontaneously. That is, "the existence of the best ruler is barely known to the people" (Linnell, 2015, p. 28). Individuals perform their duties and work hard. They never think others are forcing them to do it, and they do not even notice instructions or orders. It is not an unrealistic fantasy; on the contrary, its realisation requires the change and improvement of all members.

Taoist leadership is based on its Taoist philosophy. In the *Tao Te Ching*, 道 *dao* exhibits some characteristics in the process of influencing the world, and these are also considered to be the methods it follows in guiding the development of all things. In the same way, the text believes that wise leaders should learn and imitate the eight features of *dao* to lead their followers. Then this requires them to improve their character in eight aspects: discerning things, humility and low profile, equal influence, achieving others' dreams, dynamic and cyclical, actions and non-action, tolerance and peace, and tenacity and flexibility.

9.2.1 Discernment

The characteristic of relative and non-relative can help people to discern what is happening in the moment. People are accustomed to assigning labels to all things to

categorise them, but subjective consciousness cannot change their essence. The most perfect may not be without flaws, but the humble things may be valuable. Hence "what is most consummate seems defective" (Ames & Hall, 2004, p. 147). Individuals should not be limited by so-called traditions and preferences. For example, wealth and fame may seem very appealing, but are only a small part of life. "When treasure fills the hall, no one is able to keep it safe. Those who are arrogant because of station and wealth bring calamity upon themselves" (Ames & Hall, 2004, p. 88). Everything has positive and negative effects on people based on its causes and operation rules.

Therefore, leaders need to remove outside distractions and find their purpose in life. Things like fame, wealth, and other people's comments should not obstruct their development.

> The common lot see things so clearly, while I alone seem to be in the dark. The common lot are so discriminating, while I alone am so obtuse. So vague and hazy, like the rolling seas; So indeterminate, as though virtually endless. The common lot all have their purposes, while I alone am a dull-witted yokel. My needs alone are different from other people, cherishing my mother's milk. (Ames & Hall, 2004, pp. 105–106)

Ordinary people understand the importance of fame and wealth, but only sages are blind to their value. Ordinary people are very concerned about what others say about them, and only sages are dull and even stupid. The wise people have a different pursuit than others in that they are able to do their best to focus their attention on the achievement of their inner purpose.

In addition, down-to-earth efforts are more helpful in problem-solving than an obsessive pursuit of perfection. Anything that looks perfect is unreal, but flaws are pervasive in everything. According to Ames and Hall (2006), "Radiant way-making

(*dao*) seems obscured, advancing way-making (*dao*) seems to be receding…the most broadminded character seems deficient, the most steadfast character seems dubious" (pp. 140–141). The wise leaders look different from others, even seeming a little dumb. They are not interested in glamorous titles, nor do they pursue wealth or fame. Wisdom is a separate issue which might be relevant later. They are also often sceptical about something that seems inevitable.

9.2.2 Humility and Low Profile

The characteristic of being blunt and dim asks leaders to be humble and keep a low profile, which enables them to fit into the ordinary circumstances. Any achievement comes from the application of the most general factors. If individuals can stay that way, they may be able to keep improving. Otherwise, their development may be hindered. "It is better to desist than to try to hold it upright and fill it to the brim. Pounded out to a point its sharpness cannot be long maintained" (Ames & Hall, 2004, p. 88). People's arrogance is like pouring water into an already full glass, making it hard for them to improve. A person who likes to show off achievements seems like they are polishing and sharpening their character, making it easy to hurt those who want to help. An image that is too dazzling takes great energy to maintain. However, a humble and unpretentious attitude is more conducive to gathering strength.

9.2.3 Equal Influence

Another feature of *dao* is that it affects everything in an equal way. "The heavens and the earth are not partial to institutionalized morality. They take things (*wanwu*) and treat them all as straw dogs" (Ames & Hall, 2004, p. 84). All things have their

original causes, laws of operation, and influences, which cannot be changed or broken by people's subjective consciousness or emotions. Any attempts to change or conquer them are bound to be impractical. Therefore, leaders can guide and exploit these factors with a full understanding, but they should avoid their actions being influenced by unrealistic fantasies. In addition, they should also reflect fairness to their followers, as *dao* is to everything.

9.2.4 Achieving Others' Dreams

Those following the *dao* do not live for themselves, and this means that leaders must help others achieve their goals. "Favor and disgrace are cause for alarm. Value your gravest anxieties as you do your own person. The reason we have grave anxieties is because we are embodied persons" (Ames and Hall, 2004, p. 93). People who only consider personal interests will inevitably worry about gains and losses. That makes it difficult for them to make decisions that benefit all the people and things involved.

Hence, "Sages really think and feel immediately. They take the thoughts and feelings of the common people as their own" (Ames and Hall, 2004, p. 153). Wise leaders place their personal interests within the organisation and the environment. They consider the needs and difficulties of each member to help them solve problems and achieve their goals.

9.2.5 Dynamic and Cyclical

The other characteristic of *dao* is dynamic and cyclical, which requires people to have a vision for development and reflect on past experiences. Everything is constantly

changing, and the exact same conditions are almost non-existent. "It is called passing" (Ames & Hall, 2004, p. 115). However, the factors that affect things are sometimes similar. Problems that arise in different times and spaces may show similarities in causes, laws of operation, and effects. "It is called returning" (Ames & Hall, 2004, p. 115). Therefore, leaders should review and analyse past events as they develop. The more inconspicuous things should be paid more attention to because *dao* is hidden in the ordinary.

9.2.6 Actions and Non-Action

The two basic elements of *dao*, 無 *wu* and 有 *you*, are inseparable, which implies that both action and inaction are necessary. On the one hand, "violent winds do not last a whole morning and torrential rains do not last a whole day" (Ames & Hall, 2004, p. 111). Leaders cannot always dictate to their followers, which not only hinders the development of members but also goes against the laws of nature. As mentioned earlier, "the utility of the cart is a function of the nothingness (*wu*) inside the hub" (Ames & Hall, 2004, p. 91). People need adequate space to realise their potential.

On the other hand, "As an analogy to describe way-making (*dao*) in the world: The small creeks flow into the rivers and sea" (Ames & Hall, p. 127). Rivers with banks flow smoothly into the sea, while others may flood. Additionally, "The thirty spokes converge at one hub" (Ames & Hall, 2004, p. 91). A wheel cannot lack spokes and a hub. These all indicate that people's development needs to be guided. Their strengths can be brought together with supportive guidance to drive the organisation forward.

Therefore, wise leaders are inspired by 無 *wu* and 有 *you* so that they are not stuck with choosing between actions or non-actions. They are able to go beyond action or inaction to find a balance between the two, depending on the actual situation of the organisation.

9.2.7 Tolerant and Peaceful

In the *Tao Te Ching*, water is believed to be an example that people should learn from and imitate the most. "What enables the rivers and seas to be king over all the valleys is that they are good at staying lower than them. It is this that enables them to be the king of all the valleys" (Ames & Hall, 2004, p. 181). The reason why the sea holds great energy is that it is in a low position and is able to contain all currents. Leaders should also learn to be tolerant and lower their stature to fit in with the average followers. They may gather more power like the ocean, while they can understand people's situations and accept all the differences.

The feature of peace also should be learned. "Military weapons are inauspicious instruments, And are so generally despised. That even those who want things cannot abide them" (Ames & Hall, 2004, p. 125). Excessive competition is harmful, inevitably leading to a waste of resources. In contrast, cooperation is beneficial. The sea is cooperative in that it does not compete with any river. "Is it not because they (sea and sages) strive without contentiousness (*wuzheng*) that no one in the world is able to contend with them" (Ames & Hall, 2004, p. 181). Wise leaders have moved beyond aggression as an option. They can cooperate with all things in order to obtain the help of others to pursue their goals.

9.2.8 Tenacity and Flexibility

In the text, the softness of water is not weakness but tenacity. It warns that leaders should have the ability to assume organisational responsibilities. "Only the person who accepts invective against the state is to be called its legitimate ruler; Only the person who accepts the misfortunes of the state is to be called its true king" (Ames & Hall, 2004, p. 198). People who can afford to lose and take risks deserve to be in charge of others. A boss led by the *dao* does not blame his or her followers for mistakes or failures. Instead, he or she is willing to be the most solid backing for the organisation members, supporting and leading them to develop together.

In addition, the softness of the water also suggests that people should be flexible in dealing with problems. "While living, people are supple and soft, but once dead, they become hard and rigid cadavers" (Ames & Hall, 2004, p. 195). Flexibility is closer to the laws of life than stubbornness. While attending to their goals, leaders should try to change their attitudes and plans to suit different circumstances.

In sum, Taoist philosophy requires people to improve their character through the study of *dao*. "I really have three prized possessions that I cling to and treasure: The first of these is compassion. The second (is) frugality, and the third is my reluctance to try to become preeminent in the world" (Ames & Hall, 2004, pp. 182–183). The wise leaders depicted in the *Tao Te Ching* can acquire some character traits through the knowledge and exploration of *dao*. They have ideals and are not bound by the ideas of others. They are humble, low profile, flexible, tenacious, responsible, practical, and cooperative. They have a unique worldview but can integrate into the

general public. In addition, they do not advocate extreme action and competition. They know how to achieve their goals by accomplishing others' to create a favourable environment for the development of their followers.

Taoist philosophy expects leaders to change themselves consciously. For instance, a pugnacious person may learn to help others achieve their dreams and become cooperative in the process. Or, an arrogant individual may discover what it means to be low profile and humble after observing and becoming like water. Even though personality may be difficult to change, under the influence of Taoism leaders are still able to adjust their thoughts and behaviours.

Therefore, the *Tao Te Ching* offers guidance for thinking. It believes that wise leaders are not born, and everyone needs to adjust themselves by learning and imitating *dao*. In addition, the main content of the text is not a response to specific issues but instead gives bosses the posture they should have when facing various problems, including the methods, inspirations, and warnings they need when putting their ideas into action. Hence, they can get help from the text whether they are guiding followers or dealing with problems.

9.3 Motivation in Taoist Philosophy

The goal of Taoist leadership is that the bosses lead people to contribute to the progress of themselves and their organisations spontaneously. However, leaders cannot achieve it only by enhancing their characteristics without motivating followers. Therefore, the text describes four warnings: avoiding fame and wealth, showing no preference for special characteristics, not relying on punishment, and clear

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organisational discipline. In addition, it also proposes four methods for leaders: providing a stable job and salary, a sense of belonging, solving problems, and leading by example. In this section, I will discuss their meanings in turn.

"The five colors blind the eye...The five flavors destroy the palate, and the five notes impair the ear" (Ames & Hall, 2004, p. 92). These metaphors refer to various temptations such as fame and wealth that can make people forget their goals. Hence, "not making a show of what might be desired will save them (people) from becoming disgruntled" (Ames & Hall, 2004, p. 81). Wise leaders are reluctant to use the things like riches and status that can disturb individuals' minds to reward or even tempt their followers, which is one of the principles of Taoist motivation.

Wise leaders also show no preference for the special characteristics of their followers. "It is when grand way-making (*dao*) is abandoned that authoritative conduct (*ren*) and appropriateness (*yi*) appear. It is when wisdom (*zhi*) and erudition arise that great duplicity appears" (Ames & Hall, 2004, p. 103). When people see some benefit from a particular behaviour, they scramble to imitate it, whether or not they can really understand the implications, instead promoting negative situations such as fraud and malicious competition.

However, "able persons are teachers of the able, while the inept provide them with raw materials" (Ames & Hall, 2004, p. 119). Everyone has potential and characteristics that cannot be replaced. People should strive for their own goals rather than envy others. Therefore, "renounce sacredness, abandon wisdom, and the citizens benefit 100-fold" (Linnell, 2015, p. 30). That does not mean that individuals should

give up wisdom to be stupid; it means that bosses should not show their undue preference for certain behaviours of others. Wise leaders do not favour specific followers; instead, they are able to identify the strengths of each organisation member and encourage them to develop their abilities, which like "water benefits everything" (Ames & Hall, 2004, p. 87).

In the text, wise leaders avoid reliance on punishment for motivation. "If the common people are really not afraid of dying, how can one frighten them by threatening to kill them" (Ames & Hall, 2004, p. 193). People who are often severely punished may become numb and revolt. These are not conducive to the development of the organisation.

Nevertheless, not relying on punishment does not mean there is no organisational discipline. "We throw clay to shape a pot, but the utility of the clay pot is a function of the nothingness inside it" (Ames & Hall, 2004, p. 91). A pot is useful because it is hollow, but without clay, it is useless. A controlled current is the source of life, but a river without banks is a flood that destroys everything. It would be irresponsible to let followers be completely free. Hence, wise leaders can discipline and guide people's behaviour without interfering with their development.

Indeed, leaders need methods to motivate followers rather than just warnings. "(Leaders) fill their (followers') stomachs...and strengthen their bones" (Ames & Hall, 2004, pp. 81–82). The most basic needs of people should be met, which means that bosses provide stable jobs and salaries as the basis for supporting the development of their subordinates.

Wise leaders do not rely on status and wealth as rewards in exchange for the efforts of followers but instead on a strong sense of belonging. "(Leaders) ensure the citizens have a place to belong" (Linnell, 2015, p. 30). They can make every member feel that their efforts are not only promoting their own development but also an integral part of the whole organisation. In other words, bosses need to let people know how their work affects the team's operations and that they carry the expectations and respect of others.

However, belonging is a kind of feeling, and it does not give people material assistance. Therefore, wise leaders need to do more. "They empty the hearts-and-minds of the people and fill their stomachs, (and) they weaken their aspirations and strengthen their bones" (Ames & Hall, 2004, p. 81). They do not use glamorous things to lure followers, but they work to help solve real problems people face. "Stomachs" and "bones" are metaphors for issues that must be coped with in individuals' lives.

"It is for this reason that in the proper governing by the sages: they exert their efforts on behalf of the abdomen rather than the eye. Thus, eschewing one they take the other" (Ames & Hall, 2004, p. 92). Some metaphors are used in this passage; among them, "abdomen" is the same character as "stomach" in Chinese that also refers to the problems people have in reality, including filling their stomachs, and "eye" implies something that looks perfect including the mentioned appealing things "five colours," "five flavours," and "five notes." Sages focus on the different situations of each person rather than generalising them. Therefore, wise leaders avoid just using glamorous things like wealth and status as rewards for hard work; instead, they emphasise investigating and helping each follower solve the problems they face in life.

In the text, wise leaders should also lead by example to steer people in the direction of their progress. "The sage says: I use non-action, and the citizens naturally transform. I cherish stillness...I use non-interference...I am without-desire..." (Linnell, 2015, p. 73). Sages can change themselves before leading others to make changes. "Muddy water, when stilled, slowly becomes clear. Something settled, when agitated, slowly comes to life" (Ames & Hall, 2004, p. 98). They are like a drop of clear water in a muddy river leading other streams to become clear. They are like an active element in a dead thing that brings others to life. Wise people blend into ordinary people and lead others by example, but they never seem out of place.

For the achievement of goals, sages can be strict with themselves. They cherish all resources and put an end to extravagance and waste. They constantly examine their actions and thoughts to avoid the negative effects of desire. In addition, they are willing to pay more attention to finding out the actual needs of followers and provide support and guidance for each person's development. Therefore, wise leaders will require themselves to do these to set an example for the organisational members.

In sum, Taoist philosophy believes that an ideal leadership system enables people to develop spontaneously. "With the most excellent rulers, their subjects only know that they are there...With all things accomplished and the work complete, the common people say, we are spontaneously like this" (Ames & Hall, 2004, pp. 101–102).

Nonetheless, it is not easy for people to discover their goals and keep developing spontaneously. There are so many situations that can interfere with them, such as

desires and problems in life. Therefore, Taoist philosophy warns leaders to guide followers to remove obstacles and find reasons for continuous progress.

As mentioned earlier, the *Tao Te Ching* can bring readers guidance in thinking. It gives them some warnings and inspiration. For example, the concepts explained above are designed to avoid giving people more distractions and temptations to make them lose themselves. The methods can be seen as several suggestions to leaders that enable them to give members a stable environment and benefits, such as basic needs satisfaction, belonging, and solving practical problems, while leading followers to pursue development.

9.4 Taoist Philosophy and Organisational Strategy

The concept of organisational strategy does not apply to the era when the *Tao Te Ching* was created. However, it paints a picture of where leaders should move the people. They should aim to guide their followers to be integrated into all things and develop together with the relevant factors. Thus begins the Taoist philosophy's suggestion of strategic planning. In addition to final goal setting, it includes internal and external analysis, respect for challenges, and emphasis on reflection and accumulation.

"Able travelers leave no ruts or tracks along the way" (Linnell, 2015, p. 40). People who follow *dao* are able to make their actions seem to be one with the environment. To achieve this goal leaders should have a comprehensive understanding of their organisation and environment. "To know others is wisdom; To know oneself is acuity

(*ming*)" (Ames & Hall, 2004, p. 128). Therefore, it is necessary to establish a system for analysing internal and external factors.

In addition, "he who is a virtuous person is the teacher of he who is not a virtuous person. He who is not a virtuous person is the resource of he who is a virtuous person" (Linnell, 2015, p. 40). No person or thing has absolutely positive or negative attributes. They can show value as long as they are guided. Therefore, wise leaders are reluctant to waste any resource. Strategic planning should also reflect their cherishing of all resources.

"Bringing proper order to a great state is like cooking a small fish" (Ames & Hall, 2004, p. 171). The most original causes, laws, and effects can be found in simple or small things because *dao* exists in the ordinary. Cooking a small fish seems much simpler than leading a great state, but they all use some similar methods of dealing with problems. For example, the production of each dish requires careful planning. Similarly, the development of each organisation also requires a complete strategy. Therefore, the text is a warning that leaders need to focus on reflecting on everything that has happened, which requires them to establish a system of reflection when planning for development. That ensures they can learn from experiences.

Cooking a dish is not easy and reflects the hard work of a chef in all aspects. He or she needs to take into consideration planning, material selection, knife work, heating, and serving, which shows that the success of anything requires continuous accumulation. Therefore, leaders should believe that the achievement of any goal is

the accumulation of step-by-step efforts. Their strategic planning should be in line with the organisation's realities and be down-to-earth rather than ambitious.

Wise leaders should be aware of many challenges and problems they may face. "There is no calamity greater than underestimating the enemy" (Ames & Hall, 2004, p. 186). Contempt is the root of failure, and constant vigilance is the foundation of success. It is more likely to keep all organisation members clear-headed in practice by showing sufficient attention to all issues from the formulation of the plan.

In short, Taoist philosophy suggests that leaders should incarnate the goal of cooperating and developing with all things in their strategy formulation, which is based on a complete understanding of internal and external factors. Furthermore, establishing a reflection system, cherishing resources, valuing accumulation, and being vigilant to all challenges should also be involved in planning.

9.5 Taoist Philosophy and Organisational Structure

The thinking about organizational structure stems from a metaphor in the *Tao Te Ching*, and it paints an ideal picture. A state has only a small population, and has ships and weapons but does not use them often. Citizens are well-dressed and well-fed. They are also unsophisticated in thought and reluctant to associate with others. The metaphor looks like some fantasy out of touch with reality. However, it can give readers some inspiration and caution about building organisations. It has some recommendations for teams, such as operating on a small scale, specialising the team, appointing experts as managers, and setting up flexible staffing.

"You want a small state with a minimal population" (Ames & Hall, 2004, p. 201). The "state" in this sentence is likely to refer to a part of a country, so perhaps it could imply that teams make up the organisation. Therefore, people can take inspiration from the text that the size of each team should not be too large.

Moreover, "though you have ships and chariots enough, have no reason to man them; Though you have armor and weapons enough, have no reason to parade them" (Ames & Hall, 2004, p. 201). Every team can cooperate and compete, but they will do these activities with caution because they are unwilling to interfere with the development of others. Therefore, the functions of a single group should not be too complex to avoid mutual influence in work. Building small and highly specialised teams may be the inspiration taken from the text.

Team members are able to devote most of their attention to pursuing their goals undisturbed by temptations such as wealth and status. That is because "(leaders) bring the common people back to keeping their records with knotted string" (Ames & Hall, 2004, p. 202). The literal meaning of "records with knotted string" refers to a way humans recorded before they had a writing system, but it implies the "abandon wisdom" mentioned in the previous motivation section. This phrase in the text refers to people reducing negative thoughts and behaviours caused by various enticements and doing what they can to achieve their ideals. It seems like a regression to bring individuals back to the "knotted string." Its purpose, however, is to enable everyone to resist the temptations including wealth and fame and then discover their true nature. Therefore, one requirement for organisational structure is to enable members to focus on their responsibilities without being distracted by other factors.

Furthermore, appointing experts as managers of a team can help reduce the impact of non-job-related factors on members. "Of those who would thus stand in for the master carpenter, few get away without injuring their own hand" (Ames & Hall, 2004, p. 193). When an amateur becomes the head of the group, it is hard for people to just focus on their job. Hence, it is necessary to avoid the influence of non-professionals on team operations and decision-making.

Another inspiration in the text is that the functions of the team are fixed, but the staffing is flexible. "The way of *tian* is like archers drawing their bows. To hit something high in the air, they pull the string downward; To hit something lower, they pull the string upward" (Ames & Hall, 2004, p. 202). It is not easy for an individual to identify their dreams in detail, and no one can guarantee that his or her goals will not change. Taoist philosophy requires leaders to create a suitable environment for followers to develop, so people should be allowed to do the job they want to do at any time. Thus, organisation members should be able to join different working groups to pursue their goals.

In sum, teams are the cornerstone of an organisation, and some metaphors in the *Tao Te Ching* can provide leaders with some inspiration on how to structure them. It also contains some basic requirements of Taoist philosophy, such as creating an environment for people to develop.

An ideal team operates on a small scale and has a high degree of specialisation. It has experts as managers to avoid decision-making and planning hindering team development. People focus on doing their duty, and they are also allowed to enter

different groups for their development. In addition, the ideal team can cooperate and even compete with other teams, but it will not interfere with the operation of others.

9.6 A Summary of Taoist Leadership

The goal of Taoist leadership is that everything is done with less action. This condition means that people can chase their goals under leaders' potential guidance, and the energy of resources can also be developed rather than damaged. In a sense, the content of the *Tao Te Ching* also revolves around this. This section summarises the previous discussion.

The contents of the *Tao Te Ching* do little to instil management skills and measures in leaders. It influences their worldview by leading them to explore the origins of the world and then promotes them to train their character traits spontaneously and consciously. After that, it leads them to combine these with reality to provide goals, recommendations, and warnings for human management activities. Therefore, leaders can often draw inspiration from Taoist philosophy, no matter their problem.

Indeed, the content of *Tao Te Ching* can influence people's behaviour by guiding their thinking, which is the embodiment of the philosophical nature of Taoist leadership. It focuses on giving individuals cognitive and managerial wisdom. It is able to help them clarify their personal goals and break the shackles of external factors such as fame, wealth, and judgments from others. It may also make them avoid extreme behaviour and be cooperative, and it even tries to make them accept developing themselves through the achievement of others.

The *Tao Te Ching* takes note of the diversity of human demands and desires. It advises leaders first to provide people with a stable source of life so that their energies can be focused on achieving their goals. However, not every follower can understand the essence of Taoist philosophy to pursue progress. Therefore, leaders who follow *dao* still need to put more effort into the development of their subordinates. The wise can go beyond action or inaction to find a balance between them.

Since the *Tao Te Ching* was written in ancient times, there are no direct discussions about organisational strategy and structure concepts. However, relevant descriptions can still help leaders. There are six steps to help people plan for the future of their organisation: identifying the goals, internal and external analyses, formulating and implementing strategies, and evaluating results. Managers can get inspiration for thinking.

For organisational structure, it was portrayed as a unique insight. Small and flexible teams are an essential element of an organisation. They are clearly positioned and coordinated without interfering with each other. Experts manage teams, enabling members to reduce the impact of conflicting decisions. In addition, people are also able to find the right place in the organisation according to their goals without being constrained.

Furthermore, Taoist leadership is not only helpful for leaders. It is more inclined to promote the development of thinking. It provides guidance on how individuals use their subjective awareness and learned skills. Therefore, people may feel that it can inspire them in many things.

9.7 Operationalising the *Dao*

I have discussed and demonstrated the leadership styles described in the *Tao Te Ching* and now I turn to how it connects with 21st-century leaders. In this section, I will attempt to address some contemporary management problems in the light of Taoist philosophy.

In one of his weekly essays for *The Atlantic* Warzel (2022) discusses Coinbase CEO Brian Armstrong's recent postings on his preferred social media platform, Twitter. Armstrong had criticised some of his employees, demanding their resignation for their disloyalty in complaining about his management style. Warzel notes that Coinbase had developed a scoring system for staff to give feedback on their peers in real time which served to increase internal conflicts. To date, the company has laid off 18% of its employees.

Three management issues can be addressed from Warzel's essay: people resigning to find more attractive work, micromanaging staff, and using social media as a managing tool. These problems were exacerbated due to the Covid-19 pandemic, even though they were already present before lockdowns. This section will discuss how leaders could use Taoist concepts to face these issues.

At Coinbase, 18% of employees were fired. However, it is not uncommon for employees to be forced out or to voluntarily leave their jobs. Geisler (2021), in his exploration of the so-called "Great Resignation", states that nearly 4 million workers in the United States of America resigned from their jobs in June 2021, and 48% of workers were considering finding new jobs. The phenomenon is that people resign to

look for more attractive work. Hughes (2022) believes that leaders are more inclined to hire skilled new employees than to train existing staff. The market is changing, and the continuous progress of science and technology makes enterprises have higher requirements for skilled workers. Hiring new skilled employees seems to be more efficient than training their staff. There are other factors that motivate employees to look for new work environments. Robertson (2021) states that several factors drive increased individuals' turnover intentions, such as unfair treatment, decreased sense of respect, frustrating work environment, work-life imbalance, increased work engagement, and uncomfortable leadership.

As at Coinbase, many staff in other companies are dissatisfied with their work environment and want to be on a more productive team. Disappointing leadership and a tense work environment with a real-time scoring system for staff to give feedback on their peers could become the drivers of increased turnover. Furthermore, leaders respond to subordinates' grievances by firing employees, which may also cause unaffected members to re-examine their willingness to stay in the company. Whether forced or voluntary, these all make for raised employee turnover and bring challenges to contemporary leadership.

High turnover is not consistent with *dao*. Taoist philosophy can inspire leaders to focus on the development of their followers, which means they need to create an environment for their employees to develop. Bosses who follow *dao* know how to contribute to their own goals by achieving others', so they can constantly gather the strength of others. They should present and provide opportunities for their subordinates to improve their skills.

In addition, enhancing a sense of belonging among members of an organisation is one of the keys to Taoist leadership. Leaders should get to know each of their followers and commit to helping them solve problems and difficulties in work and life. They also need to help each subordinate understand the irreplaceable role they play in the organisation and how any of their actions can affect the entire team.

Indeed, Taoist leadership's approach may increase the enterprise's costs, or it may not be easy to improve employee performance in the short term. However, as the *Tao Te Ching* explains the relationship between the world and all things: "The reason the world is able to be lasting and enduring is because it does not live for itself" (Ames & Hall, 2004, p. 86). The world nourishes the growth of all things, and in turn, all things set off the existence of the world. When employees can fully develop themselves and achieve their goals in the enterprise, they are willing to do their best to promote the progress of the organisation, which is a symbiotic relationship. In Taoist philosophy, everyone has their potential. Leaders guide people to contributing their energies to the organisation's progress continuously.

Therefore, the Coinbase CEO firing employees for disagreements is not consistent with Taoist philosophy. Leaders who follow the *dao* are able to provide followers with stable jobs and salaries. Then they establish communication mechanisms to ensure they can understand each member. They develop programmes for followers to pursue goals, solve difficulties, and integrate these with organisational development. They also help subordinates define their roles and show people how their work is trending in an environment of technological advancement. They are willing to provide

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employees with opportunities to upgrade their skills and continuously adjust the organisation to balance the impact of training.

Another issue that can be addressed in Warzel's (2022) essay is micromanagement by establishing a real-time scoring system among colleagues. Serrat (2017) believes that micromanaging staff refers to directing and controlling individuals, groups, or systems through unnecessary or excessive supervision or input. Leaders give subordinates clear tasks and frequently check on their progress. They usually set up close evaluation processes to monitor the work of their followers. Delgado, Strauss, and Ortega (2015) claim that it is a major factor affecting morale and reducing engagement, so this leadership style is considered negative. In the case of Coinbase, establishing a scoring system among colleagues for real-time feedback is the embodiment of this form of close supervision which results in poor performance.

Taoist philosophy can remind leaders that people need space for development. In *Tao Te Ching*, followers do not feel the control of the organisation by the most influential leaders. Bosses can accommodate the diversity of the organisational members like the ocean accommodates all rivers. They encourage subordinates to pursue goals and help them solve problems, but they do not interfere with the work of others.

"Only the person who accepts the misfortunes of the state is to be called its true kings" (Ames & Hall, 2004, p. 198). Leaders can take responsibility for the entire organisation and even endure things that ordinary people cannot bear to maintain the development of their members. They are willing to be the most solid backing for the organisation members rather than blaming their followers for mistakes or failures.

However, Coinbase's leader wants to discipline employees through strict oversight and layoffs. Not only does this discourage followers from reaching their potential, but the CEO seems more willing to hold people accountable than to help them share the risks.

Tolerating employees and taking the risk of mistakes or failure for them might make leaders appear incompetent. Nonetheless, power comes from ordinary things in Taoist philosophy. Bosses engage with people and lead them forward. Although followers do not feel that the leaders have control over the organisation, members are willing to act spontaneously to practise their guidance. That is the embodiment of power.

Therefore, leaders who follow the *dao* will avoid interfering with the daily work of their followers. They enable members to participate in decisions about their development and work and create an environment where people can voice their suggestions or discuss the difficulties they face. While subordinates make mistakes or experience failure, leaders should work with them to develop solutions. These support the development of employees and enhance their sense of belonging to the company.

Warzel's (2022) essay also noticed that the use of social media seems to be becoming an important part of contemporary leadership, and he calls this the "Elon Musk school of management." Matthews, Matthews, and Kelemen (2022) state that social media has billions of users and is also used by a wide range of leaders in organisational management. That shows that social media has become an important element in people's daily lives and is influencing contemporary leadership. However, leaders' use of it does not often have a positive impact. Pack and Wallace (2020) argue that

social media can also be a tool for deceiving and manipulating followers. Some leaders use it for packaging their own image of excellence and vision to attract admiration from others, which disconnects them from the everyday reality of their stakeholders. In addition, they sometimes criticise the professional work of others or even combine personal, status, and political attempts to gain power.

Social media has become a widely accepted communication tool, and it is positive that bosses use it to engage with their followers. Taoist philosophy can help remind leaders of their purpose in the use of social media. If they hope to contribute to the progress of the organisation by leading the development of their members, they will be more willing to communicate and understand people's daily work and difficulties rather than establish an image of detachment.

Moreover, Taoist leadership requires leaders to maintain humility and a low profile. They should not use glamorous things like fame and wealth to tempt their followers to work hard. Some contemporary leaders expect to use social media to present themselves as representatives of excellence or vision to be admired and imitated (Warzel, 2022). That could make employees forget their duties and use all means to pursue glamorous things. Therefore, the wise are more willing to show the progress achieved by the efforts of all members of the organisation and to lead them to find their own goals in further development.

Taoist philosophy may not help leaders to publicise their great achievements. However, leaders who create a humble and low-profile image for members can help reduce the negative effects of envy and jealousy. This way, followers are more willing

to focus on their responsibilities and create a harmonious working environment. In addition, the success of the work of the leaders is also highlighted when demonstrating the progress made across the organisation. Such propaganda does not require deliberate packaging and will not arouse the disgust of subordinates.

Unlike Elon Musk's leadership style as noted by Warzel, leaders who follow *dao* do not deliberately use social media to build their own image of excellence or vision. They can use social media to enhance communication with followers. They use this to understand people's needs and difficulties in their daily work and life. They are more willing to show the process of organisational development and the irreplaceable role each member plays in it.

In sum, Taoist leadership can inspire leaders to build cohesion among followers, which is the sense of belonging that has been mentioned repeatedly. They enable members to reach their full potential and contribute to the advancement of the organisation. It gives the illusion that leaders do not do much, and followers spontaneously push the team forward. That is how *dao* responds to many problems, such as resignations, micromanagement, and social media.

9.8 Perspectives on Contemporary Management Theories and Taoist Philosophy

Contemporary management theories have different emphases than Taoist philosophy. Some of them try to define the style of leaders, such as the managerial grid. Many go further and focus more on the behaviour of leaders, such as transactional, laissez-faire, and transformational leadership. Several studies aim to provide metrics for certain

situations, such as the job characteristics model. They all have one thing in common: most are responses to specific questions, enabling people to have more knowledge and skills to engage in managerial activities.

Taoist philosophy offers a different perspective. It does not focus on solving specific problems, nor does it give the measure of behaviours or style; neither does it propose professional skills. It is used to influence people's behaviour by guiding their thoughts because it can bring them a worldview to develop their thinking and character. As a result, leaders can often draw inspiration from it, no matter what their problem is. That may make it succeed where contemporary leadership theories are weak.

Perhaps a hypothesis can be proposed: A leader with knowledge of both Taoist philosophy and leadership theories is more likely to establish a virtuous management cycle. He or she can develop and use these theories under the guidance of the Taoist worldview.

In chapter four, I mentioned a story told by my father about Chef Ding. Now, I wish I could tell my father a different story: Chef Ding is now a leader in your work. He is humble, low-profile, flexible, tenacious, responsible, practical, and cooperative. He has a strong personal goal that always leads the team in the direction of development, and he is also eager to help his subordinates succeed. He can work hard to create space for you to play freely and focus on solving your life and work difficulties. You all feel a sense of belonging in his team; he embraces your differences and shares responsibilities with you. Here you can reach your full potential with little interruption.

These are, indeed, only assumptions, and they need to be further explored. Perhaps the content of *Tao Te Ching* has already had some influence on today's society, and research on this is also helpful in interpreting the contribution of Taoist philosophy to contemporary leadership.

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